



WESTERN AGGREGATES LLC

February 18, 2010

VIA E-MAIL to hea@water.ca.gov

Chief, Division of Environmental Services
California Department of Water Resources
P.O. Box 942836
Sacramento, CA 94236-0001

Re: Habitat Expansion Agreement – Proposed Expansion of Spring-Run Chinook
Salmon and Steelhead Habitat in the Lower Yuba River

Ladies and Gentlemen:

On behalf of Western Aggregates LLC ("Western"), I am writing in support of the habitat expansion actions being considered by the California Department of Water Resources ("DWR") and Pacific Gas & Electric Company ("PG&E") with respect to the Lower Yuba River Habitat Expansion Actions (the "Lower Yuba River Actions") described in the November 2009 Draft Habitat Expansion Plan issued by DWR and PG&E (the "Draft Plan"). We at Western are supportive of the actions being proposed by DWR and PG&E and, for the reasons set forth below, have no comments about the Three-Creek Actions but wish to register our strong support of the Lower Yuba River Actions described in the Draft Plan.

I believe that it would be helpful to provide to you a little background about Western, and then I will turn to a discussion of our support of the Lower Yuba River Actions. Western is a wholly owned subsidiary of Eagle Materials Inc., a Dallas, Texas-based New York Stock Exchange-listed company in the building materials business (primarily, cement and gypsum wallboard, with operations also in recycled paperboard, concrete, and aggregates). Western was formed in 1987 and owns substantial surface acres and aggregate mineral interests in the Yuba Goldfields, located approximately 7 miles to the east of Marysville, California along the Yuba River. (In using the term "aggregate" or "aggregates", we refer to those words in their building materials context and thus mean sand, gravel, stone, rock, and other similar mineral resources; we often use the phrase "sand and gravel" as a short-hand for all aggregates.) Aggregates are used in all facets of construction, including pavement, roads, highways, bridges, buildings, and other infrastructure. Western's mineral resources in the Yuba Goldfields represent the largest reserves of minable sand and gravel in the State of California and constitute a crucial and valuable resource for the future construction and growth needs of Northern California. In addition to Western's mineral interests in the Yuba Goldfields, Western also owns substantial surface acres in the Yuba Goldfields, including riverfront property along the Yuba River.

About two years ago, Western commenced a dialogue with the South Yuba River Citizens League ("SYRCL") for restoration projects on the Lower Yuba River on land owned by Western. After much hard work and thought and planning, those discussions led to an announcement in October of 2008 of an Agreement in Principle among Western, SYRCL, and

several other project partners for the establishment of a permanent conservation easement on up to 180 acres of land owned by Western along the Yuba River for use in connection with the planning and implementing of habitat restoration projects on the Lower Yuba River. In short, Western's and SYRCL's Agreement in Principle contemplates a public-private partnership with Western burdening certain of its lands adjacent to the Yuba River with a conservation easement and SYRCL planning, designing, implementing, and monitoring habitat restoration projects for salmon, trout, and other native biota of the Yuba River on these lands. Western has found SYRCL to be an effective partner as well as a manager of the program conducting scientific analysis and planning for these restoration activities. Our project was announced publicly in October 2008, and, since such time, Western and SYRCL have continued to diligently work together towards completing the formal granting of the conservation easement. Moreover, SYRCL has actively pursued the pre-planning and design phases of the project since the announcement of the partnership and the project in 2008. SYRCL, founded in 1983, is a community-based public benefit organization (501c3) with a mission to protect and restore the Yuba Rivers and the greater Yuba Watershed.

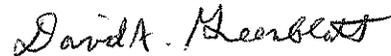
Western notes that a specific portion of the Draft Plan actually highlights certain areas conducive to restoring juvenile salmonid rearing habitat that involve areas that are the subject of Western's conservation easement and SYRCL's planned habitat restoration projects. Specifically, Figure 6-3 (which is immediately after page 6-24 of the Draft Plan) directs the reader to three sites, Site 1, Site 2, and Site 4, that are part of the planned areas of Western's conservation easement and the SYRCL habitat restoration and enhancement projects. Figure 6-4 (a close-up of Site 1) reflects a potential enhancement project on the Upper Gilt Edge Bar, which is a piece of land owned by Western and destined for our conservation easement; Figure 6-5 (a close-up of Site 2) describes a possible project involving lands on First Island and some restoration on lands of Western to the south across the river (which we call the Lower Gilt Edge Bar); finally, Figure 6-6 (a close-up of Site 4) depicts juvenile rearing habitat restoration on Silica Bar, another piece of land owned by Western and contemplated for inclusion in the conservation easement. We also note that additional projects for certain lands described in the Draft Plan, while not currently contemplated by Western and SYRCL for inclusion in the conservation easement, involve lands or interests owned by Western, including the South Bar above Daguerre Point Dam Site (Figure 6-8), the Waterway 13 Site (Figure 6-9), and the Goldfields Terminus Bar (Figure 6-11). While Western has had no discussions with SYRCL or others regarding these additional lands, Western is willing to consider additional lands it owns for inclusion in future habitat restoration and enhancement projects, such as those described in Figures 6-8, 6-9, and 6-11.

While SYRCL has obtained some initial limited funding in support of this project, including a \$50,000 challenge grant issued by Western, additional funding will be necessary for the project to be properly funded, designed, implemented, and monitored. Accordingly, Western strongly supports the project contemplated by DWR and PG&E that directs funding for the projects included in the Lower Yuba River Actions.

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Please feel free to contact me if I can provide any more supporting information or if you have any further questions about Western, our proposed conservation easement and the habitat restoration projects contemplated on Western's lands, or this letter. If you need to contact me, please do so by contacting me at my office in Dallas at Western Aggregates LLC, c/o Eagle Materials Inc., 3811 Turtle Creek Blvd., Suite 1100, Dallas, Texas 75219-4487, phone: (214) 432-2024, fax: (214) 432-2110, e-mail: dgreenblatt@eaglematerials.com. Finally, please revise Western's contact information on your distribution lists for this matter to send any materials for Western to my attention at the address listed in the previous sentence.

Very truly yours,



David A. Greenblatt
Senior Vice President

cc: Lloyd Burns (Western Aggregates)
Jason Rainey (SYRCL)
Gary Reedy (SYRCL)
Curt Aikens (Yuba County Water Agency)