



State Water Resources Control Board



Division of Water Rights

1001 I Street, 14th Floor ♦ Sacramento, California 95814 ♦ 916.341.5300
P.O. Box 2000 ♦ Sacramento, California 95812-2000
Fax: 916.341.5400 ♦ www.waterrights.ca.gov

Arnold Schwarzenegger
Governor

Linda S. Adams
Secretary for
Environmental Protection

SEP 18 2006

In Reply Refer to:
363:CEN:262.0(31-18-02)

Rod Baydaline
Stein and Baydaline LLP
895 University Ave.
Sacramento, CA 95825

Dear Mr. Baydaline:

WATER RIGHT COMPLAINT REGARDING ALLEGED WASTE AND UNREASONABLE USE OF STORED WATER AT THE HIDDEN LAKES SUBDIVISION PLACER COUNTY

This is in reply to your letter dated August 15, 2006 in which you, representing the Hidden Lakes Estates Homeowners Association (Association), responded to the State Water Resources Control Board (State Water Board) Division of Water Rights (Division) July 13, 2006 report on the subject complaint investigation. In this report, Division Complaint Unit staff (staff) determined that:

1. there is substantial evidence in the complaint record to indicate that water is seeping from the northern lake at the Hidden Lakes subdivision onto the Wood and Allegra properties that serves no beneficial use and has caused, and is causing, damage to these properties;
2. this damage has likely significantly devalued the Wood and Allegra properties; and
3. given the above, this seepage of water from the north lake constitutes a misuse of water.

In your response you stated that the "opinions reached by the experts during the pendency (sic) of litigation were far from unanimous." Additionally you stated that these experts were "unable to reach a conclusive opinion regarding whether or not water on neighboring properties is the result of lake seepage." However, you did not submit any additional technical evidence to further support your opinion.

Title 23, Division 3, Article 22, section 857 of the California Code of Regulations (see enclosure) requires that the State Water Board allow a reasonable period of time in which to terminate a misuse of water, or demonstrate to the satisfaction of the State Water Board that a misuse has not occurred. In your letter you state, by January 2007 the Association will conduct an additional study with respect to potential seepage from the lakes and implement any corrective action recommended by the study. Consistent with section 857, Title 23 Code of Regulations, I request the Association to implement this plan of action and demonstrate by January 31, 2007, that the Association has either permanently corrected a misuse of water, or is not misusing water. If the matter is not resolved by that time, I propose to schedule a hearing before the

SURNAME	State Water Board to consider appropriate enforcement action.	CAR 9-8-06	JB 9/12/06	Kassel for Whitney 9/18/06
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California Environmental Protection Agency

Rod Baydaline

- 2 -

If you have any questions concerning this matter please contact Mr. Charles NeSmith of my staff at (916) 341-5313 or Mr. Charles Rich, Chief of the Complaint Unit, at (916) 341-5377.

Sincerely,

ORIGINAL SIGNED BY JWK

for: Victoria A. Whitney
Division Chief

Enclosure

cc: Tony and Donna Wood, Ted and Cheri Allegra
7884 Jon Way
Granite Bay, CA 95746

Shauna Lorange, General Manager
San Juan Water District
P.O. Box 2157
Granite Bay, CA 95746

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