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JAMES M. BOYD, JR., Of Counsel

September 18, 2006

VIA FAX (341-5400) AND MAIL

Ms. Victoria A. Whitney, Chief
Division of Water Rights
State Water Resources Control Board
P. O. Box 2000
Sacramento, California 95812-2000

Re: SWRCB Hearing On Water-Right Applications 30325, 30326, 31043 and
31047 of Tejon Ranchcorp

Dear Ms. Whitney:

I just received a copy of a letter that Tina Cannon, staff counsel for the California Department of Fish and Game (CDFG), sent to you this morning regarding the above applications. Ms. Cannon's letter states that CDFG has executed a memorandum of understanding (MOU) with Tejon Ranchcorp that potentially resolves all of the issues associated with CDFG's protests to the above applications, and it transmitted a copy of the MOU. Ms. Cannon's letter also asks the SWRCB to include specified terms in the water-right permits that the SWRCB issues to Tejon Ranchcorp on Applications 30325 and 30326, and it states that, if these terms are included in the permits, then the SWRCB may dismiss CDFG's protest.

This letter is to advise you that Tejon Ranchcorp agrees that these specified terms may be included in these permits.

With the inclusion of these specified terms in the permits and the dismissal of CDFG's protest, issue 1 on page 3 of the SWRCB's hearing notice will be resolved.

Issues 2-5 in the hearing notice are general issues that concern all of Tejon Ranchcorp's water-right applications. The SWRCB concluded that it did not need to hold a hearing on these issues before issuing water-right Permits 21178-21184 to Tejon Ranchcorp on its seven other applications for permits to appropriate water from local creeks on Tejon Ranch, and, for the same reason, the SWRCB does not need to hold a hearing on these issues before issuing permits on the above applications.

Specifically, regarding issue 2, Tables 3.6-7, 3.6-8 and F-31 of the November 2003 Draft Environmental Impact Report for this project (*Laval Farms Water Management and Exchange, Including Water Right Applications, and Wheeler Ridge-Maricopa Water Storage District 850*

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Canal/Reservoir No. 1 Pump-back (State Clearinghouse No. 2001061013)) demonstrate that water is available for appropriation by Tejon Ranchcorp as requested in the pending applications, and when and under what circumstances this water will be available. Chapter 3.6 of this EIR discusses the other sources of water, State Water Project Water delivered to Tejon Ranchcorp by the Wheeler Ridge-Maricopa Water Storage District and groundwater in the White Wolf Groundwater Basin, that are available to Tejon Ranchcorp to meet its irrigation demands during times when the water sought under the above applications will not be available.

Regarding Issue 3, the EIR describes the proposed beneficial uses in detail and demonstrates that the proposed appropriations are in the public interest. Regarding Issue 4, the only known downstream water user on El Paso Creek, Davida Delis, filed protests to these applications, but then entered into an agreement with Tejon Ranchcorp that resolved these protests, and she then formally notified the SWRCB that her protest could be dismissed. Also, there are no known downstream water users on Tejon Creek. Regarding Issue 5, the same conditions that were included in Permits 21178-21184 should be included in the permits issued on the above applications, and these conditions are sufficient to ensure that any diversions under the new permits will be in accordance with applicable law and in the public interest.

For these reasons, there now is no need for the SWRCB to hold a hearing on Applications 30325, 30326, 31043 and 31047. Tejon Ranchcorp therefore requests that the SWRCB cancel this hearing and issue water-right permits on these applications.

As a precaution, in case the SWRCB nevertheless decides to proceed with the hearing, Tejon Ranchcorp is filed the enclosed notice of intent to appear at this hearing.

Very truly yours,



ALAN B. LILLY

ABL:tmo

Encl.

cc: (w/encl.):
William E. Loudermilk
Regional Manager, CDFG Region 4
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