



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 16186
Page 1 of 11

PERMIT 12825

LICENSE 11395

THIS IS TO CERTIFY, That

Merced Irrigation District
P.O. Box 2288
Merced, CA 95340

has the right to the use of the waters of **Merced River** in **Mariposa County**
tributary to **San Joaquin River**

for the purpose of **domestic, irrigation, fish culture, recreational, and wildlife enhancement uses.**

Amended License 11395 supercedes the license originally issued on **August 15, 1983**, which was perfected in accordance with the laws of California, the Regulations of the State Water Resources Control Board (SWRCB), or its predecessor, and the terms of **Permit 12825**. The priority of this right dates from **December 23, 1954**. Proof of maximum beneficial use of water under this license was made as of **October 9, 1974 and July 24, 1980**.

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 **six hundred five thousand (605,000) acre-feet per annum, to be collected from October 1 of each year to July 1 of the succeeding year.**

The maximum withdrawal from the reservoirs under this License, Licenses 2684 and 2685 (Applications 1222 and 1224 and any license issued pursuant to Application 16187 shall not exceed 516,110 acre-feet per year.

THE MAXIMUM AMOUNT OF WATER HELD IN STORAGE HAS BEEN:

Lake McClure:	1,024,600 acre-feet
Lake McSwain:	9,730 acre-feet
Total:	1,034,330 acre-feet

Unless a change is approved by the 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:

By California Coordinate System of 1927 Zone 3:

1. New Exchequer Dam (Lake McClure) – North 42°11 '03" West 3,089.69 feet from SE corner of Section 13, T4S, R15E, MDB&M, being within NW1/4 of SE1/4 of said Section 13 and
2. McSwain Dam – North 80°36'38" West 2,275.01 feet from SE corner of Section 3, T5S, R15E, MDB&M, being within SW1/4 of SE1/4 of said Section 3.

THE POINT OF REDIVERSION OF SUCH WATER IS LOCATED:

1. McSwain Dam – North 80°36'38" West 2,275.01 feet from SE corner of Section 3, T5S, R15E, MDB&M, being within SW1/4 of SE1/4 of said Section 3,
2. Merced Falls Diversion Dam for Northside Canal – North 67°00'00" West 2,760 feet from SE corner of Section 4, T5S, R15E, MDB&M, being within SW1/4 of SE1/4 of said Section 4 and
3. Crocker-Huffman Diversion Dam for Main Canal, Trout Farm and Salmon Spawning Channel – South 24°00'00" East 2,700 feet from NW corner of Section 7, T5S, R15E, MDB&M, being within SW1/4 of NW1/4 of said Section 7.
4. Duck Slough at a point 100 feet North and 50 feet East of ¼ Cor. Sections 10 and 11, T8S, R14E, within the SW ¼ of the NW ¼ Section 11, T8S, R14E, MDB&M in Merced County. This point of rediversion is associated with the former place of use for El Nido Irrigation District described below and in Licenses 6032 and 9429 (Applications 8238 and 18774), formerly held by El Nido Irrigation District and hereby transferred to Merced Irrigation District.

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

Irrigation of 131,953 acres within a gross area of 154,394 acres within the boundaries of the Merced Irrigation District and a 55 acre gold course within the service area of Sierra Highlands Water Company.

Domestic use at homesites within the service area of Sierra Highlands Water Company and at homesites and recreational facilities adjacent to Lake McSwain and Lake McClure including McClure Point, McClure Boat Club and Barrett cove.

Fish culture at Licensee's salmon spawning channel and at a privately operated trout farm.

Recreational use and fish and wildlife enhancement in and around lakes McClure and McSwain.

The places of use are shown on map entitled "Official Map of the Merced Irrigation District – 1973" and other maps filed with State Water Resources Control Board.

This license is subject to depletion of stream flow in quantities set forth in subparagraphs (A), (B), and (C) by future appropriations of water for reasonable beneficial use within Mariposa County; provided such future appropriations shall be initiated and consummated pursuant to law.

- A From South Fork Merced River a maximum of 500 cubic feet per second of water not to exceed a total of 112,000 acre-feet annually by direct diversion to beneficial use and/or by diversion to storage to be later applied to beneficial use; provided that such future appropriation shall not be made prior to July 1, 2014, which is the date of maturity of the bonds by which the licensee has financed the project under this license and license issued on Application 16187, unless the person or agency making such future appropriation shall compensate the licensee for the loss of power revenue resulting during said period from said appropriation.

- B From Maxwell Creek a maximum of 34,000 acre-feet of water in any consecutive ten-year period and a maximum of 4,000 acre-feet of water in any one year to be directly diverted to beneficial use and/or diverted to storage to be later applied to beneficial use.
- C From Bean Creek a maximum of 10,000 acre-feet of water in any consecutive ten-year period and a maximum of 1,200 acre-feet of water in any one year to be directly diverted to beneficial use and/or diverted to storage to be later applied to beneficial use.

This license is subject to the terms of provision 1, 2, 3, and 4 of the stipulation and agreement between Merced Irrigation District and California Department of Fish and Game, dated October 8, 1959, and received into evidence as Fish and Game Exhibit 1 in the hearing of applications 16186 and 16187.

Licensee shall maintain such gaging stations and furnish to the State Water Resources Control Board upon request such records of flow as may be required to determine the quantity of water diverted and/or rediverted for beneficial use.

In addition to the place of use authorized in License 11395 as set forth on August 15, 1983, per Water Rights Order 93-2 issued on January 21, 1993, the place of use also includes South Shore Club, an area within the Lake San Pedro Community Services District described as follows:
2010 acres located within Sections 11, 12, and 13, T3S, R14E and Sections 7 and 18, T3S, R15E, MDB&M, as shown on a map on file with the State Board prepared in accordance with the specifications in Title 23, Cal. Code of Regs., Div. 3, Ch. 2, Art. 7 (commencing with Section 715). Licensee may deliver water for domestic use within this place of use.

Irrigation purposes on 9,418.6 acres within the boundaries of El Nido Irrigation District as shown on map of District filed with the Division of Water Rights for Application 8238. El Nido Irrigation District has been consolidated with MID.

1. The Licensee will provide 12,500 acre-feet of additional water in the month of October in all years as measured above its current requirement of 2,350 acre-feet or 3,124 acre-feet defined in the Federal Energy Regulatory Commission (FERC) license for the Exchequer Merced River Project. The FERC license requires a minimum flow of 15 cfs at the Shaffer Bridge gage from Oct. 1 through Oct. 15 in "dry" years and 25 cfs in "normal" years and 60 cfs from Oct. 16 through Oct. 31 in "dry" years and 75 cfs in "normal" years. A "dry" year is defined as a year in which the forecasted April 1 through July 31 inflow to Lake McClure, as published in the May 1 California Department of Water Resources (CDWR) Bulletin 120 at the Merced River below Merced Falls Dam, is less than 450,000 acre-feet. A "normal" year is defined when the said forecast is equal to or greater than 450,000 acre-feet.
2. The Licensee is currently required, pursuant to D-1641 and the San Joaquin River Agreement (SJRA) to provide certain flows in the spring. In addition to its current obligation to provide such spring flows, the Licensee, in the event the SJRA is terminated, shall provide a volume of supplemental flow during a 31-day pulse flow period during the months of April and May. This period may be varied based on real-time monitoring. One pulse, or a number of separate pulses of combined duration equal to one pulse, should be scheduled to coincide with fish migration in San Joaquin River tributaries and the Delta. The DFG and MID will schedule the time period of the pulse or pulses and a daily flow schedule in consultation with the USFWS, the NMFS, the USBR and DWR. The schedule is subject to the approval of the Executive Director of the State Water Resources Control Board (SWRCB). In the event that a starting date is not defined by April 8 then a default starting date of April 15 shall be used. The volume of supplemental flow is defined as the difference between the Forecasted Existing Flow and the Target Flow Rate as defined in the following table.

Forecasted Existing Flow (cfs)	Target Flow Rate (cfs)
0 - 399	580
400 - 799	800
≥ 800	existing

The Forecasted Existing Flow is defined as the average flow at the reference gage during the 31-day pulse flow period that would exist absent the Memorandum of Understanding (MOU) referenced in the Notice of Determination Filed with the State Clearing House on May 6, 2002, under SCH Identification Number 201111180 or the SJRA. The Target Flow Rate represents an average flow at the reference gage during the 31-day pulse flow period. The Target Flow Rate shall be adjusted as follows for the defined hydrologic conditions. These conditions are dependent on the water year type defined by the San Joaquin Valley Water Year Hydrologic Classification as set forth in the SWRCB's May 22, 1995 Water Quality Control Plan, with a numerical adjunct, referred to herein as the 60-20-20 Indicator, being assigned to each of the water year types as shown in the following table.

San Joaquin Valley Water Year Hydrologic Classification	60-20-20 Indicator
Wet	5
Above Normal	4
Below Normal	3
Dry	2
Critical	1

If the sum of the 60-20-20 Indicators for the previous year and the current year is seven (7) or greater, the Target Flow Rate shall be 1,000 cfs. If the sum of the 60-20-20 Indicators for the previous two (2) years and the current year is four (4) or less, Merced shall not be required to provide any supplemental flow. If the preceding condition does not apply and the sum of the 60-20-20 Indicators for the previous year and the current year is two (2), the Target Flow Rate shall be 450 cfs. The 60-20-20 Indicator for the current year shall be based on the most current CDWR 90% probability of exceedence forecast of the San Joaquin Valley Water Year Hydrologic Classification as shown in the attached Figure 1. The reference gage for the flows shall be the Merced gage at Shaffer Bridge for flows less than or equal to 220 cfs and the DWR gage near Cressey for flows greater than 220 cfs.

3. The SWRCB reserves jurisdiction over the long-term changes authorized in this Order, to supervise the diversion, release, and use of water under this Order and to coordinate or modify terms and conditions, for fish, wildlife, instream beneficial uses, and the public interest as future conditions may warrant. The SWRCB delegates authority to the Executive Director of the SWRCB to take actions under this reservation of jurisdiction when the action is consistent with this Order.
4. Use of water in the South Shore Club place of use described above is subject to standard term 91: No diversion by the licensee will be authorized when satisfaction of in-basin entitlements requires release of supplemental Project water by the Central Valley Project or the State Water Project, except as provided under this permit's return flow term. In-basin entitlements are defined as all rights to divert water from streams tributary to the Sacramento-San Joaquin Delta or the

Delta for use within the respective basins of origin or the Legal Delta, unavoidable natural requirements for riparian habitat and conveyance losses, and flows required by the State Water Resources Control Board for maintenance of water quality and fish and wildlife. Export diversions and Project carriage water are specifically excluded from the definition of in-basin entitlements. Supplemental Project water is defined as that water imported to the basin by the projects plus water released from Project storage which is in excess of export diversions, Project carriage water, and Project inbasin deliveries. The State Water Resources Control Board shall notify licensee of curtailment of diversion under this term after it finds that supplemental Project water has been released or will be released. The Board will advise licensee of the probability of imminent curtailment of diversion as far in advance as practicable based on anticipated requirements for supplemental Project water provided by the Project operators.

5. Use of water in the South Shore Club place of use described above is subject to standard term 93: No diversion is authorized by this license 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 U.S. 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 SWRCB, curtailment of diversion under this permit will not be effective in lowering the TDS at Vernalis, or when in the absence of the permittee's diversion, hydraulic continuity would not exist between the licensee's point of diversion and Vernalis. The SWRCB shall notify the licensee at any time curtailment of diversion is required under this term.
6. Licensee shall not cause the downstream flow in the Merced River to decrease, by reducing either its releases or return flow to the Merced River due to its supplying water to the South Shore Club place of use described above, or due to the combined effect of surface diversions and ground water diversions, or for any other reason within Licensee's reasonable control.
7. Licensee shall not deliver water for municipal or industrial use, or deliver water to the South Shore Club, unless the recipient municipality or district has in place a mandatory water conservation ordinance or other enforceable requirement that requires all municipal or industrial water users to implement water conservation requirements for both indoor and landscape water use. The ordinance or requirement shall comply with the requirements of Government Code Section 65591 et seq. and with the Best Management Practices contained in the Memorandum of Understanding Regarding Urban Water Conservation in California dated September 1991. Licensee shall submit such ordinance or enforceable requirement to the Chief of the Division of Water Rights before commencing delivery of water for any municipal or industrial use.
8. The State Water Resources Control Board reserves continuing authority to amend this license to ensure that there will be no injury to other users of water because of supplying water to the South Shore Club place of use.
9. No water shall be used in the South Shore Club place of use until the La Ventana Land and Cattle Company 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 Resources Control Board has prescribed waste discharge requirements or has indicated that waste discharge requirements are not required. Thereafter, water may be used in the South Shore Club place of use only if all waste discharge requirements or other orders issued 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.
10. In order to prevent degradation of the quality of water during and after construction of the South Shore Club, prior to commencement of construction, La Ventana Land and Cattle Company shall file a report of waste discharge pursuant to Water Code Section 13260 and shall comply with all

waste discharge requirements and water reclamation requirements for waste water discharge and use of reclaimed water, and shall comply with directions for nonpoint source control imposed by the California Regional Water Quality Control Board, Central Valley Region. Licensee shall not deliver water to the South Shore Club unless and until it has complied with this term.

11. Licensee shall deliver no more than 772 acre-feet per annum of water for use by the development in the South Shore Club place of use. Licensee shall report on March 1 of each year to the SWRCB the amount of water delivered to the South Shore Club place of use during the previous calendar year.
12. When filing any future petition for change of place of use, Licensee shall include with the petition documentation showing where water use has been or will be permanently reduced or foregone to allow service to the new places of use. For any protested petition that already has been filed Licensee shall provide its initial documentation showing water use reduction or elimination sufficient to allow service in the new place of use before the SWRCB further processes the petition.

TEMPORARY TERMS

In accordance to SWRCB WR Decision 1641, this License is temporarily amended by adding the following conditions which shall expire on December 31, 2011, or at such time as the SJRA is terminated, whichever occurs first:

13. In addition to all other places of use authorized by this license, the reach of river between Licensee's point of diversion and Vernalis on the San Joaquin River is added as a place of use.
14. In addition to all other purposes of use authorized by this license, the purposes of use shall include Wildlife Enhancement.
15. The flows provided by Licensee pursuant to the SJRA will satisfy any responsibility of Licensee to meet the objectives in Tables 1, 2, and 3 in WR Decision 1641. When the SJRA expires or is terminated, the SWRCB will give notice and will commence a proceeding to determine the responsibility of Licensee to meet the objectives.
16. Except as provided below, while the SJRA is in effect, Licensee shall meet the following target flows for the protection of fish and wildlife beneficial uses on the San Joaquin River at Airport Way Bridge, Vernalis during the 31-day pulse flow period in April and May⁹⁰ of each year while the SJRA is in effect. The target flow shall be based on the existing flow, as defined below.

⁹⁰ The timing of the 31-day pulse flow is to be determined by the San Joaquin River Technical Committee (SJRTC). The SJRTC is composed of technical experts appointed by the parties to the SJRA to implement the VAMP experiment and other technical activities that its members deem appropriate to meet the goals of the SJRA.

Existing Flow ⁹¹ (cfs)	Target Flow (cfs)
0-1999	2,000
2,000-3,199	3,200
3,200-4,449	4,450
4,450-5,699	5,700
5,700-6,999	7,000
7,000 or greater	Existing Flow

The total amount of water provided under licenses 990, 2684, 2685, 6047, 11395, 11396, 7856, 7860, 5417, and 11058, together, to meet the target flows is not required to exceed 110,000 acre-feet annually. Water provided by the Licensee shall be measured at the Licensee's last point of control.

During years when the sum of the current year's 60-20-20⁹² indicator and the previous year's 60-20-20 indicator is seven (7) or greater, target flows shall be one step higher than those required by the above table. The Licensee is not required to meet the target flow during years when the sum of the current year's 60-20-20 indicator and the previous two years' 60-20-20 indicator is four (4) or less, using the following table.

SJR Basin 60-20-20 Classification	60-20-20 Indicator
Wet	5
Above Normal	4
Below Normal	3
Dry	2
Critical	1

17. Licensee shall determine the 60-20-20 indicator for each year while the SJRA is in effect, using the second table in the preceding temporary term. The most current DWR forecast of the San Joaquin Valley water hydrologic classification will be used.
18. Licensee shall coordinate water release planning for the April-May pulse flow period with the DWR, the USBR, the U.S. Fish and Wildlife Service, the National Marine Fisheries Service, and the California Department of Fish and Game.

⁹¹ "Existing flows" will be determined by the SJRTC. Existing flow is defined as the forecasted flows in the San Joaquin River at Vernalis during the pulse flow period that would exist absent the SJRA or water acquisitions, including but not limited to the following:

1. Tributary minimum instream flows pursuant to Davis-Grunsky, Federal Energy Regulatory Commission, or other regulatory agency orders existing on the date of this agreement;
2. Water quality or scheduled fishery releases from New Melones Reservoir;
3. Flood control releases from any non-federal storage facility required to be made during the pulse flow period pursuant to its operating protocol with the U.S. Army Corps of Engineers in effect when the SJRA is executed;
4. Uncontrolled spills not otherwise recaptured pursuant to water right accretions (less natural depletions) to the system; and/or Local runoff.

⁹² The computation method for the 60-20-20 indicator is provided in the attached Figure 1.

19. Annually, Licensee shall submit an operations report to the Executive Director of the SWRCB by January 30 of the year following each year of operation under the SJRA. The report shall identify (a) the source and quantity of water released from storage, or storage and direct diversions foregone to meet the April-May pulse flow objective in the San Joaquin River at Airport Way Bridge in Vernalis; (b) the time period when this water was released from storage, or not diverted; (c) a monthly accounting of reservoir operations to refill reservoir storage; (d) the source and quantity of water transferred to the USBR pursuant to the terms of the SJRA; (e) the quantity, timing, and location of groundwater extractions made to maintain water supply deliveries due to the SJRA; (f) the time period in which water sold to the USBR was released from storage or not diverted; and (g) an analysis showing that all storage releases, storage and direct diversions foregone, and replenishment operations listed above were performed within the limits, terms and conditions of these licenses.
20. Licensee shall notify the Board immediately upon termination of the SJRA if such occurs in advance of December 31, 2011.
21. Licensee is authorized to provide 12,500 acre-feet of water above the existing flow delivered at the last point of control for release to the Merced River during October of all years.
22. If groundwater substitution is used in response to meeting flow obligations of Licensee under the SJRA, and the result is exacerbation of groundwater overdraft in the Merced Groundwater Basin, Licensee shall take measures to recharge the incremental increase in the amount of groundwater pumped as a result of the authorized change. Prior to pumping groundwater as a result of the authorized change, Licensee shall provide to the Executive Director of the SWRCB a recharge plan specifying the amount of groundwater to be pumped, the location of the pumping, and the location and method of recharge that will be undertaken to balance the groundwater pumping. The plan shall contain an analysis of how the recharge program will prevent overdraft or a decrease in flow in the Merced River due to the groundwater pumping. Upon approval of the plan by the Executive Director of the SWRCB, Licensee shall implement the plan.
23. At times when the USBR is releasing water from New Melones Reservoir for the purpose of meeting the Vernalis salinity objective, or when Standard Permit Term 93 is in effect, or when salinity objectives at Vernalis are not being met, Licensee shall not replenish (1) stored water or foregone diversions provided for the April-May pulse flow or the October target flow at Vernalis, or (2) water transferred to the USBR pursuant to the SJRA. The Executive Director of the SWRCB is delegated authority to ensure that this condition is not used by the USBR to increase the obligation of Licensee.

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 SWRCB.

Licensee shall allow representatives of the SWRCB and other parties, as may be authorized from time to time by the SWRCB, 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 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 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.

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 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.

STATE WATER RESOURCES CONTROL BOARD

Victoria A. Whitney
for Edward C. Anton, Chief
Division of Water Rights

Dated: JUN 20 2003

Figure 1
San Joaquin Valley Water Year Hydrologic Classification

Year classification shall be determined by computation of the following equation:

$$\text{INDEX} = 0.6 * X + 0.2 * Y + 0.2 * Z$$

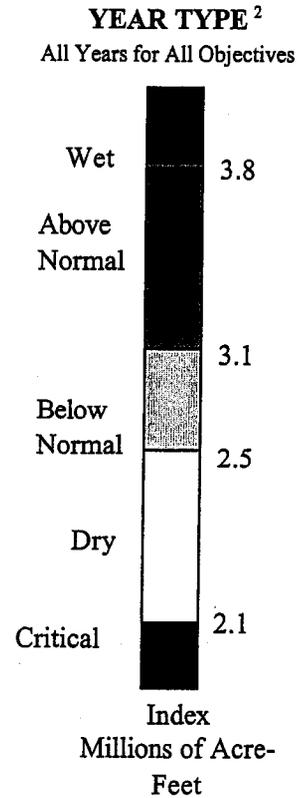
Where: X = Current year's April – July
 San Joaquin Valley unimpaired runoff

Y = Current October – March
 San Joaquin Valley unimpaired runoff

Z = Previous year's index¹

The San Joaquin Valley unimpaired runoff for the current water year (October 1 of the preceding calendar year through September 30 of the current calendar year), as published in California Department of Water Resources Bulletin 120, is a forecast of the sum of the following locations: Stanislaus River, total flow to New Melones Reservoir; Tuolumne River, total inflow to Don Pedro Reservoir; Merced River, total flow to Exchequer Reservoir; San Joaquin River, total inflow to Millerton Lake. Preliminary determinations of year classification shall be made in February, March, and April with final determination in May. These preliminary determinations shall be based on the most current 90% exceedance probability forecast of the San Joaquin Valley water year hydrologic classification.

<u>Classification</u>	<u>Index</u> <u>Millions of Acre-Feet (MAF)</u>
Wet.....	Equal to or greater than 3.8
Above Normal.....	Greater than 3.1 and less than 3.8
Below Normal.....	Equal to or less than 3.1 and greater than 2.5
Dry.....	Equal to or less than 2.5 and greater than 2.1
Critical.....	Equal to or less than 2.1



¹ A cap of 4.5 MAF is put on the previous year's index (Z) to account for required flood control reservoir releases during wet years.

² The year type for the preceding water year will remain in effect until the initial forecast of unimpaired runoff for the current water year is available.