



O'Laughlin & Paris LLP

Attorneys at Law

May 20, 2010

Walter Petit
Frances Spivey-Weber
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814

Re: Woods Irrigation Company CDO hearing, June 7, 2010

Dear Mr. Petit and Ms. Spivey-Weber:

This letter is written on behalf of Modesto Irrigation District ("MID"), the State Water Contractors ("SWC") and the San Luis & Delta Mendota Water Authority ("SLDMWA"). We have read and reviewed the letter of May 12, 2010 submitted by Ms. Spaletta regarding continuing the June 7, 2010 hearing date for Woods Irrigation Company ("WIC"). We met with Ms. Spaletta and spoke extensively regarding her concerns. The purpose of this letter is to address the concerns of Ms. Spaletta and allow the WIC hearing to go forward on a basis that protects her client.

SLDMWA, SWC and MID have no desire to adjudicate or determine the water rights of the individual landowners in WIC. WIC has asserted its own water right separate and apart from the lands and landowners within WIC's purported service area. We agree the only focus of the June 7, 2010 hearing should be: Does WIC have a pre-1914 water right, and, if so, what amount, season and lands are covered by the pre-1914 right? Whether individual landowners have separate rights is an issue to be addressed another day.

WIC cannot represent the water rights of individual landowners. The testimony offered by WIC does not include evidence that WIC can or claims to represent the interests of the landowners with respect to any of their claimed separate rights. There is nothing in WIC's Articles of Incorporation stating it can so represent the landowners' interest. There is no evidence of an assignment of water rights from the landowners to WIC. Indeed, Ms. Spaletta's letter points out that WIC can not represent her clients. In fact, WIC and its counsel have a major conflict with their landowners. WIC is asserting its own pre-1914 water right. Needless to say, this conflicts with numerous landowners in WIC who may, or will, assert that any pre-1914 rights are their rights and not WIC's.

If the scope of the CDO is limited to determining WIC's independent, separate and distinct water right, then the CDO should only address WIC's water right claims and not the water right claims of the landowners within WIC. If the prosecution team is

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successful and the hearing officers rule that WIC has a limited or no pre-1914 water right, then the CDO to be issued should state:

Woods Irrigation Company is limited to/prohibited from diverting water from Middle River under a claim of pre-1914 right by Woods Irrigation Company. Woods Irrigation Company may continue to deliver water to landowners in WIC who have valid riparian, pre-1914, or post-1914 appropriative rights.

We would request a pre-hearing conference this week to discuss this issue. We suggest a telephonic conference call, or if the hearing officers desire, a short conference in Sacramento.

Very truly yours,
O'LAUGHLIN & PARIS LLP

By:


TIM O'LAUGHLIN

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