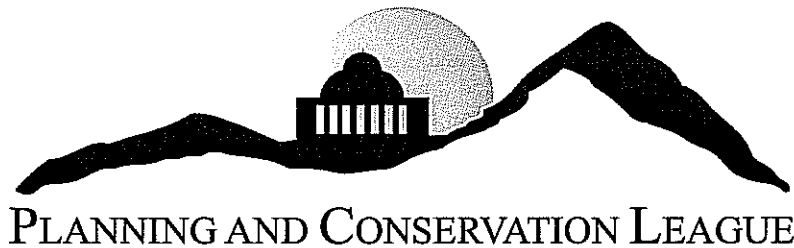


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February 7, 2008

Senator Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, D.C. 20510
Fax: (202) 228-3954

One Post Street, Suite 2450
San Francisco, CA 94104
Fax: (415) 393-0710

Dear Senator Feinstein,

The Planning and Conservation League (PCL) has appreciated your years of leadership in the area of water. As you know, California faces many water challenges, including adapting to climate change and solving the environmental and water supply reliability problems resulting from the conditions in the Delta. PCL and other stakeholders have dedicated our efforts to finding workable solutions in a very timely manner to these pressing problems. Through the Delta Vision and legislative efforts, we are moving closer to both short and long term projects that will be implemented with broad support.

Despite the progress being made in these processes, there are proposals that will divide the water community and distract committed stakeholders from working together toward needed solutions.

We understand that you are being asked to support the Chamber of Commerce's \$11.69 billion bond initiative. That initiative includes several divisive projects that would drive many stakeholders, including the environmental community, into an opposition mode. While there are clear and urgent needs for California, this effort is misdirected and would be disastrous for several reasons.

The initiative would cripple the cooperative, productive efforts (e.g. Delta Vision and legislative efforts) to address the Delta crisis and the need for reliable water. PCL and others have been working very closely with Phil Isenberg and the Blue Ribbon Task Force to identify and implement both short term and long term projects that will contribute to a sustainable Delta and provide water supplies for a vibrant California economy. We have also been working closely with Jim Levine of the Bay Area Council and we fully support his approach. Battling over a multi-billion dollar bond would occupy all of the attention of both supporters and opponents, create divisiveness, and end the progress being made through the Delta Vision process.

1107 9th Street, Suite 360, Sacramento, CA 95814 Phone: 916-444-8726 Fax: 916-448-1789

Website: www.pcl.org Email: pclmail@pcl.org

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The \$11.69 billion initiative focuses on providing billions in funding for contentious projects. As the California Water Plan demonstrates, we have better, faster and more cost-effective options, including water recycling, groundwater treatment and storage, and water use efficiency, to meet California's water needs without creating division among the water community.

The initiative includes new provisions that limit public and legislative oversight, such as continuous appropriation and new authority for a new water commission. These special conditions will draw strong opposition from the environmental community as well as others that are concerned about fiscal responsibility.

While disrupting progress and forcing stakeholders into traditional battle positions, this \$11.69 billion is ill timed for the ballot. We are concerned that such a divisive effort would ultimately succeed only in pushing interests further apart. Some factors to consider that will determine the success of the initiative include:

- The environmental community will engage in a strong opposition, given the potential environmental harm and the limited public oversight contained in the bond. Delta stakeholders will also oppose this bond, which they perceive as an immediate threat to the Delta and the Delta community. Together, these stakeholders would implement a targeted and tenacious opposition campaign leading up to the November elections.
- The public is more aware of environmental issues than ever before. The November elections will bring a large turnout of progressive Democratic voters who are environmentally minded. These voters are not likely to support an anti-environmental initiative. At the same time, Republican voters traditionally do not like bonds, especially during a budget crisis. It would be extremely difficult to get them to vote for a bond that would take three quarters of a billion dollars annually from the General Fund for thirty years.
- Opponents to an initiative have already indicated their willingness to ignite an opposition campaign with \$3 million to \$5 million. Other constituencies, such as disadvantaged communities, that would suffer from the annual \$760 million General Fund drain are likely to join in the opposition.
- Given the budget crisis, the funds available from Proposition 84, and environmental opposition, it is likely that the media, including editorial boards will not look favorably on a new bond. In fact, the legislative efforts at the end of 2007 resulted in editorial opposition. Editorial boards at major Northern and Southern California newspapers have a whole variety of new reasons (including the budget crisis) to oppose a multi-billion dollar, divisive initiative.
- The housing downturn and the deepening recession are already major issues in the election. By November voters will be feeling the full effects of the economic downturn.

- o Californians will have just witnessed a long and hard fought battle over the State budget and the deficit. Undoubtedly services needed by many Californians will face severe cuts in order to pass a budget. Education, public safety, health and fire services are just a few of the important resources that would be impacted by increasing the annual general fund debt service by three quarters of a billion dollars each year for the next three decades, with a new \$11.69 billion dollar bond.

This initiative measure will be especially destructive given that stakeholders are committed to quickly moving forward with solutions developed at the Delta Vision. In addition, several legislative efforts that address the Delta crisis are currently underway. A bond fight would stop this progress and set these efforts back for years to come. We would much prefer to continue working on solutions rather than go back to the entrenched fighting that drove us to the current crisis.

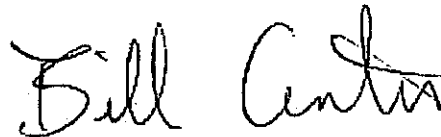
We respectfully urge you to reject the request for supporting the \$11.69 billion initiative. We also respectfully recommend that you consult with Phil Isenberg, Jim Levine and other members of the Delta Vision Task Force and stakeholder group to confirm that existing processes are producing real results to meet California's water needs.

Thank you for your thoughtful consideration of this matter. Please contact Mindy McIntyre at (916) 541-8825 with any questions.

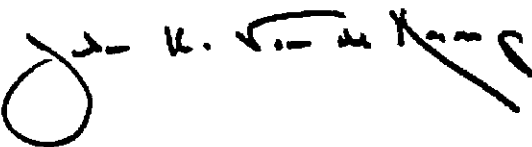
Sincerely,



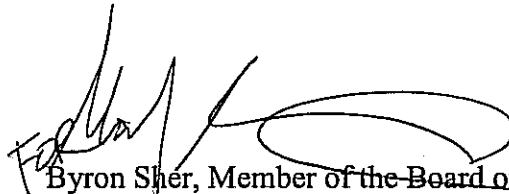
Traci Sheehan, Executive Director
Planning and Conservation League



Bill Center, President
Planning and Conservation League



John Van de Kamp, President Emeritus
Planning and Conservation League



Byron Sher, Member of the ~~Board of Directors~~
Planning and Conservation League

cc: John Watts