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November 7, 2012

Michael L. Connor, Commissioner
U.S. Department of the Interior
Bureau of Reclamation
1849 C Street, NW
Washington, DC 20240-0001

Dear Commissioner Connor:

Thank you for taking the time to visit with me and other representatives of the Imperial Irrigation District during the National Water Resources Association conference last week in San Diego. I am aware that you have received input and expressions of concern from a number of entities, including Colorado River contractors in Arizona and Nevada, regarding IID's previous and ongoing actions related to implementation of the Quantification Settlement Agreement.

Over the past year, the Imperial Irrigation District has taken a number of essential actions to ensure full implementation of the Colorado River Water Delivery Agreement, QSA and other related state and federal agreements. These actions include the district's work with the U.S. Fish and Wildlife Service in furtherance of adoption of a Habitat Conservation Plan under the Endangered Species Act, as well as IID's pending petition before the California State Water Resources Control Board. In addition, IID has been working directly with Regional Director Terry Fulp and members of his staff of the Lower Colorado regional office in a constructive and cooperative fashion to address implementation of the transfers and other actions addressed in the CRWDA. The fact is, IID is working diligently to fully implement its obligations under the CRWDA, and is committed to continuing to do so.

In 2010, IID took action that it believes was both legal and necessary by providing water to the Salton Sea in accordance with the CRWDA in a manner and on an advance schedule designed to conserve financial resources at a time of litigation uncertainty regarding proceedings in California courts. In prior correspondence attached hereto, the district outlined the basis for the legal and policy appropriateness of such advance deliveries. At the time IID believed its actions were needed to help to ensure the continued viability of the QSA, and that remains its position. However, the district is in a much different setting today.

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Given the actions that IID has initiated to date and the nature of the proceedings pending before the SWRCB, I can warrant that I do not envision any circumstance in which advance mitigation transfers to Salton Sea (i.e., on a more rapid schedule than set forth in Exhibit B, col. 7 of the CRWDA) would be made by IID during the remaining period of such mitigation transfers (i.e., 2013-2017). At the same time, IID fully reserves all legal rights and defenses regarding the appropriateness of making such advance mitigation transfers under the CRWDA, QSA and applicable provisions of state and federal law.

Moreover, should IID obtain SWRCB's approval of its pending petition to eliminate delivery of mitigation water to the Salton Sea, the district will, taking into account Colorado River hydrology and all other existing facts and circumstances, take appropriate actions to reduce its future Colorado River diversions to make up for the 2010 advanced mitigation deliveries.

Finally, as we discussed, IID will continue to work with you and your staff, and is fully committed to resolving all outstanding issues related to its transfer obligations under the CRWDA and QSA in a timely manner. By doing so, we will help to ensure the continued effective implementation of the QSA.

Sincerely,



Kevin E. Kelley
General Manager