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June 4, 2021

VIA EMAIL

Michael Vergara, General Counsel
Kelly Taber, General Counsel
North Yuba Water District
Somach, Simmons & Dunn
500 Capitol Mall, Suite 1000
Sacramento, CA 95814
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Re: Mandatory Settlement Conference – June 4, 2021

Dear Ms. Taber & Mr. Vergara:

Following our mandatory settlement conference that concluded earlier today, please see the enclosed settlement proposal that South Feather's General Manager is willing to recommend to the Agency's Board of Directors later this month. This proposal was "shared" electronically during our zoom conference. We ask that you promptly respond, no later than close of business June 11, 2021, if NYWD representatives are willing to recommend adoption of the proposal to NYWD's board of directors.

During our conference we shared the Agency's response to NYWD's latest meet and confer letter. If the Agency's settlement proposal is not accepted, the Agency intends on amending the operative verified writ of mandate to further elaborate on the lengthy history of the "Upper Forbestown Ditch Pipeline Project", the Agency's reasonable understanding that the Oroleve Pipeline Project was intended as a maintenance/repair project (and not a discrete phase or subcomponent of the larger Project), and the Agency's reasonable reliance on NYWD's General Counsel, Barbara Brenner, statements on August 3, 2020 that the "District is working on a full EIR for the forbestown ditch project" and that "SFWPA will have ample opportunity to review the document and provide comments". Ms. Brenner's email was in response to this Firm's email inquiry about the initial study/mitigated negative declaration for the "Upper Forbestown Ditch Pipeline Project" and attached the Agency's October 2019 request for CEQA notices, specifically referencing the "Upper Forbestown Ditch Pipeline Project".

To: Michael Vergara and Kelly Taber
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Finally, as we also discussed, the Agency is considering filing a cross-complaint in the matter of Charles Sharp v. North Yuba Water District, et al., Yuba County Superior Court case no. CVPT20-00386 filed May 1, 2020.

We will pause the above activity while you are considering the proposed settlement and look forward to your response as to whether NYWD representatives will recommend adoption of the settlement to NYWD's Board of Directors.

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

South Feather Water & Power Agency v. North Yuba Water District

Butte Co. Superior Court Case No. 21CV00815

June 4, 2021 Mandatory Settlement Conference

Good faith offer* by Rath Moseley, General Manager of South Feather Water & Power Agency, to recommend to Agency's Board of Directors that pending CEQA litigation be dismissed on condition that:

- (1) NYWD agrees to in-person meeting at least monthly, or more frequently with the consent of both districts, between NYWD general manager and Agency general manager to discuss matters of interest or concern to the districts; and
- (2) NYWD agrees to formation of committee of 2 NYWD board members; Agency agrees to formation of committee of 2 Agency board members. NYWD committee agrees to meet in-person with Agency committee at least quarterly, or more frequent based on the reasonable request of either NYWD or Agency, to discuss matters of interest or concern to the districts.

*As noted in Agency's June 2, 2021 letter, offer is contingent on Agency's Board of Directors considering and approving settlement at a future board meeting.