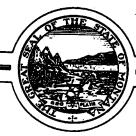
RESERVED WATER RIGHTS COMPACT COMMISSION



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STATE OF MONTANA

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Tara DePuy Jack Salmond Representative Matt McCann Representative Cindy Younkin

June 21, 2001

Mr. D. Fred Matt, Chairman Confederated Salish and Kootenai Tribes P.O. Box 278 Pablo, MT 59855

Dear Chairman Matt:

We have received your letter dated June 13, 2001 along with the Tribes' "Proposal For Negotiation of Reserved and Aboriginal Water Rights in Montana."

As we indicated at the negotiating session in September 2000, our negotiating team and staff will need to spend some time analyzing and discussing the proposal, perhaps with some follow-up clarification/questions for your staff.

The next regularly scheduled meeting of the full Reserved Water Rights Compact Commission is in August. At that time we will discuss the issues you raise regarding public involvement, press communications, etc., and anticipate responding to your procedural suggestions after that meeting. As we also indicated last September, we do not anticipate providing any response to the substance of the proposal until we have had an adequate opportunity to solicit the views of the interested public in the area.

We appreciate the time and thought that went into your proposal and we commit the Compact Commission to a thoughtful response in return. Attached is the list of Commission members who will serve on the State's Negotiating Team.

Sincerely,

Chris Tweeten, Chairman

Reserved Water Rights Compact Commission