



would ask the Districts to work with your landowners to take extraordinary conservation measures this irrigation season so more water can be left in storage at New Melones into the fall.

Unfortunately Reclamation does not have funds at this time to directly pay the districts and/or their landowners to conserve water, but if the Districts were to undertake an aggressive water conservation effort, Reclamation would agree to hold the conserved water in storage into the 2015-16 water year. By the end of this water year, Reclamation may have secured funding to purchase the conserved water from the Districts for CVP project purposes, or if the Districts were able to reach agreement with CVP contractors to purchase the conserved water, Reclamation would assist to effectuate a water transfer in a manner that could also help meet our river flow needs.

If we were to enter into an Operations Agreement for 2015, Reclamation would propose that the water conserved would be treated separate, and apart from, any water supply made available to the Districts under the 1988 Stipulated Agreement, and the conserved water could be used in a year to exceed the amount made available under the 1988 Agreement for that year. Our initial thinking is that the conserved water would be made available to the Districts after all in-river needs are met and after the Districts' supplies under the 1988 Agreement are satisfied, but before any other use or condition.

An Operations Agreement could also cover the extreme situation were Reclamation may have a need to access the 2015 conserved water to meet instream flow releases before the majority of the 2015-16 water year runoff reaching New Melones. If Reclamation were to use the conserved water and was not able to repay the water in water year 2015-16, that quantity would be carried over until it could be repaid. In any case, the Districts would not charge Reclamation for the use of the conserved water. Nor would Reclamation charge the Districts for storing the conserved water.

We realize that planning for large scale conservation efforts takes time on the part of the Districts, and we appreciate your efforts to assist Reclamation in managing through the current drought. Please contact me your earliest convenience to discuss the concepts outlined above. I can be reached at (916) 979-2199.

Ron Milligan