



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Office of the General Manager

December 27, 2010

Mr. Steven B. Robbins
General Manager/Chief Engineer
Coachella Valley Water District
P.O. Box 1058
Coachella, CA 92236

Dear Mr. Robbins:

Agreement for Delivery of Exchange Water at the Whitewater Service Connections

This letter is in response to your request, pursuant to the October 10, 2003 Delivery and Exchange Agreement between Coachella Valley Water District (Coachella) and the Metropolitan Water District of Southern California (Metropolitan), for delivery of water at the Whitewater Service Connections.

The Delivery and Exchange Agreement provides that Metropolitan will deliver to Coachella up to 35,000 acre-feet of State Water Project water (Entitlement Water), which is to be exchanged with Metropolitan for an equal amount of Colorado River water (Exchange Water). In September 2009, Coachella requested, and Metropolitan accepted, the 2010 delivery of Exchange Water in the amount of 10,000 acre-feet. In July 2010, Coachella requested that Metropolitan deliver this Exchange Water at the Whitewater Service Connections pursuant to Section 2.6 of the Delivery and Exchange Agreement. As noted in the Exchange Agreement, Metropolitan is not required to deliver the Exchange Water unless it determines that its own needs to use the Colorado River Aqueduct allow for such delivery.

In response to Coachella's request, Metropolitan has determined that it is able to make delivery of the Exchange Water in 2010 to the Whitewater Service Connections. As provided in the Exchange Agreement, Coachella is to make a "cost of supply payment" for the Entitlement Water calculated using the formula described in Section 2.7 of the Delivery and Exchange Agreement. For 2010, the cost of supply payment for Entitlement Water is \$170 per acre-foot. In addition, Coachella is to pay Metropolitan for the supplemental energy cost for delivery of the Exchange Water to the Whitewater Service Connections in accordance with Section 2.9 of the Delivery and Exchange Agreement. For 2010, Metropolitan has calculated the supplemental energy cost to be \$100 per acre-foot. Therefore, the total payment due to Metropolitan for delivery of the Exchange Water to the Whitewater Service Connections will be \$270 per acre-foot this year.

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If you accept, on behalf of Coachella, the terms set forth in this letter agreement for the delivery of 10,000 acre-feet of Exchange Water at the Whitewater Service Connections, please acknowledge your acceptance by signing below and returning this letter to me at your earliest convenience. Upon receipt of your acceptance, Metropolitan will send an invoice to Coachella for the payment amounts set forth in this letter agreement.

Sincerely,



Jeffrey Kightlinger
General Manager

ACCEPTED AND AGREED TO



FOR Steven B. Robbins
General Manager/Chief Engineer
Coachella Valley Water District

Date: 12-28-10

WH:rrw