Office of the General Manager

December 1, 2011

Office of the State Engineer Attn: Susan Joseph-Taylor, Chief Hearing Officer 901 S. Stewart Street, Suite 2002 Carson City, NV 89701

Dear Ms. Joseph-Taylor:

Development of Seawater Desalination Projects in Southern California

As General Manager of the Metropolitan Water District of Southern California (Metropolitan), I represent the interests of 26 cities and local water districts that provide drinking water to nearly 19 million people. I understand the complexities associated with water resource management and the difficulties in achieving a balance between competing water demands and supply availability.

Similar to Southern Nevada, Metropolitan receives a significant portion of its water supply from the Colorado River. In the past decade, the Colorado River has experienced drought conditions unparalleled in modern history—reservoirs have diminished and spurred the system's water managers to reconsider Colorado River management approaches. At the same time, Southern California's other major imported water resources, the California State Water Project and Los Angeles Aqueduct, also faced supply reductions and heightened levels of uncertainty.

Metropolitan, in partnership with the Southern Nevada Water Authority, the Bureau of Reclamation, and other agencies that share Colorado River water, has made considerable progress in managing the water supply from the Colorado River. Banking agreements among water agencies preserve supplies for future use, and facilities like the Yuma Desalting Plant and Brock Reservoir conserve water and protect existing supplies. These are examples of the commitment of Colorado River water users to extend the availability of this drought-stricken system.

We continue to work, both together and independently, to realize additional water resources that will augment our Colorado River supply. Metropolitan's Integrated Resources Plan (IRP) relies on continued diversification of the region's supply portfolio, with investments in imported supplies balanced with conservation, recycling, groundwater recovery, seawater desalination and other local resources. We work with our member agencies to develop local supplies, which help to reduce the reliance on imported water supplies to meet expected future demands. Recently, there have been advances in seawater desalination, which is being pursued by some of

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Metropolitan's member agencies. While the prospects for seawater desalination are becoming brighter, there are still a number of uncertainties associated with its development. The permitting process has proven to be a long and arduous task, as potential environmental and coastal impacts are addressed. For example, the Carlsbad Desalination Project by Poseidon Resources will produce approximately 56,000 acre-feet of water when complete. It has been in development since 1998 and is not expected to deliver any water to the San Diego County Water Authority until 2016. Other local projects are facing similar challenges. Cost, energy use, system integration, and local opposition are also barriers to implementation, while the potential for new state regulations targeting seawater desalination adds to the uncertainty. Metropolitan and the member agencies are working to address these issues, as our IRP includes 102,000 acre-feet of new local supplies by 2025, potentially from seawater desalination.

In line with Metropolitan's mission, any drinking-water produced from seawater desalination facilities located in our service area would be used to meet the future demands of Metropolitan water users. These local supplies enhance the reliability of the water supply for the Southern California region, but they will not reduce the importance of stable Colorado River supplies to our region. For that reason, Metropolitan will continue to pursue additional projects to improve the management and availability of Colorado River water. As drought conditions along the Colorado River persist, it is essential that Southern California has a portfolio of reliable water supplies that will be used to meet our region's present and future water needs.

The seven states that receive Colorado River water share common goals and have demonstrated a willingness to work together for the benefit of the entire Colorado River system. While I fully anticipate that collaboration and ingenuity within the Colorado River basin will continue, the individual states that depend on Colorado River water must also continue to develop independent solutions to Colorado River supply limitations.

Sincerely,

Jeffrey Kightlinger General Manager

WJH:rrw

cc: Ms. Patricia Mulroy General Manager

Southern Nevada Water Authority

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