STATE OF CALIFORNIA
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
STATE WATER RESOURCES CONTROL BOARD

DIVISION OF WATER RIGHTS

In the Matter of License 4324B (Application 13965B)

North Marin Water District

ORDER APPROVING CHANGE IN PLACE OF USE AND PURPOSES OF USE, AND ISSUING AMENDED LICENSE

SOURCE: Lagunitas Creek tributary to Tomales Bay

COUNTY: Marin County

WHEREAS:

1. By Order dated October 10, 2000, the State Water Resources Control Board (State Water Board), Division of Water Rights (Division) split License 4324 (Application 13965) into two parts: License 4324A (Application 13965A) and License 4324B (Application 13965B). License 4324B (Application 13965B) was issued to North Marin Water District (Petitioner) on October 10, 2000. The priority date of License 4324B (license) remains September 26, 1950.

2. Petitioner filed a petition (Petition) with the Division on April 8, 2002, seeking to add a purpose of use to the license and change the licensed place of use.

3. The Petition seeks to add Municipal and Industrial uses as a licensed authorized purpose and expand the licensed place of use to include the communities of Olema, Point Reyes Station, Inverness Park, and Point Reyes National Seashore Park, all within North Marin Water District Annexation No. 3, as shown on a map on file with the Division.

4. Public notice of the Petition was issued on July 22, 2002, and protests were filed by the Department of Fish and Game (DFG) and a consortium consisting of Trout Unlimited-North Bay Chapter, Tomales Bay Association, and the Sierra Club-Marin Group (Consortium).

5. By letter dated December 15, 2003, the Consortium withdrew its protest on condition that the Division amend the license consistent with a settlement agreement reached between the Petitioner and the Consortium, dated February 5, 2003. A copy of the February 5, 2003 Settlement Agreement is on file with the Division.

6. By letter dated September 23, 2004, the Petitioner submitted a draft settlement agreement between the Petitioner and the DFG. A copy of the September 23, 2004 draft settlement agreement is on file with the Division. By letter dated October 7, 2004, the DFG advised Petitioner that finalization of the draft settlement agreement was premature because agreement had not yet been reached on all terms of the draft settlement agreement and development of flow-related terms was still a matter of dispute. A copy of the October 7, 2004 letter is on file with the Division.

7. By memorandum dated April 5, 2007, the DFG advised the Division its protest would be dismissed based on certain terms and conditions to be added to the Amended License by this Order. Consequently, by letter dated the same date as this order, the Division dismisses the DFG protest.

8. The State Water Board has determined that good cause for the changes being sought by the Petition has been shown.

9. Pursuant to Resolution No. 2002-0106, the State Water Board has delegated authority to the Chief of the Division to administer the duties required under the California Environmental Quality Act (CEQA). (Attachment to Resolution No. 2002-0106, § 2.9.) The Division Chief has redelegated this authority to the Assistant Division Chief, the Chief of the Permitting Section, and the Chief of the Hearings and Special Projects Section. (Redelegations memo from Edward Anton (June 19, 2003).)

10. The project is exempt from CEQA under California Code of Regulations, Title 14, section 15301. The Division will file a Notice of Exemption in accordance with the California Code of Regulations, Title 14, section 15062 after issuance of this Order.

11. The State Water Board has determined that the license shall be amended to include the following specific corrections or changes:

a.) The purposes shall be amended to read: Municipal, Industrial and Irrigation uses.

b.) The place of use shall be amended to read:

At the Annexation No. 3 service area of the North Marin Water District within T2N and 3N, R8W and 9W, MDB&M, as shown on a map dated February 7, 2007, filed with the State Water Board.

c.) The maximum diversion rate limitation of 0.67 cubic foot per second (cfs) shall be maintained for this license, with the exception that a 30-day running average of 0.67 cfs shall be allowed only during dry years. A dry year shall be defined as any year in which the total precipitation that occurs from the previous period of October 1 though April 1 does not exceed 28 inches as measured at the Marin Municipal Water District Kent Lake Precipitation Gage. (State Water Board Order WR 95-17 (October 26, 1995).)

d.) A term shall be added to include a combined maximum instantaneous diversion rate limitation of 1.18 cfs for all points of diversion under all water rights held by Petitioner for diversion of water from the Lagunitas Creek Watershed during the period of May 1 through November 1 of a designated dry year.

e.) A term shall be added to include a combined maximum instantaneous diversion rate limitation of 0.67 cfs for all points of diversion under this license during the period of May 1 through November 1 of any year wetter than a dry year. A wetter than dry year shall be defined as any year in which the total precipitation that occurs from the previous period of October 1 though April 1 is 28 inches or greater as measured at the Marin Municipal Water District Kent Lake Precipitation Gage. (State Water Board Order WR 95-17 (October 26, 1995).)

f.) A term shall be added as follows:

Dry Year Water Shortage Report. Following each dry year, licensee shall prepare a draft report detailing the Lagunitas Creek dry year water shortage conditions, including flow

conditions as reported at the Unite State Geological Survey (USGS) Gallagher Gage and a comparison with flows at the USGS Park Gage and licensee's diversions from the Lagunitas Creek watershed under all of its water rights. Licensee shall provide such draft report to the Chief of the Division of Water Rights and to the California Department of Fish and Game (DFG). In addition, licensee shall hold a public workshop on the draft report to receive public comments and recommendations, and hold a public meeting prior to formal adoption of the final report. Licensee shall provide the DFG at least 7 days written notice prior to such public workshop and meeting. Licensee shall send a copy of each final report adopted to the Chief of the Division of Water Rights, and to the DFG.

g.) A term shall be added as follows:

Fish and Wildlife Protection Term. For the protection of fisheries, wildlife, and other instream and riparian public trust resources in Lagunitas Creek, diversions under this license shall be subject to maintenance of minimum flows as follows:

1.) From May 1 through June 15 of any year wetter than a dry year, licensee shall cease diversion of water under this license whenever there is less than 12 cfs in Lagunitas Creek as measured at the USGS Park Gage.

2.) From May 1 through June 15 of any dry year, licensee shall cease diversion of water under this license whenever there is less than 10 cfs in Lagunitas Creek as measured at the USGS Park Gage.

3.) From June 16 through November 1 of any year wetter than a dry year, licensee shall cease diversion of water under this license whenever there is less than 8 cfs in Lagunitas Creek as measured at the USGS Park Gage.

4.) From June 16 through November 1 of any dry year, licensee shall cease diversion of water under this license whenever there is less than 6 cfs in Lagunitas Creek as measured at the USGS Park Gage.

No diversion shall take place under this license if the flow in Lagunitas Creek is below the designated rates. To ensure compliance with this condition, by April 1 of each year, licensee shall file a report with the Chief of the Division of Water Rights, containing the following information:

a. Water year type for the reporting period.
b. Dates during the previous period of May 1 through November 1 when water was diverted under this license.
c. Minimum flows measured in Lagunitas Creek at the USGS Park Gage during the dates identified under b. above.

In the event that the gages are no longer available for streamflow measurements, the licensee (or successor-in-interest) is responsible for installing and maintaining equivalents gages, satisfactory to the Chief of the Division of Water Rights, as near as practicable to the present location of the USGS Gallagher Park Gages. In the absence of such equivalent gages, all diversion must cease. These requirements shall remain in force as long as water is being diverted by the licensee (or successor-in-interest) under the license.

h.) A maximum annual diversion limit will be placed in the license in the amount of 148.8 acre-feet per year.

i.) A term shall be added as follows:

Water Conservation Program. Licensee shall consult with the Division and develop and implement a municipal water conservation program. The proposed water conservation program shall be presented to the Chief of the Division of Water Rights for approval within one year from the date municipal water service commences under this license or such further time as, for good cause shown, may be allowed by the Chief of the Division of Water Rights. A progress report on the development of the water conservation program may be required by the Chief of the Division of Water Rights at any time within this period.

All cost-effective measures identified in the approved water conservation program shall be implemented in accordance with the schedule for implementation found therein.

12. The State Water Board standard license terms pertaining to licensee reporting, access to the project site, continuing authority, water quality objectives, protection of endangered species, and streambed or lakebed alteration shall be updated or added to the Amended License as follows:

Licensee Reports. Reports shall be filed promptly by the licensee on the appropriate forms which will be provided for the purpose from time to time by the State Water Board.

Access to Project. Licensee shall allow representatives of the State Water Board and other parties, as may be authorized from time to time by the State Water Board, reasonable access to project works to determine compliance with the terms of this license.

Continuing Authority. Pursuant to Water Code sections 100 and 275 and the common law public trust doctrine, all rights and privileges under this license, including method of diversion, method of use, and quantity of water diverted, are subject to the continuing authority of the State Water Board in accordance with law and in the interest of the public welfare to protect public trust uses and to prevent waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of said water.

The continuing authority of the State Water Board may be exercised by imposing specific requirements over and above those contained in this license with a view to eliminating waste of water and to meeting the reasonable water requirements of the licensee without unreasonable draft on the source. Licensee may be required to implement a water conservation plan, features of which may include but not necessarily be limited to: (1) reusing or reclaiming the water allocated; (2) using water reclaimed by another entity instead of all or part of the water allocated; (3) restricting diversions so as to eliminate agricultural tailwater or to reduce return flow; (4) suppressing evaporation losses from water surfaces; (5) controlling phreatophytic growth; and (6) installing, maintaining, and operating efficient water measuring devices to assure compliance with the quantity limitations of this license and to determine accurately water use as against reasonable water requirement for the authorized project. No action will be taken pursuant to this paragraph unless the State Water Board determines, after notice to affected parties and opportunity for hearing, that such specific requirements are physically and financially feasible and are appropriate to the particular situation.

The continuing authority of the State Water Board may also be exercised by imposing further limitations on the diversion and use of water by the licensee in order to protect public trust uses. No action will be taken pursuant to this paragraph unless the State Water Board determines, after notice to affected parties and opportunity for hearing, that such action is consistent with California Constitution article X, section 2; is consistent with the public interest and is necessary to preserve or restore the uses protected by the public trust.

Water Quality Objectives. The quantity of water diverted under this license is subject to modification by the State Water Board if, after notice to the licensee and an opportunity for hearing, the State Water Board finds that such modification is necessary to meet water quality objectives in water quality control plans which have been or hereafter may be established or modified pursuant to division 7 of the Water Code. No action will be taken pursuant to this paragraph unless the State Water Board finds that: (1) adequate waste discharge requirements have been prescribed and are in effect with respect to all waste discharges which have any substantial effect upon water quality in the area involved; and (2) the water quality objectives cannot be achieved solely through the control of waste discharges.

Endangered Species. This license does not authorize any act which results in the taking of a threatened or endangered species or any act which is now prohibited, or becomes prohibited in the future, under either the California Endangered Species Act (Fish and Game Code sections 2050 to 2097) or the federal Endangered Species Act (16 U.S.C.A. sections 1531 to 1544). If a "take" will result from any act authorized under this water right, the licensee shall obtain authorization for an incidental take prior to construction or operation of the project. Licensee shall be responsible for meeting all requirements of the applicable Endangered Species Act for the project authorized under this license.

Lake or Streambed Alteration. If construction or rehabilitation work is required for the diversion works covered by this license within the bed, channel, or bank of the affected water body, the licensee shall enter into a lake or streambed alteration agreement with the State Department of Fish and Game. Licensee shall submit a copy of the agreement, or waiver thereof, to the Division of Water Rights prior to commencement of work. Compliance with the terms and conditions of the agreement is the responsibility of the licensee.

13. The State Water Board has determined the Amended License does not constitute an initiation of a new right, and does not injure prior rights or the public trust resources of the State.

THEREFORE, IT IS ORDERED:

The attached Amended License 4324B is issued, superseding former License 4324B issued on October 10, 2000. The priority of Amended License 4324B is September 26, 1950.

STATE WATER RESOURCES CONTROL BOARD

Victoria A. Whitney, Chief
Division of Water Rights

Dated: MAY 07 2007

STATE OF CALIFORNIA
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
STATE WATER RESOURCES CONTROL BOARD

DIVISION OF WATER RIGHTS

Amended License for Diversion and Use of Water

APPLICATION 13965B | PERMIT 8632 | LICENSE **4324B**

THIS IS TO CERTIFY, that

North Marin Water District
999 Rush Creek Place
P. O. Box 146
Novato, CA 94948

has the right to the use of the waters of **Lagunitas Creek** in **Marin County**

tributary to **Tomales Bay**

for the purposes of **Municipal, Industrial and Irrigation uses.**

Amended License 4324B supersedes the license originally issued **October 10, 2000**, which was perfected in accordance with the laws of California, the regulations of the State Water Resources Control Board (State Water Board), or its predecessor, and the terms of **Permit 8632**. The priority of this right dates from **September 26, 1950**. Proof of maximum beneficial use of water under this license was made as of **April 23, 1953** (the date of inspection).

The amount of water to which this right is entitled and hereby confirmed is limited to the amount actually beneficially used for the stated purposes and shall not exceed **sixty-seven hundredths (0.67) cubic foot per second to be diverted from May 1 to November 1 of each year. The maximum amount diverted under this license shall not exceed 148.8 acre-feet per year.**

THE POINTS OF DIVERSION OF SUCH WATER ARE LOCATED:

(1) By California Coordinate System of 1927, Zone 3, North 578,000 feet and East 1,335,400 feet, being within SW¼ of NW¼ of projected Section 36, T3N, R9W, MDB&M;

(2) By California Coordinate System of 1927, Zone 3, North 579,400 feet and East 1,338,900 feet, being within SW¼ of SE¼ of projected Section 25, T3N, R9W, MDB&M; and

(3) By California Coordinate System of 1927, Zone 3, North 582,000 feet and East 1,339,700 feet, being within SE¼ of NE¼ of projected Section 25, T3N, R9W, MDB&M.

A DESCRIPTION OF THE LANDS OR THE PLACE WHERE SUCH WATER IS PUT TO BENEFICIAL USE IS AS FOLLOWS:

At the Annexation No. 3 service area of the North Marin Water District within T2N and 3N, R8W and 9W, MDB&M, as shown on a map dated February 7, 2007, filed with the State Water Board.

LICENSEE SHALL COMPLY WITH THE FOLLOWING ADDITIONAL PROVISIONS:

In a dry year, the equivalent of such continuous flow allowance for any 30-day period may be diverted in a shorter time if there be no interference with other vested rights. Pursuant to State Water Board Order WR 95-17 dated October 26, 1995, a dry year shall be defined as any year in which the total precipitation that occurs from the previous period of October 1 through April 1 does not exceed 28 inches as measured at the Marin Municipal Water District's Kent Lake Precipitation Gage.

In any dry year, licensee shall not exceed a combined maximum instantaneous diversion rate of 1.18 cubic feet per second from all points of diversion under this license and Permits 19724 and 19725 (Applications 25062 and 25079, respectively) held by licensee for diversion of water from the Lagunitas Creek Watershed during the period of May 1 through November 1.

In any year wetter than a dry water year licensee shall not exceed a combined maximum instantaneous diversion rate limitation of 0.67 cubic foot per second for all points of diversion under this license during the period of May 1 through November 1. Pursuant to State Water Board Order WR 95-17 dated October 26, 1995, a wetter than dry water year shall be defined as any year in which the total precipitation that occurs from the previous period of October 1 though April 1 is 28 inches or greater as measured at the Marin Municipal Water District's Kent Lake Precipitation Gage.

Following each dry year, licensee shall prepare a draft report detailing the Lagunitas Creek dry year water shortage conditions, including flow conditions as reported at the United States Geological Survey (USGS) Gallagher Gage and a comparison with flows at the USGS Park Gage and licensee's diversions from the Lagunitas Creek watershed under all of its water rights. Licensee shall provide such draft report to the Chief of the Division of Water Rights, and to the California Department of Fish and Game (DFG). In addition, licensee shall hold a public workshop on the draft report to receive public comments and recommendations, and hold a public meeting prior to formal adoption of the final report. Licensee shall provide the DFG at least 7 days written notice prior to such public workshop and meeting. Licensee shall send a copy of each final report adopted to the Chief of the Division of Water Rights, and to the DFG.

For the protection of fisheries, wildlife and other instream and riparian public trust resources in Lagunitas Creek, diversions under this license shall be subject to maintenance of minimum flows as follows:

1.) From May 1 through June 15 of any year wetter than a dry year, licensee shall cease diversion of water under this license whenever there is less than 12 cubic feet per second in Lagunitas Creek as measured at the USGS Park Gage.

2.) From May 1 through June 15 of any dry year, licensee shall cease diversion of water under this license whenever there is less than 10 cubic feet per second in Lagunitas Creek as measured at the USGS Park Gage.

3.) From June 16 through November 1 of any year wetter than a dry year, licensee shall cease diversion of water under this license whenever there is less than 8 cubic feet per second in Lagunitas Creek as measured at the USGS Park Gage.

4.) From June 16 through November 1 of any dry year, licensee shall cease diversion of water under this license whenever there is less than 6 cubic feet per second in Lagunitas Creek as measured at the USGS Park Gage.

No diversion shall take place under this license if the flow in Lagunitas Creek is below the designated rates. To ensure compliance with this condition, by April 1 of each year, licensee shall file a report with the Chief of the Division of Water Rights, containing the following information:

a.) water year type for the reporting period,
b.) dates during the previous period of May 1 through November 1 when water was diverted under this license, and
c.) minimum flows measured in Lagunitas Creek at the USGS Park Gage during the dates identified under b. above.

In the event that the gages are no longer available for streamflow measurements, the licensee (or successor-in-interest) is responsible for installing and maintaining equivalent gages, satisfactory to the Chief of the Division of Water Rights, as near as practicable to the present location of the USGS Gallagher and Park gages. In the absence of such equivalent gages, all diversion must cease. These requirements shall remain in force as long as water is being diverted by the licensee (or successor-in-interest) under the license.

Licensee shall consult with the Division of Water Rights and develop and implement a municipal water conservation program. The proposed water conservation program shall be presented to the Chief of the Division of Water Rights for approval within one year from the date municipal water service commences under this license or such further time as, for good cause shown, may be allowed by the Chief of the Division of Water Rights. A progress report on the development of the water conservation program may be required by the Chief of the Division of Water Rights at any time within this period. All cost-effective measures identified in the approved water conservation program shall be implemented in accordance with the schedule for implementation found therein.

The right hereby confirmed to the diversion and use of water is restricted to the point or points of diversion herein specified and to the lands or place of use herein described.

Reports shall be filed promptly by the licensee on the appropriate forms which will be provided for the purpose from time to time by the State Water Board.

Licensee shall allow representatives of the State Water Board and other parties, as may be authorized from time to time by the State Water Board, reasonable access to project works to determine compliance with the terms of this license.

Pursuant to Water Code sections 100 and 275 and the common law public trust doctrine, all rights and privileges under this license, including method of diversion, method of use, and quantity of water diverted, are subject to the continuing authority of the State Water Board in accordance with law and in the interest of the public welfare to protect public trust uses and to prevent waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of said water.

The continuing authority of the State Water Board may be exercised by imposing specific requirements over and above those contained in this license with a view to eliminating waste of water and to meeting the reasonable water requirements of licensee without unreasonable draft on the source. Licensee may be required to implement a water conservation plan, features of which may include but not necessarily be limited to: (1) reusing or reclaiming the water allocated; (2) using water reclaimed by another entity instead of all or part of the water allocated; (3) restricting diversions so as to eliminate agricultural tailwater or to reduce return flow; (4) suppressing evaporation losses from water surfaces; (5) controlling phreatophytic growth; and (6) installing, maintaining, and operating efficient water measuring devices to assure compliance with the quantity limitations of this license and to determine accurately water use as against reasonable water requirement for the authorized project. No action will be taken pursuant to this paragraph unless the State Water Board determines, after notice to affected parties and opportunity for hearing, that such specific requirements are physically and financially feasible and are appropriate to the particular situation.

The continuing authority of the State Water Board also may be exercised by imposing further limitations on the diversion and use of water by the licensee in order to protect public trust uses. No action will be taken pursuant to this paragraph unless the State Water Board determines, after notice to affected parties and opportunity for hearing, that such action is consistent with California Constitution article X, section 2; is consistent with the public interest and is necessary to preserve or restore the uses protected by the public trust.

The quantity of water diverted under this license is subject to modification by the State Water Board if, after notice to the licensee and an opportunity for hearing, the State Water Board finds that such modification is necessary to meet water quality objectives in water quality control plans which have been or hereafter may be established or modified pursuant to division 7 of the Water Code. No action will be taken pursuant to this paragraph unless the State Water Board finds that: (1) adequate waste discharge requirements have been prescribed and are in effect with respect to all waste discharges which have any substantial effect upon water quality in the area involved, and (2) the water quality objectives cannot be achieved solely through the control of waste discharges.

This license does not authorize any act which results in the taking of a threatened or endangered species or any act which is now prohibited, or becomes prohibited in the future, under either the California Endangered Species Act (Fish and Game Code sections 2050 to 2097) or the federal Endangered Species Act (16 U.S.C.A. sections 1531 to 1544). If a "take" will result from any act authorized under this water right, the licensee shall obtain authorization for an incidental take prior to construction or operation of the project. Licensee shall be responsible for meeting all requirements of the applicable Endangered Species Act for the project authorized under this license.

If construction or rehabilitation work is required for the diversion works covered by this license within the bed, channel, or bank of the affected water body, the licensee shall enter into a streambed or lake alteration agreement with the State Department of Fish and Game. Licensee shall submit a copy of the agreement, or waiver thereof, to the Division of Water Rights prior to commencement of work. Compliance with the terms and conditions of the agreement is the responsibility of the licensee.

This license is granted and the licensee accepts all rights herein confirmed subject to the following provisions of the Water Code:

Section 1625. Each license shall be in such form and contain such terms as may be prescribed by the State Water Board.

Section 1626. All licenses shall be under the terms and conditions of this division (of the Water Code).

Section 1627. A license shall be effective for such time as the water actually appropriated under it is used for a useful and beneficial purpose in conformity with this division (of the Water Code) but no longer.

STATE OF CALIFORNIA
STATE WATER RESOURCES CONTROL BOARD

DIVISION OF WATER RIGHTS

Amended License for Diversion and Use of Water

APPLICATION **13965** PERMIT **8632** LICENSE **4324B**

THIS IS TO CERTIFY, That North Marin Water District
999 Rush Creek Place
P.O Box 146
Novato, CA 94948

Has the right to use waters of **Lagunitas Creek** in **Marin County** tributary to **Tomales Bay**

for the following purposes: **Irrigation**

Amended License **4324B** supersedes the license originally issued **04/24/1956**, which was perfected in accordance with the laws of California, the regulations of the SWRCB or its predecessor, and the terms of Permit **8632**. The priority of this right dates from **09/26/1950**. Proof of maximum beneficial use of water pursuant to Application **13965** was made as of **04/23/1953** (the date of inspection).

The amount of water that may be used under this license is limited to the amount actually beneficially used for the stated purposes and shall not exceed **0.67 cubic feet per second to be diverted from May 1 to November 1 of each year.**

The equivalent of such continuous flow allowance for any thirty day period may be diverted in a shorter time if there be no interference with other vested rights.

Unless a change is approved by the State Water Resources Control Board (SWRCB), water used under this license may be diverted, rediverted, stored and used only as specified below;

THE POINT OF DIVERSION OF SUCH WATER IS LOCATED:

Within the SW¼ of NW¼ of Projected Section 36, T3N, R9W, MDB&M. Also described as California Coordinate System, Zone 3, North 578,000 and East 1,335,400.

Within the SW¼ of SE¼ of Projected Section 25, T3N, R9W, MDB&M. Also described as California Coordinate System, Zone 3, North 579,400 and East 1,338,900.

Within the SE¼ of NE¼ of Projected Section 25, T3N, R9W, MDB&M. Also described as California Coordinate System, Zone 3, North 582,000 and East 1,339,700.

A DESCRIPTION OF THE LANDS OR THE PLACE WHERE SUCH WATER IS PUT TO BENEFICIAL USE IS AS FOLLOWS:

312 total acres located within Projected Sections 26, 35 and 36, T3N, R9W, MDB&M, as shown on map on file with the SWRCB.

The quantity of water diverted under this license is subject to modification by the SWRCB if, after notice to the licensee and an opportunity for hearing, the SWRCB finds that such modification is necessary to meet water quality objectives in water quality control plans which have been or hereafter may be established or modified pursuant to Division 7

of the Water Code. No action will be taken pursuant to this paragraph unless the SWRCB finds that: (1) adequate waste discharge requirements have been prescribed and are in effect with respect to all waste discharges which have any substantial effect upon water quality in the area involved, and (2) the water quality objectives cannot be achieved solely through the control of waste discharges.

During the season specified in this permit, the total quantity and rate of water diverted and used under this license and under licensee's claimed existing right for the place of use specified in the permit shall not exceed the quantity and rate of diversion and use, respectively, specified in this license. If the licensee claimed existing right is quantified at some later date as a result of an adjudication or other legally binding proceeding, the quantity and rate of diversion and use allowed under this license shall be the net of the face value of the license less the amounts of water available under the existing right.

Licensee shall forfeit all rights under this license if licensee transfers all or any part of the claimed existing right for the place of use covered by this license to another place of use without the prior approval of the State Water Resources Control Board.

Licensee shall take and use water under the existing right claimed by licensee only in accordance with law. (0000021-d)

In order to prevent degradation of the quality of water, licensee shall comply with any waste discharge requirements imposed by the California Regional Water Quality Control Board. (0000100)

Licensee or his successor in interest shall not install a dam on Lagunitas Creek downstream of the Highway 1 bridge any time after November 1, 1997, to divert water under any basis or claim of water right.

All rights and privileges under this license including method of diversion, method of use and quantity of water diverted are subject to the continuing authority of the State Water Resources Control Board in accordance with law and in the interest of the public welfare to prevent waste, unreasonable use, unreasonable method of use or unreasonable method of diversion of said water.

Reports shall be filed promptly by licensee on appropriate forms which will be provided for the purpose from time to time by the SWRCB.

Pursuant to California Water Code Sections 100 and 275 and the common law public trust doctrine, all rights and privileges under this license, including method of diversion, method of use, and quantity of water diverted, are subject to the continuing authority of the SWRCB in accordance with law and in the interest of the public welfare to protect public trust uses and to prevent waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of said water.

The continuing authority of the SWRCB may be exercised by imposing specific requirements over and above those contained in this license with a view to eliminating waste of water and to meeting the reasonable water requirements of licensee without unreasonable draft on the source. Licensee may be required to implement a water conservation plan, features of which may include but not necessarily be limited to: (1) reusing or reclaiming the water allocated; (2) using water reclaimed by another entity instead of all or part of the water allocated; (3) restricting diversions so as to eliminate agricultural tailwater or to reduce return flow; (4) suppressing evaporation losses from water surfaces; (5) controlling phreatophytic growth; and (6) installing, maintaining, and operating efficient water measuring devices to assure compliance with the quantity limitations of this license and to determine accurately water use as against reasonable water requirement for the authorized project. No action will be taken pursuant to this paragraph unless the SWRCB determines, after notice to affected parties and opportunity for hearing, that such specific requirements are physically and financially feasible and are appropriate to the particular situation.

The continuing authority of the SWRCB also may be exercised by imposing further limitations on the diversion and use of water by the licensee in order to protect public trust uses. No action will be taken pursuant to this paragraph unless the SWRCB determines, after notice to affected parties and opportunity for hearing, that such action is consistent with California Constitution Article X, Section 2; is consistent with the public interest and is necessary to preserve or restore the uses protected by the public trust.

The right hereby confirmed to the diversion and use of water is restricted to the point or points of diversion herein specified and to the lands or place of use herein described.

This license is granted and licensee accepts all rights herein confirmed subject to the following provisions of the Water Code:

Section 1625. Each license shall be in such form and contain such terms as may be prescribed by the SWRCB.

Section 1626. All licenses shall be under the terms and conditions of this division (of the Water Code).

Section 1627. A license shall be effective for such time as the water actually appropriated under it is used for a useful and beneficial purpose in conformity with this division (of the Water Code) but no longer.

Section 1628. Every license shall include the enumeration of conditions therein which in substance shall include all of the provisions of this article (of the Water Code) and the statement that any appropriator of water to whom a license is issued takes the license subject to the conditions therein expressed.

Section 1629. Every licensee, if he accepts a license, does so under the conditions precedent that no value whatsoever in excess of the actual amount paid to the State therefor shall at any time be assigned to or claimed for any license granted or issued under the provisions of this division (of the Water Code), or for any rights granted or acquired under the provisions of this division (of the Water Code), in respect to the regulation by any competent public authority of the services or the price of the services to be rendered by any licensee or by the holder of any rights granted or acquired under the provisions of this division (of the Water Code) or in respect to any valuation for purposes of sale to or purchase, whether through condemnation proceedings or otherwise, by the State or any city, city and county, municipal water district, irrigation district, lighting district, or any political subdivision of the State, of the rights and property of any licensee, or the possessor of any rights granted, issued, or acquired under the provisions of this division (of the Water Code).

Section 1630. At any time after the expiration of twenty years after the granting of a license, the State or any city, city and county, municipal water district, irrigation district, lighting district, or any political subdivision of the State shall have the right to purchase the works and property occupied and used under the license and the works built or constructed for the enjoyment of the rights granted under the license.

Section 1631. In the event that the State, or any city, city and county, municipal water district, irrigation district, lighting district, or political subdivision of the State so desiring to purchase and the owner of the works and property cannot agree upon the purchase price, the price shall be determined in such manner as is now or may hereafter be provided by law for determining the value of property taken in eminent domain proceedings.

Dated: OCT 1 0 2000

STATE WATER RESOURCES CONTROL SWRCB

Harry M. Schueller
Chief, Division of Water Rights

Section 1628. Every license shall include the enumeration of conditions therein which in substance shall include all of the provisions of this article (of the Water Code) and the statement that any appropriator of water to whom a license is issued takes the license subject to the conditions therein expressed.

Section 1629. Every licensee, if he accepts a license, does so under the conditions precedent that no value whatsoever in excess of the actual amount paid to the State therefore shall at any time be assigned to or claimed for any license granted or issued under the provisions of this division (of the Water Code), or for any rights granted or acquired under the provisions of this division (of the Water Code), in respect to the regulation by any competent public authority of the services or the price of the services to be rendered by any licensee or by the holder of any rights granted or acquired under the provisions of this division (of the Water Code) or in respect to any valuation for purposes of sale to or purchase, whether through condemnation proceedings or otherwise, by the State or any city, city and county, municipal water district, irrigation district, lighting district, or any political subdivision of the State, of the rights and property of any licensee, or the possessor of any rights granted, issued, or acquired under the provisions of this division (of the Water Code).

Section 1630. At any time after the expiration of twenty years after the granting of a license, the State or any city, city and county, municipal water district, irrigation district, lighting district, or any political subdivision of the State shall have the right to purchase the works and property occupied and used under the license and the works built or constructed for the enjoyment of the rights granted under the license.

Section 1631. In the event that the State, or any city, city and county, municipal water district, irrigation district, lighting district, or political subdivision of the State so desiring to purchase and the owner of the works and property cannot agree upon the purchase price, the price shall be determined in such manner as is now or may hereafter be provided by law for determining the value of property taken in eminent domain proceedings.

STATE WATER RESOURCES CONTROL BOARD

Victoria A. Whitney

Victoria A. Whitney, Chief
Division of Water Rights

Dated: MAY 07 2007