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7-31-12 SWRCB Clerk

STATE OF CALIFORNIA

STATE WATER RESOURCES CONTROL BOARD

In the Matter of Draft Cease and Desist Order
Against Unauthorized Diversions by Woods
Irrigation Company

Order WR 2011-005

COMMENTS TO DRAFT ORDER

GRANTING RECONSIDERATION BY

WOODS IRRIGATION COMPANY,

CENTRAL DELTA WATER AGENCY,

SOUTH DELTA WATER AGENCY

The Woods Irrigation Company ("WIC"), the Central Delta Water Agency and the South Delta Water Agency submit the following comments to the State Water Resources Control Board's Draft Order Granting Reconsideration of WR 2011-0005 ("Draft Order"). To the extent not inconsistent, the same also adopt and incorporate herein the comments submitted by R.D.C. Farms, Inc., Ronald and Janet Del Carlo, Eddie Vierra Farms, LLC. Dianne Young, and Warren P. Schmidt, Trustee of the Schmidt Family Revocable Trust ("Certain WIC Landowners") (who are landowners within the WIC's service area).

The Draft Order is rife with misstatements and is couched in terms of arguments to support the original CDO, notwithstanding the San Joaquin County Superior Court action which not only voided the CDO, but found the SWRCB lacked jurisdiction to determine or quantify riparian and pre-1914 water rights. Thus, the Draft Order serves no purpose except to continue

the wasted, multi-year efforts of the SWRCB to find illegal diverters in the Delta whether they exist or not. As the SWRCB's Watermaster has found and reported, the Delta appears to be no different than any other area of the state with regard to water rights compliance.

The following comments will be organized per the numbering set forth in the Draft Order.

- 3.2. Order WR 2011-0005. The Draft Order indicates that the original CDO was not binding upon the WIC' customers. This of course is incorrect. Notwithstanding the Order's language, the Court specifically found that it did indeed affect and bind the Woods' customers, and thus found their due process rights had been violated. Quoting the original CDO does nothing to alter the Court's findings.
- 3.3 <u>Litigation</u>. The Draft Order takes the position that the filing of the appeal of the Superior Court Writ stayed the Writ but not the Order. This is incorrect. As set forth in the comments of the Certain WIC Landowners, (i) the SWRCB lost jurisdiction to rule on the Requests for Reconsideration once the Superior Court ruled, (ii) the Writ was clearly issued to preserve the status quo and the appeal does not stay the effect of the Writ, and (iii) Code of Civil Procedure Section 1094.5(g) specifically provides that the original CDO (the agency action) is stayed.¹

WIC, CDWA and SDWA shall request the Court clarify this issue and stay any further action by the SWRCB should it proceed to Reconsider the original CDO.

The Draft Order takes the unusual position that acting to Reconsider the original CDO will not interfere with the proceedings in court. Although the SWRCB's re-opening of the hearing will not physically interfere with the court action, it certainly interferes with the court's treatment of the issues at hand as well as causes undue burden on the parties. The Draft Order appears to be an effort to avoid having the court determine the SWRCB's authority in these matters and actually suggests there is no need for the court to rule before the SWRCB acts. Since the SWRCB's authority to act is in issue in the court, there is certainly a need for the court to rule

It should be noted that although WIC proceeded to comply in part with the terms and conditions set forth in the original CDO, the SWRCB itself ceased operating under that Order once the CDO was challenged in the court and was voided. The SWRCB therefore acknowledged by its actions that it no longer had any authority to act once the court ruled.

first; the SWRCB is likely acting beyond its authority and causing financial and property right damage to the parties involved.

There is no logic or legal authority associated with the Draft CDO which supports the position that the State Board should re-open the hearing, or take any actions for that matter, in connection with WR0 2011-0005 pending the outcome of the State Board's appeal. The Draft CDO is an attack of the Judge Holland's rulings.

4.1 Authority to Evaluate Claims of Riparian or Pre-1914 Appropriative Rights. Here the Draft Order repeats the SWRCB's arguments as to why it does have authority to investigate and issue CDO's against riparian and pre-1914 diverters. However, this issue was already determined by the Superior Court in its ruling. This repetition of the arguments which have already failed in court is troubling. It appears that the SWRCB is trying to "fix" its egregious error of denying some parties even the minimal due process rights to which they are entitled, and at the same time reverse the court's ruling and pack a new order with more justification. Such a plan cannot prevail.

The State Board was determined to have unequivocally violated the WIC's landowner's due process rights by proceeding with the hearing in their absence. Reopening the hearing now, approximately two years later, will not cure the blatant due process violations, but rather will worsen them. The WIC landowners cannot receive adequate due process by being able "participate" in the hearing now, for the limited purpose of calling their own witnesses and cross examine those witnesses who already testified. Some witnesses may not be available and those that are will be testifying in a completely different setting after having had the opportunity to review all other witness testimony and the Board's rulings. This defeats the entire purpose of live, real time witness testimony and cross examination. The WIC landowners' ability to impeach witness testimony and credibility on cross examination would be so diminished as to be of little of no value.

Moreover, the other parties including WIC, CDWA and SDWA, would be required to once again expend significant amounts of limited resources and time to participate in a blatantly flawed reopened hearing process after the superior court has clearly ruled the State Board lacks

jurisdiction in the first place. The State Board must recall that WIC, SDWA, and CDWA all argued that the hearing should not have occurred in the first place without the WIC landowners as parties, and that the WIC, SDWA, and CDWA are also real parties to the superior court action. For the State Board to reopen the hearing now for any purpose, is yet another procedural disaster which disregards the clear intent of Amended Judgment issued by the superior court and which disregard all notions of common sense and fairness.

Whatever the ultimate ruling by the appellate process, at this time it is clear that the SWRCB may have the jurisdiction to investigate waste and unreasonable use, but not to quantify the specifics of riparian and pre-1914 rights, or issue CDO's against such right holders. The Draft Order labels the petitioners' arguments about authority as "circular" instead of accepting that the court's interpretation of SWRCB authority agrees with those petitioners.

4.2 <u>Customers' Notice and Due Process Claims</u>. The Draft Order seeks to rescind that portion of WR 2011-0005 which contains the language under the heading "Order" but not any of the remaining text of the Order. However, the remainder of that Order contained numerous findings, reasoning and evidentiary determinations in which Certain WIC Landowners could not participate. Thus, the landowners within WIC are precluded from providing evidence which might further support the WIC claims, might affect the SWRCB reasoning about its conclusions regarding WIC, or the legal interpretations of the law affecting WIC or those landowners. The Draft order therefore indicates the SWRCB has some strong motivation to make sure that nothing about the WIC matter can or should be changed. In reality, the SWRCB should be concerned about "getting it right" and not covering up or justifying its prior mistakes. We now know that the proceedings were insufficient to protect the landowners within WIC. The concern now should be to correct the error and make sure everything is done properly.

As with the jurisdictional issue, the Draft Order similarly attempts to re-argue the due process issue about which it lost in the Superior Court. Nothing is served by the SWRCB trying to put Humpty Dumpty back together again. When you specifically tell someone your process will not adversely affect them, deny them participation and then issue and order which adversely affects them you have violated their due process rights. Depending on how the appeals turn out,

the SWRCB may be able to later cure its due process problem. However, arguing issues it has already lost is a waste of everyone's time and efforts.

4.3 Legal Issues. Here the SWRCB attempts to preclude later arguments by not just the Certain WIC Landowners, but also the other participants in any future hearing. By stating that those landowner parties' arguments regarding the physical aspects of the nature do not constitute a preservation of riparian rights, the Draft Order severely limits those petitioners' rights to a fair hearing. They are not able to present evidence regarding both intent of transferees and facts about the Delta to support their contention about the riparian character of their lands. It should be noted that the Draft Order's treatment of the difference between flood flows and ordinary flows misses the point of the argument. The record in the WIC matter clearly showed that some areas of the Delta would be underwater at all times absent the levees, some only during high tides, and some only during higher flows. However, all of the lands would be abutting Delta and River flows without the levees which indicates the impossibility of severing any such water right. Whether the flows are "ordinary" or "flood" does not change this physical situation.

The Draft Order makes reference (on page 7 therein) that the parties asserted certain changes in the point of diversion by riparian and/or pre-1914 diverters are allowed so long as he/she do not injure another right holder. The Draft Order then states this assertion was made "without citation." Although there may be some portions of WIC/CDWA/SDWA briefs which do not cite such authority, those briefs contain *numerous* citations to *Turner v. James Canal* (1909) 155 Cal. 82, 84-85, 91-92 (see Brief at pages 24, 44, 46, 53, 57-58, 67). This case and those later cases relying on it make this holding about changes in diversion points. It is unclear why the SWRCB would attempt in this Draft Order to suggest that this case law is somehow non-existent or unclear.

By not allowing the Certain WIC Landowners to given evidence or make legal arguments regarding all possible methods by which their lands may have retained riparian rights is simply unjustifiable. Again, the Draft Order is couched in terms of making sure that nothing changes its prior (incorrect) rulings on WIC and the arguments WIC presented. For the record, WIC was the only party to put on engineers as witnesses for this issue and their conclusions were that changes

in points of diversion had no effect on the hydrodynamics of the system.

- 5.0. <u>Petition of Woods, The South Delta Water Agency, and The Central Delta Water</u>
 Agency.
- 5.1 <u>Procedural Issues</u>. The Draft Order here continues the approach that the SWRCB should not consider anything which might affect its original conclusions about WIC. The Draft Order incorrectly describes the issue of Duck Slough, suggesting that the only real issue was whether it connected to Middle River or it did not. This of course was not the main issue. WIC and others did assert that Duck Slough originally connected to Middle River, but such connection was not the precondition to the preservation of any water rights.

It was argued and witnesses testified to the fact that whether Duck Slough connected to Middle River, Turner Cut, or remained as remnants of a slough which previously connected to other channels, it provided a supply of water from which a riparian right arose and continued. Shifting the point of diversion from the slough to a main channel had no effect on the amount of water in the Delta as a whole and did not adversely affect any other diverter.

Although the SWRCB found against WIC and others on this issue, that decision was based on a refusal to consider all the evidence. We note here that as other processes continue, additional evidence is being discovered. Attached hereto as Exhibit "A" is a deed from Joseph Vasquez to I. N. Robinson, et al., Trustees of Kingston School District of San Joaquin County, which calls out Duck Slough as a boundary to the (currently) Mussi property. This deed confirms the slough's existence in a place where the MID et. al., "expert" claimed it never was. If the SWRCB wanted to make sure that it did not improperly divest parties of valid water rights, it would consider such evidence as it arises.

5.2 Rate of Diversion. The Draft Order misstates the issue of the diversion rate of 77.7 cfs. The parties did not argue that since most other appropriative rights allow an averaging of the diversion rate that therefore the pre-1914 right of WIC *must* also have such averaging. They did argue that since most all other appropriative rights include this averaging, as a recognition of the simple fact of how agricultural irrigation occurs, there was no reason to limit WIC in such a restrictive and inexplicable way. In addition, the evidenced showed that diversion

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rates in the Delta constantly vary due to inflows and especially tides; making it impossible to hold a steady diversion rate. When this is combined with the (undisputed) facts that the original WIC agreements to supply water were to support approximately 8,000 acres of land while the current service area of approximately 6,000 acres and the fact that the WIC lands are being continually drained to remove naturally occurring shallow groundwater, the limitations on WIC's diversion put forth in the original CDO make no sense.

The Draft Order again misstates the WIC and others' position regarding how the SWRCB should view the evidence in cases such as this where facts 100+ years in the past are being reviewed. WIC and other do not claim the SWRCB "was required to make findings in agreement with the evidence Woods offered . . . " As argued by WIC and others, and as ignored by the SWRCB, the Cal-Am case was the SWRCB's own statement on how it should view such old and difficult to determine facts. That case required the SWRCB to view evidence in a light most favorable to WIC. Instead, the SWRCB made every evidentiary determination against WIC, which of course results in no facts in the record supportive of WIC. For example, when the Woods Brothers entered into agreements to provide water for all of their land, the SWRCB interpreted this as them only agreeing to provide water which was in addition to that lands existing water rights. This nonsensical conclusion is not supported by any facts and interprets the evidence in the worst light to WIC. Similarly, when WIC shows that (and MID's expert was forced to admit) even the small version of Duck Slough as described by MID would have natural seepage which would flow down to the flood gates at Turner Cut, thus indicating a flowing stream, the SWRCB concluded that Duck Slough could not confer any riparian right to any WIC lands; again interpreting the evidence in the worst light for WIC.

One would be hard pressed to find any factual determinations in the original CDO which were made in WIC's favor. The Draft Order also repeats its earlier misstatement that the issue regarding Duck Slough was focused on whether or not it connected to Middle River (thus ignoring all the other relevant issue regarding that waterway). Regardless of the Draft Order's attempt to further interpret Cal-Am away, the SWRCB chose to make all its rulings in a light most unfavorable to WIC.

CONCLUSION

The SWRCB is without jurisdiction to Reconsider its WR 2011-0005. The Draft Order to authorize such Reconsideration is improper and should not be adopted. The Draft Order also misstates, misconstrues and attempts to justify an attempt to avoid a court order voiding the original CDO, and improperly deals with the issues raised by those who originally sought Reconsideration.

Dated: July 31, 2012

John Herrick, Attorney for Woods Irrigation Company

at 16 Whrutes past 2. H. り用用り " III, in Book "A," Vol.

This Made the day of in the year of our Gord one thousand eight hundred and ninety trivo Between Joseph Varguez of the Country formed the party of the first part, and IN Golinson, W.J. Thompson and & Jesh Trustice of Dingston School District of San Joaquin County, of the County additate of resail the parties of the second part, Witnesseth, That the said part of the first part, for and in consideration of the sum of Hifty Dollars, Gold Coin of the United States of America, to him in hand paid by the said parties of the second part, the receipt whereof is hereby acknowledged, does by these presents grant, bargain, sell, convey, and confirm unto the said parties of the second part, and to their heirs and assigns forever, all that certain lot, piece, or parcel of land, situate, lying and being in the Roberts Island in The Country of San Joaquel, State of California and bounded and particularly described as follows, to=wit: Commencing at the soint of intersection of The Section line between the 61/2) and (20/4) (27) J (1) WO (5) 6 M O B and M with the center line the top of the cross level between Middle and Divisions of Cloterts Island and running Thence westerly along the center line of the top of said levce (3 feet to the point of beginning; thence South along a (250) feet to the north bank of Ouck Stough: Thence west along the north bank of said, stonah (40) Let:

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State of California, COUNTY OF SAN JOAQUIN. On this In the A. D., eighteen hundred and ninety Lawo me, Correspondent, a Notary Public in and for said County, personale Joseph Lasguez	**************************************
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