February 1, 2006

US Army Corps of Engineers
1325 J Street
Sacramento, CA 95814-2922

Dear Sirs;

The Reclamation District #554 is hereby submitting its interest in the levee improvement project for the Sacramento-San Joaquin Delta. The basic information follows:

**Name and purpose:** RD #554 Infrastructure Improvement Project. The purpose is to strengthen the levee and reduce risk of flooding in the expanding community of Walnut Grove.

**Location:** 2.2 miles of Reclamation District #554, Walnut Grove, Sacramento County.

**Problems:** Potential flooding and erosion in a populated area.

**Opportunities:** Improve water conveyance and erosion by strengthening the levees and to improve internal drainage. RD #554 also is a line of defense for Tyler Island.

**Project Description:** Reduce risk from flooding by strengthening the 2.2 miles of levees surrounding Walnut Grove.

**Point of Contact:** Bruce Pisoni @ (916) 776-1945, PO Box 984, Walnut Grove, CA 95690

**Amount of Project:** $100,000.

Please contact RD #554 for any further information.

Sincerely,

[Signature]

George "Tim" Wilson
February 1, 2006

Colonel Ronald N Light
District Engineer
Sacramento District
US Army Corps of Engineers
1325 J Street
Sacramento, CA 95814

Dear Colonel Light,

This letter conveys the Reclamation District #554's intent to participate in feasibility studies and other actions in the development of the Reclamation District #554 Infrastructure Improvement Project as the non-Federal sponsor consistent with the CALFED Bay-Delta Authorization Act (Public Law 108-361).

The Reclamation District #554 understands that the type, cost, and scope of actions will be determined and specified later if selected for development and/or implementation pursuant to the Act. The Reclamation District #554 also understands that if our project is approved for implementation, we will be responsible for sharing the cost of planning, designing, and implementation of the project with the US Army Corps of Engineers; provided all necessary lands, easements, rights-of-way, relocations, excluding railroads, and suitable borrow and dredged or excavated material disposal areas; and accomplishing operation.

Please note that this letter of intent is not an obligation of funds. We look forward to working with the US Army Corps of Engineers, the State of California, and other pertinent CALFED agencies and stakeholders on this important project.

If you have any questions, you may contact me at (209) 993-0157.

Sincerely,

[Signature]

George "Tim" Wilson
This area protected from the one percent annual chance (100-year) flood by levee, dike, or other structures subject to possible failure or overtopping during larger floods.