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June 29, 2006

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Arthur G. Baggett, Jr.
Chairman
State Water Resources Control Board
1101 I Street
Sacramento, CA 95814

Re: Withdrawal of Protest by East Valley Water District
Application No. 31174
Santa Ana River, San Bernardino County

Dear Chairman Baggett:

This office serves as General Counsel to East Valley Water District ("Protestant").

Protestant has filed a protest against Application No. 31174 which has been filed with the State Water Resources Control Board ("SWRCB") by the Orange County Water District ("Applicant"). Please be advised that Protestant and Applicant have approved an *Agreement Between Orange County Water District and East Valley Water District Concerning Water Rights* dated June 23, 2006 ("Agreement"), which operates to resolve matters that were the subject of Protestant's objections to Application No. 31174. An executed copy of said Agreement is enclosed herewith for filing with the SWRCB.

Thus, in consideration of the conditions to which Applicant has agreed in the attached Agreement, and in reliance upon the SWRCB's acceptance and recognition thereof, Protestant hereby respectfully withdraws its protest to Application No. 31174.

Arthur G. Baggett, Jr., SWRCB

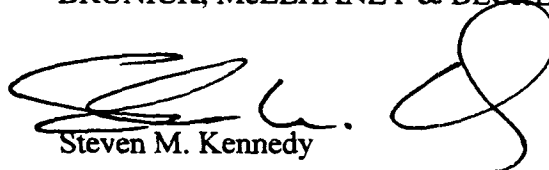
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Please feel free to call if you or your staff have questions regarding this withdrawal of protests.

Very truly yours,

BRUNICK, McELHANEY & BECKETT

A handwritten signature in black ink, appearing to read 'S.M. Kennedy', with a large, stylized flourish on the right side.

Steven M. Kennedy

Enclosure

cc: Amy E. Gaylord, Esq. (w/encls.)
East Valley Water District (w/o encls.)