



GOVERNOR ARNOLD SCHWARZENEGGER

June 22, 2005

Little Hoover Commission
925 L Street, Suite 805
Sacramento, California 95814

Dear Chairman Alpert and Members of the Commission,

The California Bay-Delta is a tremendous ecological and economical asset that provides a significant portion of California's water supply as well as valuable habitat for scores of bird and fish species. It also represents a significant management challenge, balancing the need for habitat preservation and environmental protection with those for water supply and conveyance. Due to this challenge, the State of California, the federal government and various stakeholders joined together in 1994 to begin the creation of the CALFED Bay-Delta program.

While the CALFED Bay-Delta program has achieved many successes, it has struggled to meet the demands of the Record of Decision that established the original framework for the program. The situation going forward is further complicated by a financial model that is no longer sustainable given the condition of the State's General Fund. To ensure the long-term financial stability of the CALFED Bay-Delta program, I have instructed the Secretary of Resources to work with the Secretary of the California Environmental Protection Agency, the Secretary of the Department of Food and Agriculture, the Chairperson of the California Bay-Delta Authority and stakeholders to develop a strategy to stabilize public and private sector investment.

To address the public policy challenges facing this important program, I have called for an independent review of the CALFED Bay-Delta program. Given the Little Hoover Commission's history of providing valuable recommendations to improve the credibility and performance of government, as part of this review I would like to ask the Commission to undertake an examination of governance issues related to the CALFED Bay-Delta program and the proper role of the California Bay-Delta Authority and to prepare a report of findings and recommendations to improve the performance, and ultimately the public trust, in this essential program.

Sincerely,

A large, bold, handwritten signature in black ink, appearing to read "Arnold Schwarzenegger".

Arnold Schwarzenegger