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April 21, 2021

VIA USPS & EMAIL

Daniel Stouder
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Barbara Brenner
General Counsel, NYWD
White Brenner
1414 K Street, 3rd Floor
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Re: NYWD's Formal Demand for \$3,200,949.90

Dear Ms. Brenner & Mr. Stouder:

We are in receipt of North Yuba Water District's (NYWD) April 20, 2021 "formal demand that SFWPA immediately distribute \$3,200,949.90 to NYWD" which you claim "represents NYWD's share of the 2019 net profits that SFWPA has kept in the SFPP Joint Facilities Operating Account [...] in violation of the 2005 Agreement, plus accrued interest."

The Agency is treating NYWD's "formal demand" as a dispute regarding the 2005 Agreement. Part VII, section 3, of the 2005 Agreement states:

If any dispute regarding this Agreement arises, then the Parties will make reasonable and good-faith attempts to resolve the dispute before filing any legal action regarding the dispute. Such reasonable and good-faith attempts will include at least one meeting, and, if the Parties agree, hiring a mutually agreeable mediator (with each Party bearing one-half of the mediator's costs) and submitting the dispute to the mediator for non-binding mediation. Both Parties will make all reasonable good-faith efforts to promptly schedule and to participate

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in mediation meetings and to devote the necessary time and resources to attempt to resolve to (*sic*) dispute.

The Agency's representatives are available on May 4 or May 10, 2021 to meet in-person at the Agency's office to discuss, in good faith, NYWD's formal demand. In attendance on behalf of the Agency will be two members of the Agency's Board of Directors, its General Manager, Rath Moseley, Finance Division Manager, Steve Wong, and Dustin C. Cooper, General Counsel. Please respond with NYWD's availability.

Finally, your correspondence continues to reference an "analysis" prepared by Tim Bryan, NYWD's financial consultant, that was "shared" with Agency staff at a prior meeting. You then state that Agency staff "unqualifiedly agreed" with Mr. Bryan's "analysis". As we have responded in the past, this is not an accurate representation of the discussion. It is, in fact, an egregious misrepresentation of the Agency's discussion with Mr. Bryan. Regardless, we have asked and will now ask again for the "analysis" prepared by Mr. Bryan, as well as a declaration signed under penalty of perjury from Mr. Bryan representing his perspective of the content of his discussion with Agency staff. Please have that material available for the Agency's review no later than when the parties meet pursuant to Part VII, section 3 of the 2005 Agreement.

Very truly yours,

MINASIAN, MEITH,
SOARES, SEXTON & COOPER, LLP

By: 

DUSTIN C. COOPER

DCC/ast

cc:

Rath Moseley, General Manager South Feather Water & Power Agency