



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Office of the General Counsel

May 25, 2006

Paul P. Gladfelty
California Surety Federation
U.S. Bank Plaza
980 9th Street, Suite 1580
Sacramento, California 95814

Re: Surety Carrier Selection Criteria under California Law

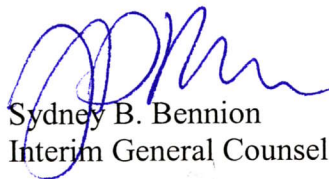
Dear Mr. Gladfelty:

I am writing in response to your April 25, 2006 letter addressed to Mr. Gilbert Ivey of the Metropolitan Water District of Southern California ("Metropolitan"), concerning the above subject. Your letter was referred to me for response.

Thank you for bringing California Code of Civil Procedure section 995.670 and the limitations it imposes on local public entities concerning bond surety qualifications to our attention. We agree that it forecloses Metropolitan's ability to impose any bond surety qualification criteria beyond requiring that the entity be "California admitted."

Metropolitan is in the process of modifying our construction specifications to delete text requiring bond surety listing with the U.S. Treasury, to avoid conflict with the referenced Cal. Code of Civil Procedure statute.

Very truly yours,



Sydney B. Bennion
Interim General Counsel

SBB:dm

cc: Gilbert Ivey