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Mr. Robert Cooke, Chief Department of Water Resources State Water Project Analysis Office P.O. Box 942836 Sacramento, CA 94236-0001

Dear Mr. Cooke:

At the Business Committee meeting held on October 16, 2014 the Kern County Water Agency (Agency) received official notice that the Bay Delta Conservation Plan (BDCP) and the Delta Habitat Conservation and Conveyance Program (DHCCP) are projected to exceed the confirmed funding available to those projects under the Agreement for Supplemental Funding Between the Department of Water Resources and Kern County Water Agency (Agreement).

At that meeting, representatives of the Agency stated their objection to new or amended task orders for the BDCP or the DHCCP that could cause the project to exceed the funding available under the Agreement. The Agency's objection was noted; however, the Department of Water Resources (DWR) chose to proceed with approval of task orders which, if fully carried out, will exceed the funding available to the BDCP and DHCCP under the Agreement.

The Agency is notifying DWR that any BDCP or DHCCP costs that exceed the funding provided by the Agreement are not chargeable to the Agency in any form, including as a charge against funds available to DWR under Article 51(e) of the Water Supply Contract Between the State of California Department of Water Resources and the Kern County Water Agency.

If you have any questions regarding this letter, please contact me or my staff.

Sincerely,

James M. Beck General Manager

cc: Mark Cowin Chuck Gardner

Rec'd - 12/16/2014 CCTS: 4035 Copy to Binder Original to File Rob C. Craig T. Paul M