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April 21, 2008

Ms. Karen Niiya, Senior Engineer
State Water Resources Control Board
Division of Water Rights
1001 I Street, 2nd Floor
P.O. Box 2000
Sacramento, California 95814

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SWRCB EXECUTIVE

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DIVISION OF WATER RIGHTS
SACRAMENTO

RE: Comment Letter AB – 2121 Policy

Dear Ms. Niiya:

Brown-Forman Corporation, parent company of Sonoma-Cutrer Vineyards, Inc and Fetzer Vineyards respectfully submits this letter in response to the recently proposed Draft Policy for Maintaining In-stream Flows in Northern California Coastal Streams ("Policy"). Brown-Forman Corporation owns and/or operates over 1,100 acres of vineyard in Sonoma County and nearly 1,000 acres of organic vineyards in Mendocino County, to support its wineries in each county.

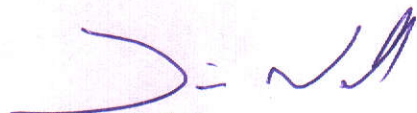
While the abbreviated comment period did not allow ample time for full and complete analysis of the impacts of this Policy from both short- and long-term perspectives, we were able to analyze the near-term impacts resulting from the Policy's proposed stringent bypass flow and diversion requirements on two of our vineyard properties. We have determined that these requirements would result in a reduction in water yield from 106 ac-ft to 4 ac-ft on one ranch and from 48 ac-ft to 1 ac-ft on the other. This yield reduction of nearly 100% for each of our vineyards in Sonoma County effectively eliminates our ability to produce our award-winning wines in this region. Early analysis suggests this same devastating effect on our vineyards in Mendocino County. Equally important, it is not clear that the fishery resources of the Policy area would benefit significantly from the drastic and costly compliance measures proposed in the Policy.

We have six water right applications and several petitions on file seeking appropriation of water from the Russian River watershed and changes to existing water right Licenses that are subject to the Policy. One of the applications has been pending approval for nearly ten years, and the remaining five applications were each filed over five years ago. We are concerned that this Policy will exacerbate the already problematic processing of water right applications in this region due to the lack of clear guidelines as to how to obtain a water right permit under the variance criteria of the Policy, to which we believe we will be subject.

While we support the overall effort to protect and preserve endangered fish and their habitat, we also believe that this goal can be achieved without destroying commercially viable businesses, especially those that bring consistent and substantial revenue to our state. The proposed Policy does not provide a balance of the economic and environmental uses of the water in this region as it commits nearly all available flow to in-stream uses.

We respectfully request that the State Water Resources Control Board reject this Policy and, alternatively, engage a consortium of affected parties, scientific experts, and State Water Resources Control Board representatives to create a more balanced policy, one protective of all of our interests.

Very Truly Yours,



Tim Nall
VP, General Manager
Wine Operations
Brown-Forman Corporation

CC: **Tam Doduc, Chair, SWRCB**
SWRCB Members: Arthur Baggett, Jr., Charles Hoppin, Frances Spivy-Weber, Gary Wolff
Cindy Devries
Jill Jones
Carolyn Lambert
Cheryl-Lynne Patrick
David Perata