

October 16, 2012

State Water Resources Control Board
Division of Water Rights
Attn: Jeffrey Parks
PO Box 2000
Sacramento, CA 95812

RE: Comment Letter Pinecrest Conditions Workshop

Dear Mr. Parks:

Thank you in advance for taking the time to read and evaluate the numerous comments on the lake level at Pinecrest Reservoir.

Pinecrest Lake Resort owns and operates various recreation facilities in Pinecrest, California. Including: lodging, snack bar, restaurant and the Pinecrest Lake Resort Marina. Pinecrest Lake Resort is also home to a grocery store, sport shop, coffee bar, United States Post Office all operated as sub-leases from Pinecrest Lake Resort. The level of Pinecrest Lake (Reservoir) is vital to our economic viability. On an yearly basis Pinecrest Lake Resort sees 15% of annual revenue received between September 1 and October 15. A lower lake level will reduce operations at the marina and will result in economic loss resort wide. Pinecrest Lake Resort believes this economic loss will trickle down county wide.

Based upon our on the ground experience, the 2010 T.U.D Urban Water Plan and FERC Final Environmental Impact Statement for project 2130 and the negative growth rate for Tuolumne County (based upon 2010 U.S. Census) Pinecrest Lake Resort believes that the SWRCB staff recommended levels of 5608 regardless of water year type should be the minimum target levels upheld. In years when a higher lake level can be achieved, Pinecrest Lake Resort recommends that the lake level be held at the highest level possible for the longest period possible.

Pacific Gas and Electric Company has done an excellent job managing the water levels at Pinecrest. As an example, in 2012 a one-time variance for a lake level of 5606 at Labor Day was granted. PG&E was able to manage the water effectively enough to only require Pinecrest to be drawn down to reach 5608 at Labor Day, while still being able to meet the needs of T.U.D. .

Please feel free to contact me should you wish to discuss any of these items in further detail.

Regards,

Laurie Cashman
General Manager