



August 26, 2020

Gloria D. Gray, Chairwoman Metropolitan Water District of Southern California P.O. Box 54153 Los Angeles, CA 90054-0153

Dear Chairwoman Gray:

The Arizona Department of Water Resources (ADWR) and the Central Arizona Water Conservation District (CAWCD) would like to pursue collaborative efforts toward the development of the Metropolitan Water District of Southern California's (MWD) Regional Recycled Water Program (Project). The Project will purify wastewater to produce high quality water that could be reused and potentially offset use of imported water supplies including Colorado River water.

ADWR and CAWCD believe that significant opportunities to augment the Colorado River could emerge from MWD's Project. Supply augmentation supports our mutual interest- increasing the reliability and resiliency of the Colorado River water supply. Over the years, water managers across the Colorado River basin have worked collectively to address the shared goals of increasing the reliability and resiliency of the water supply provided by the Colorado River through conservation and augmentation. CAWCD, in partnership with MWD and the Southern Nevada Water Authority ("SNWA") have jointly invested in water conservation and augmentation projects such as Brock Reservoir, the Pilot Operation of the Yuma Desalting Plant, and the Pilot System Conservation Project. More recently, ADWR, MWD, SNWA, and Colorado River Commission of Nevada (CRC-NV) entered into an ICS capacity sharing agreement to more effectively use the available ICS storage capacity provided in the Lower Basin Drought Contingency Plan ("LBDCP"). Moreover, one of the goals of the Governor's Water Augmentation, Innovation and Conservation Council, established by Arizona Governor Doug Ducey, is to investigate long-term water augmentation strategies for the state of Arizona. ADWR and CAWCD recognize the potential for MWD's Project to augment Colorado River supplies in the Lower Basin, including supplies that could benefit water users in Arizona.

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ADWR and CAWCD are pleased to submit this Letter of Interest in participating with MWD on development of the Project including collaborating on any regulatory changes that may be necessary to facilitate potential exchanges of augmented Lower Basin Colorado River supplies. We look forward to continuing our long history of cooperation and collaboration as we work toward opportunities that will benefit the entire Lower Colorado River Basin.

Sincerely,

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Thomas Buschatzke Director Arizona Department of Water Resources

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Theodore C. Cooke, D.B.A. General Manager Central Arizona Water Conservation District