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April 23, 2008

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Ms. Karen Niiya, Senior Engineer Division of Water Rights State Water Resources Control Board 1001 I Street, 2<sup>nd</sup> Floor P.O. Box 2000 Sacramento, CA 95814

Re: Comment Letter – AB 2121 Policy

Dear Ms. Niiya:

Thank you for the opportunity to comment on the Draft Policy for Maintaining Instream Flows in Northern California Coastal Streams ("Policy"). We are a winery and vineyard owner in Sonoma County and will be directly impacted by the Policy. Nearly ten years ago we filed an application to appropriate water in the winter months from an unnamed stream within the Maacama Creek watershed for the irrigation of our vineyards. Our filing was prompted by State Water Board staff's identification of an existing reservoir on our property, which was constructed decades ago by a previous owner.

We understand that the State Water Board has a backlog of over 300 applications within the region affected by the Policy. We have fully cooperated with staff's directives to legalize our diversion, and yet we have been in the water right 'process' for almost ten years. We are greatly concerned that the Policy will exacerbate the workload at the State Water Board, thereby further delaying approval of our project.

An analysis on our project under the stringent bypass and diversion requirements of the Policy indicates that there would be a devastating affect on our water yield and the ability to continue our vineyard operation. While we support efforts to protect endangered species and their habitat, there is no indication in the Policy that the drastic and costly compliance measures to be imposed will significantly benefit fishery resources. We believe the policy should recognize the competing needs of the environment and the agricultural and industrial community who share in the water resources.

The State Water Resources Control Board should not adopt this Policy, but instead, consider developing a sound scientifically-based policy that would balance environmental and economic needs.

Sincerely,

Tom Eakin

Vice President and General Manager

Sugarloaf Farming Corporation dba Peter Michael Winery