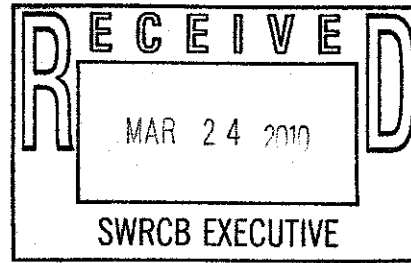


24 March 2010

State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814

Attn: Jeanine Townsend

Re: COMMENT LETTER – AB2121POLICY



Dear SWRCB and California State Officials,

As a result of Assembly Bill 2121 (2004), the State Water Resources Control Board (SWRCB) is considering adopting a policy intended to enhance instream flows in the north coast region, which includes the Gualala River.

This will have an extremely negative impact on The Sea Ranch and Gualala. The Sea Ranch is the main economic engine on the north coast, and has pumped approximately \$50M a year into the region in construction of low density housing – all which requires very low-water use. We completed a home in 2008 that functions at LEED-level Gold, and has extremely small water usage. Collapsing water supplies, as the legislation would suggest, would also collapse the largest source of revenue, employment and jobs for the region. We urge a compromise – and that the SWRCB consider local conditions specifically for the area around the Gualala River.

The SWRCB staff-recommended proposed policy, applicable regionally, could have a drastic, negative impact on The Sea Ranch. It could leave The Sea Ranch without water supply for days or even months each year. The proposed policy should be revised to require that the economic impacts on current water users be taken into account. The policy should be evaluated by including burden as well as benefit. Water needed for The Sea Ranch should not be re-dedicated to instream flow, especially when it is not even needed for that purpose. Here is a brief summary of the effects of the Regional Criteria of the proposed policy:

- The Regional Criteria would limit the diversion season to December 15 - March 31. Historically and currently, we are and have been allowed to operate our wells, diverting from the aquifer underlying the South Fork Gualala River, year-round as long as river flows are within the permitted range. We adhere rigorously to the required water volume bypass flows for fish protection, and typically operate the wells from December July, although in the 2008-2009 drought, pumping didnt begin until February 2009.
- The proposed policy would require huge flows in the South Fork Gualala River before we could operate the wells. The flows would have to be about 10 times greater than the current permitted policies commonly referred to as Term 14 of The Sea Ranch Water Diversion permit.
- Effects during drought will include very severe conservation measures. Even with such measures in place, our reservoir is likely to dry up quickly after March 31 and is unlikely to be refilled if drought continues. The Sea Ranch has an excellent water conservation program and a very low gallons per capita per day usage.
- There is no low-cost or otherwise feasible work-around. A greatly expanded storage reservoir requires a site that may not exist, huge funding, and new water rights. A desalination plant presents major environmental and economic issues. Obtaining the permits for either would be difficult, and

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permitting and construction would be costly and of questionable feasibility.

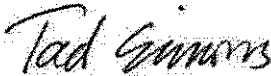
-- The proposed regional policy does not take into account the hydrology of the Gualala River nor the primary threats to fish. The State has designated the Gualala River as impaired because of silt and high temperatures caused by de-vegetation of riparian zones.

-- The proposed policy assumes one size fits all. It was not validated for the Gualala River, but instead for inland conditions far different than ours. The policy has no basis in science applicable specifically to the Gualala River watershed or to our pumping from the aquifer within this watershed.

-- The proposed policy would permit The Sea Ranch to present site specific studies as an alternative. The stated guidelines for developing site specific alternatives appear to require studies equivalent to environmental impact studies under the California Environmental Quality Act (CEQA). To have scientific integrity, such studies would cost about \$1 million. Further, there is no provision to take into account impacts on The Sea Ranch, while the criteria remain focused exclusively on fish and instream flow.

The Association and the Water Company believe the proposed policy should be revised to require that the economic and other impacts to current water users be taken into account. The policy should be evaluated by including burden as well as benefit. Further, the policy should employ science that addresses conditions like those found on the South Fork Gualala River.

Thank you very much for considering these comments.



Tad Simons