

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Office of the General Manager

November 30, 2009

Ms. Lorri Gray-Lee
Regional Director
United States Department of the Interior
Bureau of Reclamation
P.O. Box 61470
Boulder City, NV 89006

Dear Ms. Gray-Lee:

MWD Storage of Unused Nevada Apportionment in 2009

Recently, you received letters from both the Central Arizona Project (CAP) and Southern Nevada Water Authority (SNWA) regarding plans for the creation of Intentionally Created Surplus (ICS) and interstate banking arrangements for the remainder of 2009. Those letters were the result of discussions among our agencies and your staff as to how to cooperatively manage our water supplies to meet each of our agency's needs as we close out the year. The Metropolitan Water District of Southern California (Metropolitan) appreciates the efforts of your staff to help us reach a mutually acceptable solution.

In echoing the points made in the other agency letters, Metropolitan and SNWA have implemented aggressive urban conservation activities to reduce demands for water and implement extra-ordinary conservation projects which qualify as ICS under the Interim Guidelines. As you are aware, we have not yet completed procedures regarding the implementation of the ICS program, including the process to review and approve ICS plans. As of today, SNWA's plan has been approved and Metropolitan is awaiting approval of its ICS plan.

With respect to interstate banking arrangements, SNWA had requested that Metropolitan store 60,000 acre-feet of unused basic apportionment in 2009. After receipt of that letter, we learned that salinity concerns regarding deliveries to Mexico have resulted in reduced pumping in the Yuma area that could affect the amount of water available to CAP this year. After discussions with SNWA and CAP, we all agreed that some of SNWA's basic apportionment would be stored in Arizona, with the balance being stored by Metropolitan. As such, pursuant to Section 3.2 of the 2004 Storage and Interstate Release Agreement, Metropolitan has agreed to take delivery of up to 60,000 acre-feet of Nevada's basic apportionment, with the exact amount to be determined at the end of the year.

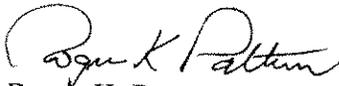
We will need Reclamation's continued collaboration and leadership to help us accomplish our goals and effectively manage our water supplies. We all recognize that factors beyond our

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control may impact our current plans, so we encourage Reclamation to provide up-to-date information as we close out 2009. We also encourage Reclamation to develop ICS procedures to help guide the ICS approval process in upcoming years.

If you have any questions regarding this matter, please contact Mr. Bill Hasencamp of my staff at (213) 217-6520.

With best regards,



Roger K. Patterson
Assistant General Manager

HMR:jc

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