

EXHIBIT 53

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STATE WATER RESOURCES

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Celebrating Our
91st Anniversary
DIV. OF WATER RIGHTS

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Lin H. Griffith, retired

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March 18, 2011

VIA U.S. MAIL & EMAIL

Ms. Katherine Mrowka
Division of Water Rights
State Water Resources Control Board
P. O. Box 2000
Sacramento, CA 95812-2000

Re: Application 31491 of G. Scott Fahey – Notice of Proposed Mitigated Negative Declaration

Dear Ms. Mrowka:

I am writing this letter on behalf of both the Turlock Irrigation ("TID") and the Modesto Irrigation District ("MID") (collectively, the "Districts") in response to the above Notice. A Protest based on Environmental Considerations and Other Issues, dated November 9, 2004; to the above application was filed by Scott T. Steffen, then MID Assistant General Counsel. Mr. Steffen is now a Stanislaus County Superior Court Judge.

In Section 3.E of the MID-TID Protest, Mr. Steffen pointed out that the October 1, 2004 Notice of Application to Appropriate Water by Permit stated the following:

When Application 29977 was processed for Permit 20784, applicant [G. Scott Fahey] entered into a water exchange agreement with Turlock Irrigation District, Modesto Irrigation District, and the City and County of San Francisco for the period from June 16 to October 31 of each year when water is not available for appropriation in the Tuolumne River and the Sacramento-San Joaquin Delta systems. Applicant accepts and understands that Application 31491 shall be conditioned and subjected to the same terms and conditions as the previous agreements.

The Division of Water Rights' 2004 Notice went on to state, "Further, applicant recently updated the previous water exchange agreement with Tuolumne Utilities District. The updated agreement was executed on October 20, 2003 and submitted to the SWRCB."

The City of County of San Francisco ("CCSF") independently filed a Protest, which was resolved and the Protest dismissed when the Division of Water Rights in its letter dated January 31, 2005, to CCSF, agreed to include the terms requested by CCSF in any permit issued pursuant to the above application. CCSF's accepted permit terms included more restrictive and detailed

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Katherine Mrowka, SWRCB

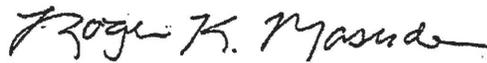
March 18, 2011

requirements in addition to the water exchange agreement. Those terms specifically protect the prior rights of both CCSF and the Districts and inclusion of those terms in the permit would be sufficient to resolve the Districts' Protest.

In reviewing the Initial Study/Mitigated Negative Declaration, there does not appear to be any reference to the MID-TID-CCSF-Fahey water exchange agreement, the Fahey-Tuolumne Utilities District water exchange agreement, or the more restrictive and detailed requirements in the DWR-accepted CCSF permit terms. Since compliance with those water exchange agreements and the accepted CCSF permit terms are to be an integral part of the proposed project, it would appear that they should be at least referenced in Section C, Project Description.

Please don't hesitate to contact me if you have any questions.

Very truly yours,



ROGER K. MASUDA
General Counsel
Turlock Irrigation District

cc: Turlock Irrigation District (R. Nees, D. Liebersbach)
Modesto Irrigation District (W. Ward, J. Warren, W. Johnston)
City and County of San Francisco (D. Furman)

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