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June 22, 2016

Ms. Tam Doduc Hearing Officer State Water Resources Control Board P.O. Box 100 Sacramento, CA 95812-0100

> RE: Transmittal of Response of Department of Fish and Wildlife and El Sur Ranch to Hearing Officer In Re Water Rights Application 30166; El Sur Ranch

Dear Ms. Doduc:

Attached please find a response letter from Department of Fish and Wildlife and El Sur Ranch to your inquiry of June 10, 2016.

Respectfully yours,

Tom Berliner

Thomas M. Berliner

PHONE: +1 415 957 3000 FAX: +1 415 957 3001

cc. Service list

June 22, 2016

Ms. Tam Doduc Hearing Officer State Water Resources Control Board P.O. Box 100 Sacramento, CA 95812-0100

Re: Water Rights Application 30166; El Sur Ranch

Dear Ms. Doduc:

This letter is in response to your request dated June 10, 2016 for an estimate of the amount of time needed for the Applicant, El Sur Ranch and the Department of Fish and Wildlife (Department) to complete their negotiation process.

Since the completion of the hearings on the application for El Sur Ranch, the Applicant and the Department have had over 15 meetings. These discussions have involved considerable technical investigation including with the assistance of experts in various disciplines. These discussions and expert investigations have also produced different proposals and counterproposals to settle the matter.

Due to confidentiality and the integrity of the negotiation process, we are not in a position to reveal details on the nature of these discussions. However, the Applicant is in the process of completing a final settlement proposal for the Department's consideration. To complete the proposal, additional expert assistance was needed and has been hired. According to the Expert, they will need several to as much as 8 months to complete their work. Based on the outcome of that work, we anticipate needing a modest amount of time for further discussion with the Department. Once those discussions are complete, we hope to have a final settlement proposal. Of course there is no guarantee of success in this regard. Regardless of the outcome, we don't expect any further requests to hold the Water Board's process in abeyance.

In sum, we hope to be in a position to report our results to the Water Board in 4 to 6 months. We propose to report to the Water Board at that time. We respectfully request that the Water Board allow the parties to complete their current process and report to the Water Board in the 4-6 month timeframe, that is, not later than December 31, 2016.

Respectfully yours,

Thomas M. Berliner

Counsel for El Sur Ranch

Kevin Takei

Counsel for Department of Fish and Wildlife