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

DIVISION OF WATER RIGHTS

PERMIT FOR DIVERSION AND USE OF WATER

PERMIT 20991

Application 30463 of Petes Valley Partners

120 West Court Street, Suite B, Woodland, CA 95695

filed on July 21, 1995, has been approved by the State Water Resources Control Board SUBJECT TO PRIOR RIGHTS and to the limitations and conditions of this permit.

Permittee is hereby authorized to divert and use water as follows:

1. Source:	Tributary to:
Petes Creek	Willow Creek thence
	Susan River

2. Location of point of diversion By California Coordinate in Zone: 1	40-acre subdivision of public land survey or projection thereof	Section	Township	Range	Base and Meridian
North 444,000 feet and East 2,431,000 feet	SE¼ of SE¼	13	31N	13E	MD

County of Lassen

SWRCB 14 (6-94)

3. Purpose of use:	4. Place of use:	Section	Township	Range	Base and Meridian	Acres
Irrigation,	SE¼	13	31N	13E	MD	160
Stockwatering	S½ of NE¼	13	31N	13E	MD	80
Recreation and Wildlife Enhancement	S½ of SW¼	13	31N	13E	MD	80
	NE¼ of SW¼	13	31N	13E	MD	40
	NW¼	24	31N	13E	MD	160
	NW¼ of NE¼	24	31N	13E	MD	40
	E½ of E½	23	31N	13E	MD	160
	SW¼ of SE¼	23	31N	13E	MD	40
	W½ of E½	26	31N	13E	MD	160
	W½ of NE¼	35	31N	13E	MD	80
				Total		1000

The place of use is shown on map on file with the State Water Resources Control Board.

5. The water appropriated shall be limited to the quantity, which can be beneficially used and shall not exceed 150 acre-feet to be diverted from November 1 to February 28 of each year. The maximum amount diverted under this permit shall not exceed 150 acre-feet per year.

6. This permit does not authorize collection of water to storage outside of the specified season to offset evaporation and seepage losses or for any other purpose. (000005I)

7. The amount authorized for appropriation may be reduced in the license if investigation warrants. (0000006)

8. Construction work shall begin within two years of the date of this permit and thereafter shall be prosecuted with reasonable diligence. (0000007)

9. Complete application of the water to the authorized use shall be made by December 31,2008. (0000009)

10. Progress reports shall be submitted promptly by permittee when requested by the State Water Resources Control Board until a license is issued. (0000010)

11. Permittee shall allow representatives of the State Water Resources Control Board and other parties, as may be authorized from time to time by said Board, reasonable access to project works to determine compliance with the terms of this permit. (0000011)

12. Pursuant to California Water Code Sections 100 and 275, and the common law public trust doctrine, all rights and privileges under this permit and under any license issued pursuant thereto, 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 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 Board may be exercised by imposing specific requirements over and above those contained in this permit with a view to eliminating waste of water and to meeting the reasonable water requirements of permittee without unreasonable draft on the source. Permittee 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 permit and to determine accurately water use as against reasonable water requirements for the authorized project. No action will be taken pursuant to this paragraph unless the 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 Board also may be exercised by imposing further limitations on the diversion and use of water by the permittee in order to protect public trust uses. No action will be taken pursuant to this paragraph unless the 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.

(0000012)

13. The quantity of water diverted under this permit and under any license issued pursuant thereto is subject to modification by the State Water Resources Control Board if, after notice to the permittee and an opportunity for hearing, the 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 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.(0000013)

14. This permit 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 "taking " will result from any act authorized under this water right, the permittee shall obtain an incidental take permit prior to construction or operation. Permittee shall be responsible for meeting all requirements of the applicable Endangered Species Act for the project authorized under this permit.

(0000014)

15. Permittee, when required by the State Water Resources Control Board, shall install and maintain an outlet pipe of adequate capacity in the dam as near as practicable to the bottom of the natural stream channel, or provide other means satisfactory to the Board, in order that water entering the reservoir which is not authorized for appropriation under this permit can be released. Permittee shall submit plans and specifications of the outlet pipe or alternative facility to the Chief of the Division of Water Rights for approval within six months of the date upon which the Board issues notice that an outlet is required. Permittee shall furnish evidence which substantiates that the outlet pipe or alternative facility has been installed in the dam. Evidence shall include photographs showing completed works or certification by a registered Civil or Agricultural Engineer. (0000044)

16. If the storage dam is of such size as to be within the jurisdiction of the Department of Water Resources as to safety, construction for the enlarged dam under this permit shall not be commenced until the Department has approved the plans and specifications for the dam. (0000048)

17. The annual quantity of water diverted under this permit, together with that diverted under the permit issued pursuant to Application 12599, shall not exceed 500 acre-feet. The total capacity of the storage facility for Applications 12599 and 30463 shall not exceed 500 af. (0000114)

18. For the purpose of wildlife enhancement, Licensee shall maintain a conservation pool (minimum pool) throughout the calendar year. Prior to licensing, the State Water Resources Control Board in consultation with the Applicant and the Department of Fish and Game will define the volume of the pool. The volume will become a term of the license.

This permit is issued and permittee takes it subject to the following provisions of the Water Code:

Section 1390. A permit 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 1391. Every permit 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 permit is issued takes it subject to the conditions therein expressed.

Section 1392. Every permittee, if he accepts a permit, 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 permit 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 permittee 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 permittee, or the possessor of any rights granted, issued, or acquired under the provisions of this division (of the Water Code).

Dated: MAR 15 1999

STATE WATER RESOURCES CONTROL BOARD

Chief, Division of Water Rights