

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

DIVISION OF WATER RIGHTS

PERMIT FOR DIVERSION AND USE OF WATER

PERMIT 21278 ON APPLICATION 31425

PERMITTEE: Stonecraft Homes, Inc; Sierra Meadows Homes, LP; Sierra Meadows Golf, Inc; Bard Investment Company, LP; and Sierra Meadows Golf Club, LP
11661 San Vicente Blvd, Suite 305
Los Angeles, CA 90049

The Deputy Director for Water Rights finds that the State Water Resources Control Board (State Water Board) and/or the Applicant have met the following requirements for permit issuance: (a) demonstrated the availability of unappropriated water; (b) resolved any protests made in compliance with Water Code section 1330 et seq. and included appropriate permit conditions; (c) demonstrated that the water will be diverted and used without injury to any lawful user of water; (d) demonstrated that the intended use is beneficial; and (e) demonstrated that the requirements of the California Environmental Quality Act (CEQA) have been met or that the project is exempt from CEQA. The permit is being issued in accordance with the redelegations of authority (Resolution No. 2007-0057.)

Additionally, the State Water Board has complied with its independent obligation to consider the effect of the proposed project on public trust resources and to protect those resources where feasible. (*National Audubon Society v. Superior Court* (1983) 33 Cal.3d 419 [189 Cal.Rptr. 346, 658 P.2d 709].)

Therefore, **Application 31425** filed on **March 13, 2003**, has been approved by the State Water 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 of water

Source:

(1) (2) Unnamed Stream

(3) (5) Unnamed Stream

(4) Unnamed Stream

Tributary to:

Miami Creek thence Fresno River

Miami Creek thence Fresno River

Carter Creek thence Miami Creek thence Fresno River

within the County of **Madera**

2. Location of points of diversion and redirection

By California Coordinate System of 1983 in Zone 3	40-acre subdivision of public land survey or projection thereof	Section	Township	Range	Base and Meridian
1) North 1,954,872 feet and East 6,798,220 feet	SW ¼ of SW ¼	33	6S	21E	MD
2) North 1,955,120 feet and East 6,796,493 feet	SE ¼ of SE ¼	32	6S	21E	MD
3) North 1,957,282 feet and East 6,796,307 feet	SE ¼ of NE ¼	32	6S	21E	MD
4) North 1,958,248 feet and East 6,793,990 feet (not a point of redirection)	SE ¼ of NW ¼	32	6S	21E	MD
5) North 1,956,008 feet and East 6,793,909 feet	NE ¼ of SW ¼	32	6S	21E	MD

Location of places of storage

By California Coordinate System of 1983 in Zone 3	40-acre subdivision of public land survey or projection thereof	Section	Township	Range	Base and Meridian
1) North 1,954,872 feet and East 6,798,220 feet	SW ¼ of SW ¼	33	6S	21E	MD
2) North 1,955,120 feet and East 6,796,493 feet	SE ¼ of SE ¼	32	6S	21E	MD
3) North 1,957,282 feet and East 6,796,307 feet	SE ¼ of NE ¼	32	6S	21E	MD
4) North 1,958,248 feet and East 6,793,990 feet	SE ¼ of NW ¼	32	6S	21E	MD
5) North 1,956,008 feet and East 6,793,909 feet	NE ¼ of SW ¼	32	6S	21E	MD

3. Purpose of use	4. Place of use	Section	Township	Range	Base and Meridian	Acres
Municipal	Within the boundary of Madera County Maintenance District 46	29	6S	21E	MD	
		31-34	6S	21E	MD	
		4	7S	21E	MD	
		5	7S	21E	MD	
Recreation						

The place of use is shown on map filed with the State Water Board.

5. The water appropriated shall be limited to the quantity which can be beneficially used and shall not exceed a total of 173 acre-feet per annum to be collected from December 1 to April 30 of each year.
(0000005D)
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 purposes.
(0000005I)
7. The total quantity of water collected to storage under this permit, Permit 21028 (Application 29787) and Permit 21279 (Application 31497) shall not exceed 383 acre-feet per annum.
(0000005L)
8. In recognition of the water rights held under Applications 29787 and 31497, the capacity of Reservoir 1 shall not exceed 32 acre-feet, the capacity of Reservoir 2 shall not exceed 36 acre-feet, the capacity of Reservoir 3 shall not exceed 31 acre-feet, the capacity of Reservoir 4 shall not exceed 49 acre-feet, and the capacity of Reservoir 5 shall not exceed 25 acre-feet, which are the stated capacities in this application.
(0000005P)
9. Construction work and complete application of the water to the authorized use shall be prosecuted with reasonable diligence and completed by December 31, 2025.
(0000009)
10. During the season specified in this permit, the total quantity and rate of water diverted, stored, and used under this permit and under permittee's claimed existing right for the place of use specified in the permit shall not exceed the quantity and rate of diversion, storage, and use, respectively, specified in this permit. If the permittee's 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, storage, and use allowed under this permit shall be the net of the face value of the permit less the amounts of water available under the existing right.

Permittee shall forfeit all rights under this permit if permittee transfers all or any part of the claimed existing right for the place of use covered by this permit to another place of use without the prior approval of the State Water Board.

Permittee shall take and use water under the existing right claimed by permittee only in accordance with law.
(0000021A)
11. Permittee shall comply with the following provisions which are derived from the permittee's letter dated March 5, 2010 on file with the State Water Board:
 - a. Permittee acknowledges the prior rights of Madera Irrigation District, or successors, under License 9229 (Application 17311) and agrees not to interfere with exercise of said prior rights, subject to the provisions of State Water Board Decision 1407. Permittee agrees that any water rights obtained by Applications 31425 and 31497 pursuant to the reservations established under State Water Board Decision 1407 are junior to any valid rights held by Madera Irrigation District under License 9229 (Application 17311).
 - b. Permittee acknowledges any valid riparian and pre-1914 rights of Madera Irrigation District, or successors, and agrees not to interfere with the exercise of any said riparian and pre-1914 rights.

- c. Permittee agrees to provide Madera Irrigation District with copies of all Statements of Diversion and Use filed with the State Water Board, which will reflect diversion and uses under all bases of right, including without limitation riparian and pre-1914 rights.
(0000024)
12. Permittee shall comply with the following provisions which are derived from an email from Costa View Farms #2 dated June 23, 2010 on file with the State Water Board:
 - a. Permittee acknowledges the prior rights of Costa View Farms #2, or successors, under License 4689 (Application 13541) and permittee agrees not to interfere with exercise of said prior rights, subject to the provisions of State Water Board Decision 1407.
 - b. Permittee acknowledges any valid riparian and pre-1914 rights of Costa View Farms #2, or successors, and permittee agrees not to interfere with the exercise of any said riparian and pre-1914 rights.
(0000024)
13. Permittee shall consult with the Division of Water Rights (Division) and develop and implement a water conservation plan or actions. The proposed plan or actions shall be presented to the State Water Board for approval within one year from the date of this permit or such further time as, for good cause shown, may be allowed by the State Water Board. A progress report on the development of a water conservation program may be required by the State Water Board at any time within this period.

All cost-effective measures identified in the water conservation program shall be implemented in accordance with the schedule for implementation found therein.
(0000029B)
14. This permit is subject to the continuing authority of the State Water Board to reduce the amount of water named in the permit upon a finding by the State Water Board that the amount is in excess of that reasonably needed to be held in storage for the authorized use. No action will be taken by the State Water Board without prior notice to the owner and an opportunity for hearing.
(0000042)
15. Permittee shall install and maintain an outlet pipe of adequate capacity in each dam as near as practicable to the bottom of the natural stream channel, or provide other means satisfactory to the State Water Board, in order that water entering the reservoir which is not authorized for appropriation under this permit can be released. Before storing water in the reservoirs, permittee shall furnish evidence which substantiates that the outlet pipes, or alternative facilities, have been installed in the dam. Evidence shall include photographs showing completed works or certification by a registered Civil or Agricultural Engineer.
(0050043BP)
16. Permittee shall install and maintain devices satisfactory to the State Water Board to measure the rate and quantity of water diverted from Reservoir 1 to Reservoir 2.
(0060046)
17. Permittee shall install and properly maintain staff gages in the reservoirs, satisfactory to the State Water Board, for the purpose of determining water levels in the reservoirs. Permittee shall record the staff gage readings on or about the last day of each month. Such readings shall be supplied to the State Water Board with the next progress report submitted to the Board by permittee. The State Water Board may require the release of water held in storage that cannot be verified as having been diverted under a valid basis of right.
(0070047)

18. This permit is subject to prior rights. Permittee is put on notice that, during some years, water will not be available for diversion during portions or all of the season authorized herein. The annual variations in demands and hydrologic conditions in the San Joaquin River Basin are such that, in any year of water scarcity, the season of diversion authorized herein may be reduced or completely eliminated by order of the State Water Board, made after notice to interested parties and opportunity for hearing.
(0000090)
19. No diversion is authorized by this permit under the following conditions: (1) when in order to maintain water quality in the San Joaquin River at Vernalis at a level of 500 parts per million (ppm) Total Dissolved Solids (TDS), the Bureau of Reclamation is releasing stored water from New Melones Reservoir or is curtailing the collection of water to storage, or (2) during any time of low flows when TDS levels at Vernalis exceed 500 ppm. These restrictions shall not apply when, in the judgment of the State Water Board, curtailment of diversion under this permit will not be effective in lowering the TDS at Vernalis, or when in the absence of permittee's diversion, hydraulic continuity would not exist between permittee's point of diversion and Vernalis. The State Water Board shall notify permittee at any time curtailment of diversion is required under this term.
(0000093)
20. In order to prevent degradation of the quality of water during and after construction of the project, prior to commencement of construction of any new water diversion, conveyance or storage facility named in this permit that does not exist as of the date of this permit, permittee shall file a report pursuant to Water Code Section 13260 and shall comply with all waste discharge requirements imposed by the California Regional Water Quality Control Board, Central Valley Region, or by the State Water Board.
(0000100)
21. No water shall be used under this permit for any purpose requiring processing by a wastewater treatment plant for subsequent disposal to land or water until permittee has filed a report of waste discharge with the California Regional Water Quality Control Board, Central Valley Region, pursuant to Water Code section 13260, and the Regional Water Board or State Water Board has prescribed waste discharge requirements or has indicated that waste discharge requirements are not required. Thereafter, water may be diverted only during such times as all requirements prescribed by the Regional Water Board or State Water Board are being met. No point source discharges of waste to surface water shall be made unless waste discharge requirements are issued by a Regional Water Board or the State Water Board. A discharge to ground water without issuance of a waste discharge requirement may be allowed if, after filing the report pursuant to section 13260:
 - a. the Regional Water Board issues a waiver pursuant to section 13269; or,
 - b. the Regional Water Board fails to act within 120 days of the filing of the report.No permittee shall be required to file a report of waste discharge pursuant to section 13260 of the Water Code for percolation to ground water of water resulting from the irrigation of crops.
(0290101)
22. The total quantity of water diverted under this permit, together with that diverted under the permits issued pursuant to Applications 29787 and 31497 shall not exceed 665 acre feet per annum.
(0000114A)
23. The permittee shall obtain all necessary state and local agency permits required by other agencies prior to construction and diversion of water. Copies of such permits and approvals shall be forwarded to the Deputy Director for Water Rights.
(0000203)

24. For the protection of riparian habitat, Permittee shall, in conjunction with Final Map approvals, establish Outlots 1, 2 and 3, as those parcels are shown on the Sierra Meadows Estates Tentative Subdivision Map S01-03 dated October 7, 2007 on file with the State Water Board. The ultimate configuration and recordation of Outlots 1, 2 and 3 are subject to change upon the approval of multiple Final Map(s) by the County of Madera. Any such change(s) shall only be made following Permittee's consultation with the U.S. Army Corps of Engineers (USACE) and the USACE's approval of the change. A copy of the County-approved Final Map(s) and USACE's approval of any change in the configuration of Outlots 1, 2 or 3 shall be submitted to the Deputy Director for Water Rights within 30 days of the County's approval of the Final Map(s).
(0450206)
25. Prior to the start of construction of any new water diversion, conveyance or storage facility named in this permit that does not exist as of the date of this permit, Permittee shall obtain the appropriate permit from the U.S. Army Corps of Engineers (USACE) and file a copy with Division of Water Rights. If a permit from the USACE is not necessary for this permitted project, the Permittee shall provide the Division of Water Rights with a letter from the USACE affirming that a permit is not needed.
(0450500)
26. Prior to the start of construction of any new water diversion, conveyance or storage facility named in this permit that does not exist as of the date of this permit, and only if a U.S. Army Corps of Engineers permit is required, Permittee shall obtain Clean Water Act section 401 Water Quality Certification from the State Water Board or the Central Valley Regional Water Quality Control Board.
(0290500)
27. This permit is specifically subject to the prior rights of Triangle T Ranch Incorporated under appropriation issued pursuant to License 9073 (Application 11003A).
(000000T)

ALL PERMITS ISSUED BY THE STATE WATER BOARD ARE SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

- A. The amount authorized for appropriation may be reduced in the license if investigation warrants.
(0000006)
- B. Progress reports shall be submitted promptly by permittee when requested by the State Water Board until a license is issued.
(0000010)
- C. Permittee shall allow representatives of the State Water Board and other parties, as may be authorized from time to time by said State Water Board, reasonable access to project works to determine compliance with the terms of this permit.
(0000011)
- D. 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 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 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 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 permittee 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.

(0000012)

- E. The quantity of water diverted under this permit and under any license issued pursuant thereto is subject to modification by the State Water Board if, after notice to the permittee 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.

(0000013)

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

(0000014)

- G. Permittee shall maintain records of the amount of water diverted and used to enable the State Water Board to determine the amount of water that has been applied to beneficial use pursuant to Water Code Section 1605.

(0000015)

- H. No work shall commence and no water shall be diverted, stored or used under this permit until a copy of a stream or lake alteration agreement between the State Department of Fish and Game and the permittee is filed with the Division. Compliance with the terms and conditions of the agreement is the responsibility of the permittee. If a stream or lake agreement is not necessary for this permitted project, the permittee shall provide the Division a copy of a waiver signed by the State Department of Fish and Game.

(0000063)

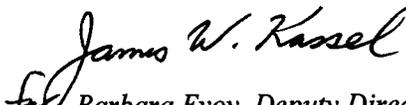
This permit is issued and permittee takes it subject to the following provisions of the Water Code:

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).

STATE WATER RESOURCES CONTROL BOARD


Barbara Evoy, Deputy Director
Division of Water Rights

Dated: JUN 14 2011