

**CALFED
BAY-DELTA
PROGRAM**

1416 Ninth Street, Suite 1155
Sacramento, California 95814

(916) 657-2666
FAX (916) 654-9780

November 5, 1998

John Schramel, Chair
Feather River Coordinated
Resources Management
P.O. Box 3880
Quincy, CA 95971

Dear Mr. Schramel:

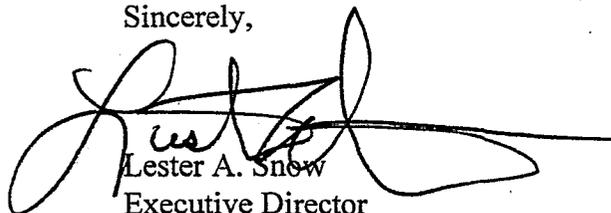
Thank you for your letter of October 22, 1998, and we apologize for delay in responding to your earlier letter. Your main question related to Category III funding for watershed projects above major dams in the Central Valley.

As you probably know, in the last solicitation Category III funding requests exceeded available funds by approximately ten to one. We continue to use an objective technical review process to carefully select proposals using the criteria in the solicitation package. We have also set priorities that reflect the need to address the most critical issues in these early stages. These priorities generally focus on fish species that are dependent on the Delta including salmon, steelhead, and Delta smelt.

In the latest round, for the Local Watershed Stewardship topic, we did not require applicants to address the priority species and habitats in order to foster watershed stewardship throughout the Bay-Delta ecosystem. Two projects in the upper watershed were selected under this funding topic. We recognize that this level of funding may not meet everyone's expectations and will consider these issues in subsequent funding processes.

If you have any questions about the overall CALFED Watershed Management Program, please contact John Lowrie. If you have any specific questions about Category III, please contact Cindy Darling. They can both be reached at (916) 657-2666.

Sincerely,



Lester A. Snow
Executive Director

CALFED Agencies

California The Resources Agency
Department of Fish and Game
Department of Water Resources
California Environmental Protection Agency
State Water Resources Control Board

Federal Environmental Protection Agency
Department of the Interior
Fish and Wildlife Service
Bureau of Reclamation
U.S. Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
Department of Commerce
National Marine Fisheries Service