



# United States Department of the Interior

BUREAU OF RECLAMATION  
Lower Colorado Regional Office  
P.O. Box 61470  
Boulder City, NV 89006-1470

OCT 11 2011

IN REPLY REFER TO:

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WTR 4.03

VIA ELECTRONIC MAIL AND U.S. MAIL

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Mr. Steve B. Robbins  
General Manager  
Coachella Valley Water District  
P.O. Box 1058  
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Dear Colorado River Water Delivery Agreement Parties:

This letter addresses our recent and ongoing discussions related to the implementation of the Colorado River Water Delivery Agreement (CRWDA). As noted in my previous letter of June 29, 2011, in the fall of 2010 the Imperial Irrigation District (IID) informed the Bureau of Reclamation that Colorado River water had been delivered by IID directly to the Salton Sea with the stated intention to store the water there, to be subsequently exchanged and charged against mitigation obligations identified in the CRWDA during the years of 2011 and 2012. IID indicated it did not intend to conserve an amount of water equivalent to that delivered to the Salton Sea.

IID's unilateral actions, and the difficulties inherent in accounting for these actions, led to a series of meetings among IID, the Coachella Valley Water District (CVWD), the Metropolitan Water District of Southern California (MWD), the San Diego County Water Authority (SDCWA), and Reclamation (the parties to the CRWDA), with the first such meeting held November 11, 2010, and the most recent held September 14, 2011. The focus of the discussions among the CRWDA parties throughout the course of these meetings has been to seek the potential development of an approach that would allow all parties to the CRWDA to move forward in a manner that preserves the important elements and benefits of the CRWDA while addressing financial issues related to the state Quantification Settlement Agreement (QSA) in light of judicial decisions and ongoing judicial proceedings in California State court.

At this time, we understand and recognize that the IID has determined that it believes that the most effective and prudent approach is to revisit certain mitigation actions contemplated under

the CRWDA. Specifically, we understand that IID's approach would, "if duly supported by proper environmental review," lead to "elimination of the requirement that mitigation water be delivered to the Salton Sea between 2014 and 2017, and that instead habitat creation and air mitigation projects of superior environmental benefit be substituted." In order to implement this approach, IID has identified state<sup>1</sup> and Federal processes it intends to pursue, and has indicated that as an important component of such efforts, it intends to address compliance with the Endangered Species Act (ESA) through modification and completion of a Habitat Conservation Plan (HCP) pursuant to Section 10 of the ESA. Given IID's conclusion that this is the most appropriate and effective path forward, we recognize and support the need for thorough and proper environmental review of this revised approach, and recognize that such a thorough analysis will be essential for the successful completion of an HCP. Development and analysis of this HCP will, of course, involve public processes and robust review under the National Environmental Policy Act. Lead responsibility for review and approval of HCPs rests with the U.S. Fish and Wildlife Service, and Reclamation stands ready to work with and assist the FWS in this effort, as appropriate, in order to ensure development of a viable and implementable conservation plan.

IID has worked to design an approach that it believes would better utilize resources as part of proposed projects that conserve wildlife species, preserve habitat, and mitigate air quality impacts. In addition to this approach, an appropriate range of alternatives should be identified and analyzed. We believe that an appropriate range of alternatives should not preclude Salton Sea restoration options and should consider the work at the Salton Sea that the State of California has underway.

A thorough and rigorous analysis is particularly necessary in light of concerns and objections that have been raised by the CVWD. At this time, we understand that CVWD opposes efforts to redefine mitigation impacts of the CRWDA transfers to the Salton Sea during the 2014 through 2017 timeframe. We had hoped that the CRWDA Parties would have been able to identify a consensus path forward, and regret the current lack of consensus on this matter. It is our hope, however, that through the environmental and public review processes initiated by IID, which we understand will include review of an appropriate range of potential actions and modifications, an approach may yet be identified that would again achieve a four agency consensus as was the case in 2003. Accordingly, Reclamation's support for a thorough and prompt environmental review is premised, in part, on the potential that a viable and implementable consensus approach may be reached during the upcoming public environmental review processes, which will include review of an appropriate range of actions and modifications.

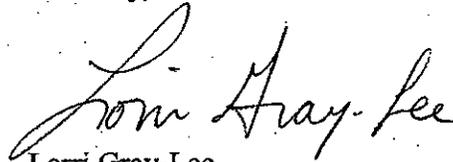
Reclamation intends to continue to administer and implement the binding provisions of the CRWDA. Reclamation continues to believe that the parties to the CRWDA must continue to

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<sup>1</sup> We understand that, in IID's view, an amendment of a State Water Resources Control Board order will be required. Reclamation does not intend by this letter to express any view with respect to state law or its alleged or purported requirements or with respect to the jurisdiction of state agencies over any such alleged or purported requirements.

work toward identifying consensus approaches to the issues under discussion and further believes that this effort, and the outcome of the anticipated environmental review processes, will likely require flexibility in the positions espoused by particular parties to date. Whether ultimately, the path forward consists of the implementation of an existing or refined proposal, or the melding or modification of existing or new proposals, Reclamation intends to continue to work with the CRWDA parties to achieve consensus and a full and complete resolution of the difficult issues now before us.

Sincerely,

A handwritten signature in cursive script that reads "Lorri Gray-Lee". The signature is written in black ink and is positioned above the printed name and title.

Lorri Gray-Lee  
Regional Director