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March 29, 2000

Via Facsimile #(916) 654-9780
and e-mail to jacobsen@water.ca.gov

Peter Jacobsen
Cal Fed Bay-Delta Program
1416 9th St., Suite 1155
Sacramento, CA 95814

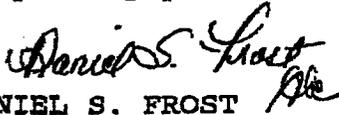
Re: The McConnell Foundation - Townsend Flat

Dear Mr. Jacobsen:

I represent The McConnell Foundation, who is the majority shareholder of the Townsend Flat Water Ditch Co. It is my understanding that funds were previously approved by Cal Fed for the preparation of a feasibility study to remove and replace Seltzer Dam on Clear Creek in Shasta County, California. An agreement in principal has recently been reached between the parties including Townsend Flat, the United States Bureau of Reclamation, and the California Department of Fish & Game which we believe will result in the permanent removal of Seltzer Dam. Accordingly, we request that the expenditure of the funds be reauthorized for the purpose of meeting the costs of implementing the agreement for dam removal.

Thank you for your courtesy and cooperation. Please feel free to contact me if you have any questions.

Very truly yours,


DANIEL S. FROST

DSF/alc
cc: Jeff Swanson
Steve Hirsch