

**DEPARTMENT OF WATER RESOURCES**

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February 2, 2009

Ms. Debra Man  
Assistant General Manager/  
Chief Operating Officer  
The Metropolitan Water District of  
Southern California  
Post Office Box 54153  
Los Angeles, California 90054-0153

Mr. Jim James  
Western Development and Storage, LLC  
2773 25<sup>th</sup> Street  
Sacramento, California 95818

Dear Ms. Man and Mr. James:

The purpose of this letter is to clarify the Department of Water Resources (DWR) does not object to your temporary urgency change petitions pending before the State Water Resources Control Board (SWRCB) regarding your proposed transfer, and has approved the proposed transfer subject to several conditions outlined below.

DWR strongly supports water transfers as a means to efficiently and effectively manage California's limited water resources, particularly in critically dry years such as the one we are currently facing. Water transfers can provide crucial supplemental supplies for water short areas. DWR has a long experience in approving, developing, and implementing water transfers including the 1991 Water Bank, several dry programs, and the Environmental Water Account which executed over 1.5 million acre-feet of water transfers from 2001 through 2007. DWR has also posted guidance to others who wish to develop effective water transfers on its water transfers web site. The impacts of the overstatement of water made available due to water transfers in the Delta watershed leads to the direct loss of water to the other water users of the State Water Project and the federal Central Valley Project requiring close coordination with the U.S. Department of the Interior's Bureau of Reclamation (USBR). Such losses in these critical water supply times are a concern. Our collective experience has shown us that crop idling transfers in the Delta present special challenges. These challenges need to be addressed in order to determine the amount of water that will be made available in the proposed Delta Wetlands transfer. Your project, if properly structured and monitored may provide valuable data to help evaluate future transfer proposals.

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Therefore, the proposed Delta Wetlands transfer is approved conditioned on the development and execution of the following to assure water is made available for transfer by the project proponents without injury to other legal users: (1) the development of the anticipated reduction in consumptive use from the fallowing of crop acreage on the two islands in a manner acceptable to DWR (2) development of a specific plan for maintaining the idled fields free of weed growth and the monitoring of the real time net water savings during the year in a manner acceptable to DWR (3) payment of the costs associated with DWR staff verifying the execution of the weed growth prevention program and the water savings evaluation program (4) agreement that any reduction from the estimated water saving to the actual water savings will be deducted from MWD's SWP Table A deliveries in 2009. DWR will work with USBR in our review of the above items.

I look forward to working with you to develop the necessary agreements for DWR to facilitate this proposed transfer. If you have any questions or would like to discuss the issue further, please contact me at (916) 653-4313 or Mark Andersen at (916) 653-5945 in the State Water Project Analysis Office.

Sincerely,



Robert B. Cooke, Chief  
State Water Project Analysis Office

cc: Mr. David Forkel  
Delta Wetlands Properties  
1660 Olympic Blvd. Suite 350  
Walnut Creek, California 94596

Mr. Terry Erlewine  
General Manager  
State Water Contractors  
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Mr. James Roberts  
The Metropolitan Water District of  
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