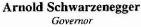


State Water Resources Control Board



Linda S. Adams Secretary for Environmental Protection Division of Water Rights 1001 I Street, 14th Floor • Sacramento, California 95814 • 916.341.5300 P.O. Box 2000 • Sacramento, California 95812-2000 FAX: 916.341.5400 • www.waterrights.ca.gov



In Reply Refer to: CEN:262.0(31-18-02)

JUL 0 2 2008

Rod Baydaline Baydaline and Jacobsen LLP 895 University Avenue Sacramento, CA 95825

Dear Mr. Baydaline:

WATER RIGHT COMPLAINT REGARDING ALLEGED WASTE AND UNREASONABLE USE OF STORED WATER AT THE HIDDEN LAKES SUBDIVISION IN PLACER COUNTY

This is in response to your letter dated June 3, 2008 in which you provided comments to my letter of March 13, 2008. These comments are based on the results of additional investigations of seepage at the north dam conducted by Paragon Geotechnical and contained in their report dated May 5, 2008. As in your letter dated April 15, 2008, you again conclude that there is not an unreasonable loss of seepage at Hidden Lakes and thus no misuse of water. However, after reviewing the May 5 technical report, neither Complaint Unit Staff nor I see any new information that would cause me to change my conclusions as stated in my March 13 and May 11, 2008 letters.

The Hidden Lakes Homeowners Association will have an opportunity at the State Water Resources Control Board hearing on this matter to present evidence and make arguments to demonstrate that the extra seepage from the North Lake Dam does not cause damage and is not an unreasonable amount of water loss. I am open to meet with you on this issue any time before a hearing is scheduled.

If you have any questions concerning this matter, please contact Charles NeSmith at (916) 341-5313, or his supervisor Charles Rich at (916) 341-5377.

Sincerely,

ames W. Kassel

James W. Kassel Assistant Division Chief

cc: Tony and Donna Wood Ted and Cheri Allegra 7884 Jon Way Granite Bay, CA 95746

> Shauna Lorance, General Manager San Juan Water District P.O. Box 2157 Granite Bay, CA 95746

> > California Environmental Protection Agency

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Rod Baydaline

Victoria A. Whitney, Chief Division of Water Rights 1001 I Street, 14th Floor Sacramento, CA 95814

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