



CITY OF OAKLEY
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September 13, 2002

MAYOR
Tinker Vanek

Dan Ray, Grants Officer
Ecosystem Restoration Program
CalFed Bay-Delta Program
1416 Ninth Street, Suite 630
Sacramento, CA 95814

VICE MAYOR
Jeffrey Huffaker

COUNCIL MEMBERS
Pat Anderson
Brad Nix
Carol Rios

RE: Dutch Slough Restoration Project

Dear Mr. Ray:

On May 9, 2002, I wrote to you to summarize the City of Oakley's position at that time on the Dutch Slough Restoration Project. I indicated the City's support for the funding, construction and operation of the Dutch Slough Project was conditional and listed the conditions in paragraphs a to h of my letter. A copy of my May 9, 2002 letter is attached. The City's conditional support included the execution of a memorandum of understanding with the property owners (the Emerson, Burroughs, and Gilbert families) as well as memoranda of understanding with the public agency and non-profit proponents of the project (the Coastal Conservancy, the Conservation Fund, the Natural Heritage Institute, and the Department of Water Resources).

Although the City prepared draft memoranda of understanding and sent them to the property owners, public agency, and non-profit proponents, to date none of the memoranda of understanding have been executed. Accordingly, the conditions for the City's support of the proposed Dutch Slough project have not been met. At its September 9, 2002 meeting, the City Council was unanimous in its position that the memoranda of understanding with the property owners, Department of Water Resources, Coastal Conservancy and Natural Heritage Institute must be executed before the City Council can support the project.

I have taken the time to describe the City's conditional support because the revised application focuses on local public support for the Dutch Slough Project without emphasizing the City of Oakley's conditional support for the project. (See, for example, pages 6, 19, 29, 38 and 40.) The City of Oakley has not just "expressed support for the Department of Water Resources to be the long-term land owner of the property" (page 40 of revised proposal) but has conditioned its support of the project on the Department of Water Resources being the long-term landowner of the property. The City Council has had significant concerns with the proposed project and believes it mandatory, and in the best interests of the residents of the area and the residents of the City of Oakley in particular, to have the Department of Water Resources as the long-term owner of the property.

Dan Ray, Grants Officer
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One of the most recent concerns and issues is that the City has received a newly revised proposal, containing a number of changes that have not been adequately dealt with from the City's perspective. For example, the revised proposal assumes that extensive grading will be necessary on the Gilbert parcel. Fifty of the 63 acres, which are proposed to be deeded to the City of Oakley, will be used by the City for a community park. The 50 acres are part of the Gilbert property. The City believes that for the safety of the users the park should be located on land that is at least as high in elevation as proposed 50-acre site. For this reason, the City does not want any of the 63 acres slated for the City's ownership to be used as fill for the balance of the property, yet the City has no assurance that this will occur.

It is crucial for CalFed to understand that the City Council's position is: the Memoranda of Understanding with the property owners, Department of Water Resources, Coastal Conservancy and Natural Heritage Institute must be executed before the City can support the project. Many months have passed without completion of any of the Memorandums of Understanding.

The City Council meets again on September 23, 2002. We believe the Council will be able to consider approval of the MOU with the property owners at that time. It is our hope to be able to consider approval of MOU's with the Co-applicants at that time or, at the latest, at our October 14 meeting.

If you have any questions regarding the City's position on the Project, please do not hesitate to contact me.

Sincerely,



Tinker Vanek
Mayor
City of Oakley

EHS:rja
Enclosure: May 9, 2002 letter

cc: City Councilmembers
Michael Oliver, City Manager
Elizabeth H. Silver, City Attorney
Nancy Schaeffer, Conservation Fund
Mary Small, Nature Conservancy
John Cain, Natural Heritage Institute
Curt Schmutte, Department of Water Resources
David Gold, Esq., Morrison & Foerester

The Committee to Save Our Shoreline

P.O. Box 523, Oakley, CA 94561

925-625-7467

August 30, 2002

Mr. Dan Ray
CALFED Bay-Delta Program
1416 9th Street, Suite 630
Sacramento, CA 95814

Re: The Dutch Slough Tidal Marsh
Restoration Project, Proposal # 30

Dear Mr. Ray:

We have reviewed the Revised Dutch Slough Tidal Marsh Restoration Project. It is shocking to see how the proponents are misleading the Selection Review Panel and how little they care about the financial well being of our community.

The proponents have ignored the recommendation of the Selection Panel in obtaining The City of Oakley's support. The proposal mentions the City's support numerous times and even states they have worked diligently with the City over the past 10 months. The truth is, the City of Oakley has not heard from the proponents since May. Many of the issues addressed in the City's letter to you, dated May 9, 2002, have **not** been guaranteed or finalized. The City's approval was conditioned on the proponents meeting all of the conditions listed. None of the MOU's mentioned in the proposal have been drafted. Can or will CALFED guarantee those MOU's be executed if the project is funded? Can or will CALFED guarantee all of the conditions are met if the project is funded prior to the City obtaining finalized guarantees? The City was not partnered in the preparation of the revised proposal and only received copies of it within the past week. This is how the City found out about the original proposal, without warning. Why can't the proponents be up front and honest with the City of Oakley and its' residents?

The revised proposal ignores the financial impact to the City of Oakley as did the original proposal. The proposal covers the land being zoned for economic development and stresses the fact that acquiring the land will prevent urbanization. It does not mention the Financial Impact Study, which reports the loss of millions of dollars to our community. Oakley's annual budget is only \$4.1 million. The proposal states the site is not in agricultural heart of the Delta and is not prime farmland. What does this have to do with the negative impact to our community? The land is zoned for economic development and comprises around 20% of the land mass within Oakley's city limits. Properly developed it would provide economic benefit to Oakley as well as more public access than is shown on the proposal.

The revised proposal does not outline any funding for the proposed amenities. This was one of the major items brought forth in the very beginning. Why isn't this being addressed?

The disdain for our community, as well as the Selection Panel, is revealed in their comments concerning the \$7.1 billion sport fishing industry and \$85.4 billion generated in the U.S. by individuals who feed birds or observe and photograph wildlife. Do the proponents truly believe that we can be misled by these statements? They need to explain how this shallow water tidal marsh without boating or public access is going to entice sport fishers to spend money in our community. They also need to explain how Oakley will benefit from individuals wanting to feed, observe and photograph wildlife. Public access is being limited to a trail and community park. The 8 acres at the end of Jersey Island Road has high voltage power lines running through it making it unsuitable for any meaningful development..

Their solutions to the concerns of the Contra Costa Water District are also revealing. They mention cost-sharing to line canals or install a pipeline. In our preliminary investigation with CCWD they confirmed some discussion with the proponents; however, nothing has been finalized. Cost-sharing solutions bring many questions to mind that need answering:

- What are the costs of these solutions?
- What is the cost-share split?
- Why would rate payers want to share the costs? CCWD has some of the highest water rates in the country now.
- Why wouldn't the proponents pay the entire cost?
- Why isn't this cost in their proposed budget?

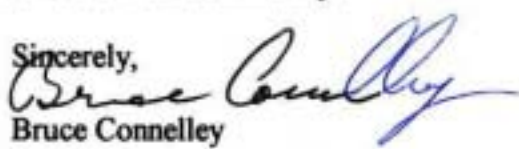
Are all those Knightsen residents ready to cost-share for sewer hook ups when they have functioning septic systems?

Our organization questioned the proponents and brought to the public's attention the potential of this project being a mosquito breeding ground within Oakley's city limits. The Contra Costa Mosquito Control Vector cannot comment until an Environmental Impact Report is completed. Why hasn't this issue been addressed in the revised proposal? Is our City going to become a breeding ground for mosquitoes? Will all the wildlife and birds attracted to the Dutch Slough area increase the risk of West Nile Virus to the citizens of East Contra Costa County? Will the proponents camp out in this area to assure local residents there is no risk?

Much has been written about the need for public support for this project. Negotiations between the proponents, CALFED and the City of Oakley have been kept confidential. It is now time for all negotiations and related documents to be opened to the public for review. It is only fair that the citizens whose lives will be affected the most be given the opportunity to scrutinize every aspect of the Dutch Slough Tidal Marsh Restoration Project. CALFED should delay any funding decision until this matter is fully in the open

and an informed public can make a well thought out and rational decision. No more secrets, the outcome will have a profound and prolonged effect on our community.

Sincerely,


Bruce Connelley
Chairman