

STATE WATER RESOURCES  
CONTROL BOARD

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DIV. OF WATER RIGHTS  
SACRAMENTO

Received Aug 1 2008  
In Hearings Unit  
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SPAULDING MCCULLOUGH & TANSIL LLP

ATTORNEYS AT LAW

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LFG  
LL  
CC: JO

July 24, 2008

James W. Kassel  
Assistant Deputy Director for Water Rights  
State Water Resources Control Board  
P.O. Box 2000  
Sacramento, CA 95812-2000

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Brian J. Purtill - Of Counsel  
Mark A. Miller - Of Counsel  
C. Scott Kirk - Of Counsel

Re: Manchester Ridge, LLC  
Enforcement Action No. 67  
SWRCB Reference No. BRC:262.0(23-40)

Dear Mr. Kassel:

This acknowledges receipt of your letter dated July 10, 2008, and our subsequent telephone conversation on July 22, 2008, regarding the above noted matter. Please consider this a request for a hearing before the State Water Board in these matters.

Your letter of July 10, 2008 is the first correspondence the current ownership and management of Manchester Ridge LLC have had regarding any violation of the Water Code at the property. We are aware that in 2004, Mr. Chris Stone, previous manager for Manchester Ridge, discussed these matters with SWRCB representatives, but Mr. Stone left the company under litigious circumstances without providing present management with records pertinent to this dispute. Unfortunately, Mr. Stone apparently abandoned some important matters, such as the issues that your letter addresses.

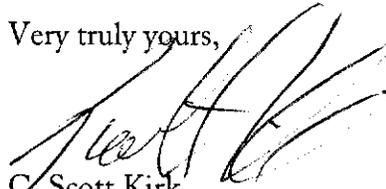
We have located, however, a letter dated February 5, 2004, from your office to Manchester Ridge and Mr. Stone stating that "reservoir #2 and reservoir #3, as referenced in the report, are subject to SWRCB jurisdiction." A copy of that letter is attached for your convenience. I am informed that Reservoirs 2 and 3 no longer exist, and we believe all water storage on the property is permitted as necessary. Since Mr. Stone's departure, Manchester Ridge has taken no action and has no plans for any development of instream ponds or reservoirs on the property subject to the authority of the State Water Board.

Accordingly, we hope this matter may be dismissed without a hearing.

James W. Kassel  
July 24, 2008  
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You have advised that Manchester Ridge request a hearing while we mutually attempt to better understand the facts pertinent to the property, and this is what we intend to do. Accordingly, following this request for a hearing we will submit a more detailed analysis of the site and the issues you raise regarding water storage and use on the site. Thank you for your cooperation in these matters.

Very truly yours,



C. Scott Kirk

CSK:mmm  
Attachment  
cc: Manchester Ridge, LLC



# State Water Resources Control Board SURNAME FILES



## Division of Water Rights

1001 I Street, 14<sup>th</sup> Floor • Sacramento, California 95814 • (916) 341-5390  
Mailing Address: P.O. Box 2000 • Sacramento, California • 95812-2000  
FAX (916) 341-5400 • Web Site Address: <http://www.waterrights.ca.gov>

Arnold Schwarzenegger  
Governor

Terry Tamminen  
Secretary for  
Environmental  
Protection

In Reply Refer  
to:363:AM:262.0(23-49)

FEB 05 2004

Manchester Ridge LLC  
c/o Chris Stone  
P.O. Box 277  
Manchester, CA 95459

Dear Mr. Stone:

### RESERVOIRS TRIBUTARY TO ALDER CREEK IN MENDOCINO COUNTY

The Division of Water Rights (Division) has received the Wetland Delineation Report for the Manchester Ridge property you are managing. We have reviewed the report and the information provided regarding the hydrology of the Adams Ridge project area. While the report describes channel heads beginning below the locations of the existing and proposed dam sites, it does not provide clear cut evidence that the existing and proposed reservoirs are not subject to the State Water Resource Control Board's (SWRCB) permitting authority. Any surface water in a natural stream channel or watercourse that channels water to flow in a specific direction is subject to SWRCB jurisdiction. This includes stream channels that only contain seasonal surface flow as a result of winter rainfall. The topography of the project areas above the dam sites suggest that during periods of seasonal rain the stream channels or watercourses will contain surface flow which can be impounded in your existing and proposed reservoir. The report also suggests this while describing the area for proposed reservoir #3 and the swales above the proposed dam site. Though the report discusses the beginning of a stream channel at the location where the groundwater table or a natural spring surfaces at ground level, a stream channel or watercourse with bed and banks subject to SWRCB jurisdiction does not necessarily start at the location where groundwater surfaces.

Therefore, the Division still finds that reservoir #2 and reservoir #3, as referenced in the report, are subject to SWRCB jurisdiction. Since you have not provided a known basis of right to cover these reservoirs, the Division requires you to submit one of the following: (1) an application to appropriate water by permit for storage or; (2) a plan demonstrating how water subject to the SWRCB permitting authority will not be stored in either of the two reservoirs. If an alternate source of water is to be used, the plan should include how reservoir levels will be monitored to demonstrate that water subject to the SWRCB permitting authority will not be stored. Please submit a response to the Division within 30 days of the receipt of this letter. If you fail to respond, the Division will consider taking enforcement action under the authority of Water Code section 1052, subdivision (b), which allows the Division to impose a civil liability of up to \$500 per day for each day of unauthorized diversion. Therefore this matter requires your immediate attention.

If you have any questions regarding the above matter, please telephone Mr. Aaron Miller of my staff at (916) 341-5390.

Sincerely:

ORIGINAL SIGNED BY  
Mark Stretars, Chief  
Compliance and Enforcement Unit

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SURNAME  
NR 540

AM California Environmental Protection Agency