

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

**DIVISION OF WATER RIGHTS**

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In the Matter of License 4545 (Application 8999)

**French American Investment Company, Inc.**

**ORDER REVOKING LICENSE**

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SOURCE: San Lorenzo River

COUNTY: Santa Cruz

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**WHEREAS:**

1. The State Water Resources Control Board (State Water Board) issued License 4545 pursuant to Permit 5299 (Application 8999) on February 11, 1957 to Riverside Grove Water Company (Company). The license authorizes the Company to directly divert three-hundredths (0.03) cubic foot per second from about November 1 of each year to about June 1 of the succeeding year for Domestic use. The Place of Use is the Riverside Grove Subdivision (Subdivision) and contiguous area consisting of 75 acres of land with 120 cabins, a restaurant, a grocery store, a recreational swimming pool, and the home of the Riverside Grove Water Company President. At the time of licensing, State Water Board's records show that the Subdivision also was served with water purchased from the Big Basin Water Company.
2. State Water Board records show that from 1956 through 1967, Mr. Paul Teilh, President of the company, reported continuous water use under the license.
3. License 4545 was assigned to French American Investment Company, Inc. (French American) on November 24, 1970, at the request of Mr. Hubert H. Teilh, Executive Vice-President, and was recorded by the County Recorder of Santa Cruz County on February 14, 1957.
4. From 1979 through 1980, either Mr. Paul Teilh or Mr. Hubert Teilh reported continued diversion and use of water under the license to the State Water Board.
5. On December 23, 1992, Mr. Paul Teilh reported that French American no longer had any real property interest in the area affected by the license. However, Mr. Teilh did not assign the license to another party, or request revocation of the license.
6. By letter dated June 12, 2006, Mr. Paul Teilh provided the State Water Board with a Certificate of Dissolution dated December 31, 1992, which states that French American is dissolved. The California Secretary of State's records confirm that French American dissolved in 1993.
7. Since 1992, the licensee on record has not completed and returned the triennial Report of Licensee provided by the State Water Board to identify the amounts diverted and continuously used under License 4545. A term of License 4545 requires that "Reports shall be filed promptly by the licensee on appropriate forms which will be provided for the purpose from time to time."

8. The State Water Board's records also show that the annual water right fee assessed for the fiscal years 2003-2004 through 2007-2008 have not been paid. Water Code section 1539 provides that if a permit or license holder fails to pay an annual fee imposed pursuant to subdivision (a) of section 1525 for a period of five years, the State Water Board may revoke the permit or license in accordance with the procedures for revocation specified in section 1241.
9. Section 1675 of the Water Code also provides: "If at any time after a license is issued, the State Water Board finds that the licensee has not put the water granted under the license to a useful or beneficial purpose in conformity with this division, or that the licensee has ceased to put the water to such useful or beneficial purpose, or that the licensee has failed to observe any of the terms and conditions in the license, the State Water Board, after due notice to the licensee and after a hearing, when a hearing is requested by the licensee pursuant to section 1675.1, may revoke the license and declare the water to be subject to appropriation in accordance with this part."
10. Licensee has failed to observe the terms and conditions in the license, failed to remit payment of annual fees for five consecutive years, and has not applied the water to beneficial use for at least five consecutive years. Therefore, Licensee's water right may be revoked pursuant to Water Code section 1675.
11. On April 23, 2010, the State Water Board mailed the Licensee a Notice of Proposed Revocation of License 4545 (Application 8999) consistent with requirements of Water Code section 1675.1. The Licensee did not reply to the Notice within the time allowed.

**Therefore**, it is ordered that License 4545 is hereby revoked by the State Water Board, and the water is declared to be subject to appropriation. This revocation may not result in additional water being available for new appropriations if there are applicable restrictions due to past State Water Board decisions regarding water availability.

STATE WATER RESOURCES CONTROL BOARD

ORIGINAL SIGNED BY  
JOHN O'HAGAN FOR:

*Victoria A. Whitney*  
*Deputy Director for Water Rights*

Dated: JUL 12 2010



STATE OF CALIFORNIA—STATE WATER RIGHTS BOARD

License for Diversion and Use of Water

APPLICATION 8999

PERMIT 5299

LICENSE 4545

THIS IS TO CERTIFY, That **Riverside Grove Water Company**  
**690 Market Street**  
**San Francisco, California**

has made proof as of **April 29, 1955,**  
(the date of inspection) to the satisfaction of the State Water Rights Board of a right to the use of the water of  
**San Lorenzo River in Santa Cruz County**

tributary to **Monterey Bay**

for the purpose of **domestic use**  
under Permit **5299** of the State Water Rights Board and that said right to the use of said water has been  
perfected in accordance with the laws of California, the Rules and Regulations of the State Water Rights Board and the  
terms of the said permit; that the priority of the right herein confirmed dates from **June 14, 1937;**  
and that the amount of water to which such right is entitled and hereby confirmed, for the purposes aforesaid, is limited  
to the amount actually beneficially used for said purposes and shall not exceed **three hundredths (0.03) cubic**  
**foot per second to be diverted from about November 1 of each year to about June 1 of**  
**the succeeding year.**

The point of diversion of such water is located **north thirty-five degrees thirty minutes**  
**west (N 35° 30' W) four hundred twenty-five (425) feet from SE corner of NW $\frac{1}{4}$  of SE $\frac{1}{4}$**   
**of Section 1, T 9 S, R 3 W, MDB&M. being within NW $\frac{1}{4}$  of SE $\frac{1}{4}$  of said Section 1.**

A description of the lands or the place where such water is put to beneficial use is as follows: **Riverside Grove**  
**Subdivision and contiguous territory within N $\frac{1}{2}$  of Section 12, T 9 S, R 3 W, MDB&M,**  
**S $\frac{1}{2}$  of Section 1, T 9 S, R 3 W, MDB&M, and E $\frac{1}{2}$  of SE $\frac{1}{4}$  of Section 2, T 9 S, R 3 W, MDB&M.**

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 Rights 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 State Water Rights Board.

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. **COVERED BY LICENSE ORDER NO. 11**

*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 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.

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

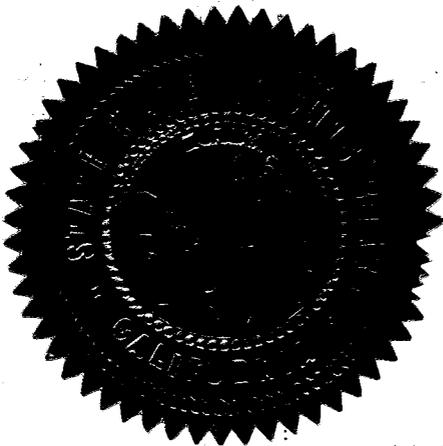
Section 1629. Every licensee, if he accepts a license does so under the conditions precedent that no value whatsoever in excess of the actual amount paid to the State therefor shall at any time be assigned to or claimed for any license granted or issued under the provisions of this division (of the Water 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: **FEB 11 1957**

STATE WATER RIGHTS BOARD



By *Leslie C. Jopson*  
**Leslie C. Jopson**  
Chief Engineer

*11-16-70* RECEIVED NOTICE OF ASSIGNMENT TO *French American*  
*Investment Company, Inc.*

LICENSE 4545

STATE OF CALIFORNIA  
STATE WATER RIGHTS BOARD

LICENSE  
TO APPROPRIATE WATER

ISSUED TO Riverside Grove Water Company

DATED FEB 11 1957