

DOWNEY, BRAND, SEYMOUR & ROHWER LLP

MEMORANDUM

VIA FACSIMILE TRANSMISSION 444-6915

**TO: MIKE HEATON
CAL FED**

FROM: GEORGE BASYE

DATE: OCTOBER 20, 1998

RE: Water Transfer Program

I request that another sentence be added to the first paragraph under issue #2 on page 19 of the Water Transfer Program draft of October 1, 1998 regarding the issue of "real water" as to saved or conserved water. It would read as follows:

"The issue of "real water" like that of "no injury" depends upon when the "reality" or the "injury" is measured - either at the date of the proposed transfer or at the date of the initiation of the conservation practice. That issue remains to be resolved"