

DEPARTMENT OF WATER RESOURCES

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October 10, 2003

Mr. Steve Robbins
General Manager - Chief Engineer
Coachella Valley Water District
Post Office Box 1058
Coachella, California 92236-1058

Mr. Ron Gastelum
President and CEO
Metropolitan Water District of Southern California
700 North Alameda Street
Los Angeles, California 90012

I am in receipt of your proposed "Transfer and Exchange Agreement for 35,000 acre-feet" that will be entered into between your two agencies. This Agreement will be one of the agreements related to the implementation of the Quantification Settlement Agreement executed among Imperial Irrigation District, Coachella Valley Water District and Metropolitan Water District of Southern California. Because the QSA sets aside longstanding disputes regarding the transfer and use of Colorado River water in California, the Department of Water Resources supports the 35,000 af Transfer Agreement.

The Agreement will provide for the delivery of a portion of MWD's Colorado River supply to CVWD to facilitate a transfer of MWD's State Water Project water. Under the terms of this Agreement, the Department will continue to deliver the SWP water under the long-term water supply contract between DWR and MWD to an existing point of delivery in MWD's service area at MWD's request. MWD will continue to meet all its obligations, including financial, for the 35,000 af, as required under the long-term water supply contract. The point of delivery and the amount and rate of delivery permitted under MWD's contract would not be changed by this proposal. Accordingly, the proposal comports with existing contractual terms and does not require the Department to take any action.

Congratulations on your accomplishment. If you have any questions or need further information, please call me at (916) 653-7007 or Dan Flory, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313.

Sincerely,


for Michael J. Spear
Interim Director

cc: Mr. John Coburn
General Manager
State Water Contractors
455 Capitol Mall, Suite 220
Sacramento, California 95814