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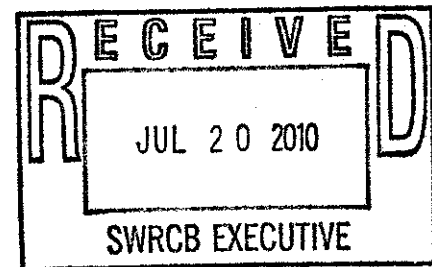
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July 21, 2010

Jeanine Townsend
Clerk to the Board
Executive Office
State Water Resources Control Board
Cal/EPA Headquarters
1001 "T" Street, 24th Floor
Sacramento, CA 95814-2828



Re: Board Consideration of Water Quality Certification, California Department of
Water Resources (DWR) License for the Oroville Facilities – FERC Project 2100

Dear Ms. Townsend:

This office represents Butte Water District (BWD), Sutter-Extension Water District (SEWD), Biggs-West Gridley Water District (BWGWD), Richvale Irrigation District (RID), and Western Canal Water District (WCWD) (collectively, "the Districts").

By letter dated May 16, 2008, we wrote to advise the Water Resources Control Board (Board) that the Districts had entered into an "Amendment to Agreements on Diversion of Water from the Feather River and Settlement of Issues Related to the Temperature of Water Diversions" ("Cold Water Settlement Agreement") with the California Department of Water Resources, resolving all concerns and protests of the Districts which related to the impact based on temperature of water delivered to the Districts for the irrigation of rice. The Cold Water Settlement Agreement, to the extent necessary, amended the diversion agreements between DWR and the Joint Districts, and between DWR and WCWD, in order to confirm resolution of the reserved issue of water temperature as stated in those diversion agreements.

The Cold Water Settlement Agreement represents years of painstaking, good faith negotiations and studies between DWR and the Districts. Moreover, since the execution of the Cold Water Settlement Agreement, on April 23, 2008, the Districts and DWR have been diligently engaged in the process for evaluation of the impacts of cold water on rice yields,

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quantification of those impacts, and numerous studies to establish the database and correlations between temperature and yield loss in order to implement the settlement.

We have been advised, and have reviewed comments, which suggest that your Board is considering a 401 Water Quality Certification which DWR advises us would materially modify the license as proposed by DWR and, in particular, it would materially modify an agreement reached between DWR and numerous interested parties to settle the issues raised by its relicensing application referred to as the "Settlement Agreement for Licensing of the Oroville Facilities (March 2006)". Although not a party to that agreement, the Districts understand, and have been so advised by DWR, that it is a key component of its requested license for the Project.

DWR has advised the Districts that, in its opinion, the 401 Water Quality Certification proposed by your Board constitutes a material modification to the Settlement Agreement for Licensing of the Oroville Facilities dated March 6, 2006, and has further advised the Districts that such material modification, in its view, may trigger not only termination of that agreement, but it may trigger the process by which the Cold Water Settlement Agreement may also be terminated.

Given the years of good faith negotiation and work that have gone into the Cold Water Settlement, and the subsequent studies and work performed in furtherance of that agreement, the Districts urge your Board to consider the comments of DWR and other affected parties, and to issue a Water Quality Certification that is substantially in the form requested by DWR.

Very truly yours,

MINASIAN, SPRUANCE, MEITH,
SOARES & SEXTON, LLP

By: 
JEFFREY A. MEITH

JAM/jg

cc: Butte Water District
Biggs-West Gridley Water District
Sutter Extension Water District
Richvale Irrigation District
Western Canal Water District