

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA  
and SOUTHERN NEVADA WATER AUTHORITY**

November 8, 2010

Ms. Lorri Lee  
Regional Director  
Bureau of Reclamation  
Lower Colorado Region  
PO Box 61470  
Boulder City, Nevada 89006

Dear Ms. Lee:

On behalf of the Metropolitan Water District of Southern California (MWD) and the Southern Nevada Water Authority (SNWA), we are writing to express our commitment to implement actions to enhance storage in Lake Mead this year. As you are keenly aware, the Colorado River is in the midst of an 11-year drought that has resulted in significant depletions of water stored in both Lake Mead and Lake Powell. According to the current projections by your agency, there is greater than a 1 in 4 chance the first-ever shortage declaration may occur in the Lower Basin of the Colorado River within the next two years. At the same time, ongoing conservation efforts and reduced demands in the lower Colorado River Basin may result in unused Colorado River water being available this year pursuant to Article II(B)(6) of the Consolidated Decree. We see this as an opportunity to help alleviate drought conditions and potentially reduce the likelihood of shortages in the near future.

Over the last several years we have worked diligently with the Bureau of Reclamation and other entitlement holders on the Colorado River to stretch available water supplies. These efforts have included partnering in interstate water banking programs, financing the pilot run of the Yuma Desalting Plant, the construction of the Warren H. Brock Reservoir and aggressive conservation efforts in both of our service territories. MWD and SNWA have also implemented conservation programs to create Intentionally Created Surplus (ICS). This has resulted in the storage of over 100,000 acre-feet of water in Lake Mead. Additionally, we plan to store additional ICS credits in Lake Mead this year.

While these efforts have preserved and enhanced water supplies within the Lower Basin, we believe that additional measures to conserve water supplies and protect against shortages are necessary and available. At this time it appears that not all the water apportioned for use within Nevada will be consumed this year. If that is the case, Nevada's water would be available for release to another state pursuant to Article II(B)(6) of the Consolidated Decree. The availability of any unused water is still dependent upon a number of factors, including decisions by our agencies regarding interstate water banking programs and mutual Intentionally Created Unused Apportionment (ICUA) arrangements.

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If, in fact, any unused water becomes available this year, MWD and SNWA urge you not to reallocate the water to another entitlement holder but rather to leave the water in Lake Mead for the overall benefit of the Colorado River system and the millions of people who are reliant upon the system.

As you are aware, the *Lower Colorado Region Policy for Apportioned but Unused Water* provides that during an operating year:

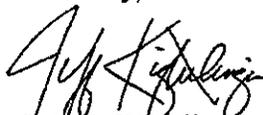
In making the determination that unused water is available and will be reallocated, the Secretary will consider all relevant factors including but not limited to, the current storage conditions in Lake Mead and Lake Powell, the projected depletions in the Upper Basin, the Lower Basin, and Mexico for the operating year, the projected inflows into the Upper Basin and Lower Basin for the operating year, the water supplies available to the entitlement holders, and the likelihood of future determinations of a Shortage Condition.

We believe that the clear balance of these factors, particularly the storage conditions in Lakes Mead and Powell and the likelihood of future determinations of a Shortage Condition, weighs heavily in favor of retaining any unused water in Lake Mead this year for the overall benefit of the river system.

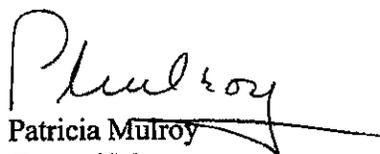
As the year progresses and we finalize decisions regarding the creation of ICS and ICUA, we will provide you with more detailed information regarding the projected quantity of any unused water.

Thank you for your time and attention in this matter. Please contact us directly with any questions or concerns.

Sincerely,



Jeffrey Kightlinger  
General Manager  
Metropolitan Water District  
of Southern California



Patricia Mulroy  
General Manager  
Southern Nevada Water Authority

cc: George Caan, Director – Colorado River Commission of Nevada  
Larry Dozier, Deputy General Manager – Central Arizona Project  
John Entsminger, Assistant General Manger – Strategic Initiatives, Southern Nevada Water Authority  
Herb Guenther, Director – Arizona Department of Water Resources  
William Hasencamp, Resource Manager – Metropolitan Water District of Southern California  
William Rinne – Director – Surface Water Resources Department, Southern Nevada Water Authority  
Gerald R. Zimmerman, Executive Director – Colorado River Board of California