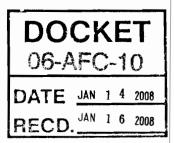


Westlands Water District

3130 N. Fresno Street, P.O. Box 6056, Fresno, California 93703-6056, (559) 224-1523, FAX (559) 241-6277

January 14, 2008

Che McFarlin, Project Manager California Energy Commission 1516 Ninth Street Sacramento, CA 95814-5512



Subject: Starwood Power Plant (06-AFC-10) – Use of Backwash Water from Baker Farms

Dear Mr. McFarlin,

The District sent a letter to the California Energy Commission on November 19, 2007 objecting to the use of filter backwash water for the Starwood Power Project (Project) operations. The District believes that due to the quality of water, it was preferable that its use be reserved for agriculture. Additionally, the District regulations prohibit the waste of agricultural water, and the intent of those regulations is that collected backwash water be reserved for agricultural purposes. Westlands Water District is water short in all water year types, and considers conservation and reuse of water mandatory for all farmers.

At the January 7, 2008 meeting, the Water Policy Committee listened to a presentation by Mr. Ron Watkins, a consultant for Starwood. Mr. Watkins explained that an investment by Starwood in a system to collect water from Baker Farms would generate a new source of water that otherwise would been lost to evaporation and percolation. The Water Policy Committee noted that a mitigating circumstance in Baker Farms' failure to reuse filter backwash was the lack of electrical power at most of the filtration systems. In exchange for the investment, the Project would use a portion of the water under a 7 year agreement with Baker Farms. Mr. Watkins informed the committee that the agreement is complete, the Project would pursue another source of water and that all the backwash water could then revert to use by Baker Farms.

After the presentation, District staff was directed to withdraw the District's previous objections to the Starwood Energy's use of filter backwash water for plant operations. However, the Committee required that several conditions be placed upon the withdrawal of the previous objection.

- 1. The District makes no commitment to provide water to the Project if no water is derived from the proposed filter backwash collection system.
- 2. The Project's use of backwash water will be capped at 14 acre-feet per year for no more than 7 years, regardless of any mitigating circumstance.
- 3. The collection of backwash water must be done in a manner that minimizes percolation, evaporation, or any other loss.
- 4. The water will be metered at the point of collection and each point of use; the District anticipates one point of collection (pond) and two points of use (Project and Baker Farms). Starwood will submit monthly meter readings of all three meters to the District.
- 5. The balance of the backwash water remaining after the Project's use will be used by Baker Farms for agricultural purposes only.
- 6. The District is not setting a precedent that filter backwash may be used for future power plants or other municipal and industrial purposes.

If these conditions cannot be met, then the District's prior objection remains, and accordingly, the District requests that the Commission require Starwood Energy to use the semi confined aquifer for Plant operations.

If you have any questions, please contact Russ Freeman, Supervisor of Resources, at 559-241-6241.

Sincerely,

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Deputy General Manager - Resources