

DEPARTMENT OF WATER RESOURCES

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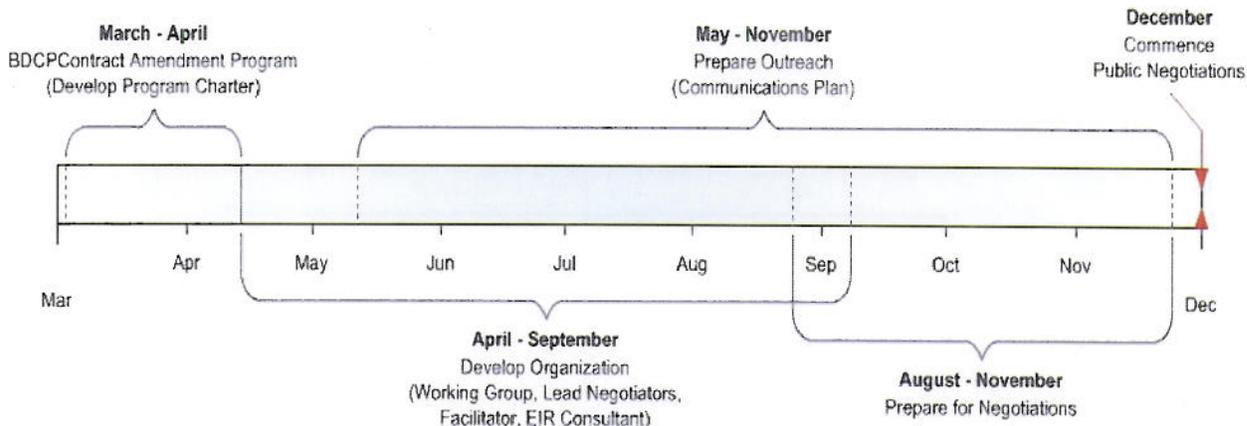
April 2, 2014

Mr. Robert A. Perreault, Jr.
 Plumas County Lead Negotiator
 Contract Extension Project
 1834 East Main Street
 Quincy, California 95971-9795

Dear Mr. Perreault:

This is in response to your letter of February 21, 2014, regarding the State Water Project Contract Extension Objective 4 to establish voluntary participation in the implementation and financing of Bay Delta Conservation Plan (BDCP) and BDCP Conservation Measure 1 (CM1). We understand your position and desire to have the contract extension Agreement in Principle and subsequent contract amendments limit each contractor's obligation to fund any implementing and related CM1 projects to only those Public Water Agencies that agree to participate and fully fund those projects.

The Department of Water Resources (DWR) is committed to considering this objective and believes it's in the best interest of all State Water Project Contractors to move forward with Objectives 1 through 3 in the current contract extension efforts in order to facilitate the continued effective financing of the State Water Resources Development System. Objective 4 will be addressed in a separate negotiation process in the near future to develop an amendment for the SWP water supply contracts for purposes of determining funding of the BDCP and CM1. The projected implementation schedule for these negotiations is as follows:



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Again, DWR fully recognizes that it is your priority to have Objective 4 vetted in a public contract negotiation process, and we are committed to incorporating this as the first objective in the BDCP and CM1 public negotiations. We look forward to your continued participation in the current and upcoming negotiations.

Sincerely,



Carl A. Torgersen
Deputy Director

cc: Mr. Paul Gosselin, Director
Butte County Water and
Resource Conservation
308 Nelson Avenue
Oroville, California 95965-3398

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