



May 16, 2016

CWFhearing@waterboards.ca.gov via Email

Hearing Chair Tam Doduc Hearing Officer Felicia Marcus State Water Resources Control Board P.O. Box 100 Sacramento, CA 95812-0100

Re: Status Report Regarding Hearing on California Waterfix Water Rights Change Petition

Dear Hearing Chair Doduc and Hearing Officer Marcus:

The California Department of Water Resources (DWR) and U.S. Bureau of Reclamation (Reclamation) (jointly Petitioners) respectfully submit this status report to the State Water Resources Control Board (Board) consistent with our March 28 letter requesting a continuance on the Change Petition hearing and the Board's April 25 ruling. In our letter Petitioners indicated we would provide updates on the status of settlement agreements, potential proposed permit conditions, and any additional modeling in support of the project description.

On March 24, 2016 DWR and Contra Costa Water District (CCWD) entered into the Agreement for Mitigation of Impacts to CCWD from Construction and Operations of the Bay Delta Conservation Plan/CWF. (See website: http://www.ccwater.com/317/Bay-Delta-Conservation-Plan-Comments.) The Agreement provides mitigation under CEQA for potential effects of the CWF on CCWD. Pursuant to the Settlement Agreement, CCWD submitted a letter on March 29, 2016 to the Board withdrawing its protest of the Change Petition along with any and all materials submitted by CCWD in connection with its Protest.

Although DWR is currently negotiating with several other protestants through confidential discussions, none have reached final agreement at this time. In addition, Reclamation has begun to discuss the potential for settlements with contractors/protestants. Petitioners are committed and willing to engage other protestants interested in similar discussions to resolve additional protests.

Petitioners do not have any proposals at this time for potential permit conditions. We note though, that D-1641 and other applicable Board decisions and orders already contain many terms and conditions

protective of legal users of water. Petitioners may suggest permit conditions after the benefit of testimony from other parties.

Finally, as part of testimony to be submitted on May 31, Petitioners will present updated modeling relating to the proposed project and modeling on an adaptive operational range for the Board's consideration of potential injury to other legal users of water. Upon request, Petitioners will make available to parties the model study package used for the modeling (please contact Nicole Darby at Nicole.Darby@water.ca.gov).

Sincerely,

Senior Attorney

Office of the Chief Counsel

CA Department of Water Resources

Amy L. Aufdemberge

Assistant Regional Solicitor Office of the Regional Solicitor U.S. Department of the Interior

cc: Electronic Service

Tom Howard, Executive Officer, State Water Resources Control Board Michael Lauffer, Chief Counsel, State Water Resources Control Board Electronic service list, May 13, 2016.

Personal Service via U.S. Postal Service Suzanne Womack and Sheldon Moore Clifton Court, L.P. 3619 Land Park Drive Sacramento, CA 95818