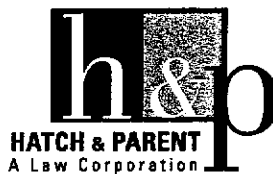


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STATE WATER RESOURCES CONTROL BOARD
Scott S. Slater

2004 DEC 17 Direct Dial: (805) 882-1420
SSlater@HatchParent.com

December 14, 2004

DP WATER RIGHTS 2. JEM
SACRAMENTO 3 Files

Victoria A. Whitney
Division Chief
State Water Resources Control Board
Division of Water Rights
P.O. Box 2000
Sacramento, CA 94812-2000

Please prepare a
short letter to the
hearing parties.

Re: FAS Petition / American River

Dear Ms. Whitney:

On November 8, 2001, Arden-Cordova Water Services filed a Petition for a Limited Revision of the Declaration of Fully Appropriated Stream Status of the Lower American River. A hearing was held on this Petition on May 31 and June 13, 2002. Following this hearing, the SWRCB issued a draft decision on May 12, 2003, and held a hearing to take comments from the parties on July 1, 2003. At this hearing the parties requested that the SWRCB delay the issuance of a final decision in order to give the parties an opportunity to negotiate a suitable alternative that would render the FAS Petition unnecessary.

Since then, the parties have engaged in extensive good faith negotiations. On two occasions, February 13, 2004 and September 16, 2004, we have provided updates to you indicating optimism that the negotiations would prove fruitful. On both occasions we requested that the SWRCB refrain from issuing a final decision on the expectation that the completion of the negotiations would enable the withdrawal of the FAS Petition. These negotiations have now been completed and we are happy to report that, as anticipated, the result is a resolution that renders the FAS Petition unnecessary.

Accordingly, Southern California Water Company hereby officially withdraws its Petition for a Limited Revision of the Declaration of Fully Appropriated Stream Status filed on November 7, 2001.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Scott S. Slater'.

Scott S. Slater
For HATCH & PARENT
A Law Corporation

SSS:kac

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