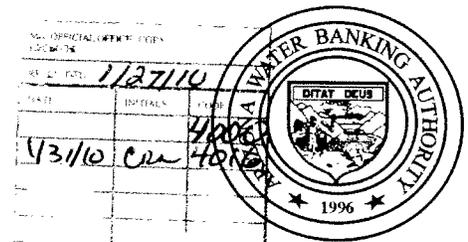


Arizona Water Banking Authority

3550 N. Central Avenue, Phoenix, Arizona 85012

Telephone 602-771-8487

Fax 602-771-8685



January 25, 2010

U.S. Department of the Interior
Bureau of Reclamation
Lower Colorado River Regional Office
Ms. Lorri Gray-Lee, Regional Director
P.O. Box 61470
Boulder City, Nevada 89006

RE: Revised estimate of the recovery and development of Intentionally Created Unused Apportionment for 2010

Dear Ms. Gray-Lee:

This letter supercedes our letter of December 30, 2009 reporting on the estimate of development of Intentionally Created Unused Apportionment (ICUA) for calendar year 2010 pursuant to the amended letter agreement between Metropolitan, CAWCD and the AWBA. The first sentence of the second paragraph in the 12/30/09 correspondence incorrectly estimated 8,663 acre-feet of long-term storage credits (LTSCs) remaining to be recovered by CAWCD on behalf of Metropolitan. The actual amount of LTSCs available for recovery by CAWCD in 2010 is 8,159 acre-feet. Please replace this letter with the letter dated December 30, 2009.

This correspondence provides the Arizona Water Banking Authority's (AWBA) notice to the U.S. Bureau of Reclamation of the development of ICUA for calendar year 2010 pursuant to the amended letter agreement dated December 11, 2007 between the Metropolitan Water District of Southern California (Metropolitan), the Central Arizona Water Conservation District (CAWCD), and the Arizona Water Banking Authority (AWBA). The amended letter agreement recognizes the CAWCD is responsible for the recovery and/or exchange of LTSCs and the AWBA is responsible for the creation of ICUA.

Metropolitan has requested that CAWCD recover the remainder of its LTSCs in 2010. Based on CAWCD's actual 2009 recovery of 27,504 acre-feet of LTSCs, the total LTSCs available for recovery by CAWCD in 2010 is 8,159 acre-feet. CAWCD has notified the AWBA that this amount of CAP water will be available for the creation of ICUA. CAWCD will recover LTSCs from wells located within three irrigation districts in Pinal County, Arizona: Maricopa-Stanfield Irrigation & Drainage District (MSIDD), Central Arizona Irrigation & Drainage District (CAIDD), and Hohokam Irrigation and Drainage District (HIDD). In addition, CAWCD may use the credit exchange method to exchange credits with the Central Arizona Groundwater Replenishment District (CAGR) in lieu of CAGR receiving CAP water.

The amount of ICUA to be created shall be equal to the amount of LTSCs to be recovered and/or exchanged. This notice is in accordance with the requirements of 43 C.F.R. Part 414 Offstream Storage of Colorado River Water and Development of and Release of Intentionally Created Unused Apportionment.

Please do not hesitate to contact me if you require additional information.

Sincerely,

A handwritten signature in black ink that reads "Kim Mitchell". The signature is written in a cursive, flowing style.

Kim Mitchell, Manager
Arizona Water Banking Authority

cc: Mr. Terry Fulp, Bureau of Reclamation
Mr. Roger K. Patterson, Metropolitan Water District of Southern California
Mr. David Modeer, Central Arizona Water Conservation District
Mr. Larry Dozier, Central Arizona Water Conservation District
Mr. Herbert R. Guenther, Arizona Water Banking Authority
Ms. Kay Brothers, Southern Nevada Water Authority
Mr. McClain Peterson, Colorado River Commission of Nevada
Mr. Gerald "Jerry" Zimmerman, Colorado River Board of California
Mr. Harry Ruzgerian, Metropolitan Water District of Southern California