State of California, State Water Resources Control Board
Division of Water Rights
P.O. Box 2000, Sacramento, CA 95812-2000
Info: (916) 341-5300, FAX: (916) 341-5400 Web: http://waterrights.ca.gov

S000070%S%2004

2002, 2003, 2004

SUPPLEMENTAL STATEMENT OF WATER DIVERSION AND USE

If the information below is inaccurate, please line it out in red and provide current information.
Notify this office if ownership or address changes occur during the coming year.

Please Complete and Return This Form by JULY 1, 2005.

***If the mail recipient's name, address or phone No. is wrong or missing, please correct.**

Owner of Record: BIDWELL RANCHES INC;

STATEMENT NO.: S000070
CONTACT PHONE NO.: (530)335-3093

PRIMARY CONTACT OR AGENT FOR MAIL & REPORTING:

BIDWELL RANCHES INC
C/O MARK N BIDWELL
42770 BIDWELL RD
HAT CREEK, CA 96040

Source Name: LOST CREEK
Tributary To: HAT CREEK
County: Shasta
Diversion Within: SW1/4 of SW1/4 Section 34, T34N, R05E, MB&M

Year of First Use: 1884
Parcel Number:

A. **Water is Used Under:** Riparian claim _____ Pre-1914 right ✓ Other (explain): _____

B. **Year of First Use:** (Please provide if missing above) 1894

C. **Amount of Use:** Enter the amount (or the approximate amount) of water used each month, using the table below.

Amounts below are in: Gallons _____ Million Gallons (MG) _____ Acre-feet (AF) _____ Other 75 CFS (Cubic feet per second)

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total Annual
	75 CFS	75	75										
2002	75 CFS	75	75	75	75	75	75	75	75	75	75	75	900 CFS
2003	75 CFS	75	75	75	75	75	75	75	75	75	75	75	900 CFS
2004	75 CFS	75	75	75	75	75	75	75	75	75	75	75	900 CFS

D. **Purpose of Use** – Specify number of acres irrigated, stock watered, persons served, etc.

Irrigation 600 acres; Stockwatering All 12 mos; Domestic _____;

Other (specify) 3 Hydro Electric plants that produce 2100 kw of electricity
See Continuation

E. **Changes in Method of Diversion** – Describe any changes in your project since your previous statement was filed.
(New pump, enlarged diversion dam, location of diversion, etc.)
none

F. Please answer only those questions below which are applicable to your project.

1. Conservation of water
   a. Are you now employing water conservation efforts? YES ✓ NO ___
   Describe any water conservation efforts you have initiated: Installing Pipeline instead of using open ditches

   b. If you are claiming credit for water conservation under section 1011 of the Water Code for your claimed pre-1914 appropriative right, please show the amount of water conserved:

   Reduction in Diversions: no

   Year ____ _____ (AF/MG) Year ____ _____ (AF/MG) Year ____ _____ (AF/MG)

   Reduction in consumptive use:

   Year ____ _____ (AF/MG) Year ____ _____ (AF/MG) Year ____ _____ (AF/MG)

   I have data to support the above surface water use reductions due to conservation efforts. YES _____ NO _____

2. Water quality and wastewater reclamation

a. Are you now or have you been using reclaimed water from a wastewater treatment facility, desalination facility or water polluted by waste to a degree which unreasonably affects such water for other beneficial uses? YES ____ NO ✓.

b. If you are claiming credit due to the substitution of reclaimed water, desalinated water or polluted water in lieu of a claimed pre-1914 appropriative right under section 1010 of the Water Code, please show amounts of reduced diversions and amounts of substitute water supply used:

Amount of reduced diversion:
Year ____ _____ (AF/MG) Year ____ _____ (AF/MG) Year ____ _____ (AF/MG)

State the type of substitute water supply: _____

Amount of substitute water supply used:
Year ____ _____ (AF/MG) Year ____ _____ (AF/MG) Year ____ _____ (AF/MG)

I have data to support the above surface water use reductions due to the use of a substitute water supply. YES ____ NO ____.

3. Conjunctive use of surface water and groundwater

a. Are you now using groundwater in lieu of surface water? YES ____ NO ✓.

b. If you are claiming credit due to the substitution of groundwater for a claimed pre-1914 appropriative right under section 1011.5 of the Water Code, please show the amounts of groundwater used:

Year ____ _____ (AF/MG) Year ____ _____ (AF/MG) Year ____ _____ (AF/MG)

I have data to support the above surface water use reductions due to the use of groundwater. YES ____ NO ____.

I understand that it may be necessary to document the water savings claimed in "F" above if credit under Water Code sections 1010 and 1011 is sought in the future.

I declare that the information in this report is true to the best of my knowledge and belief.

DATE: 6-10-, 2005 at Hat Creek, California

SIGNATURE: Mark N Bidwell

PRINTED NAME: Mark (first name) N (middle initial) Bidwell (last name)

COMPANY NAME: Bidwell Ranch Inc.

If there is insufficient space for your answers, please use the space provided below.

ITEM	CONTINUATION
	Aquish hatchery that produces 200,000 lbs of
	live trout per year
	Water is used in 4 different lakes that
	provide wildlife habitat and recreation

GENERAL INFORMATION PERTAINING TO WATER RIGHTS IN CALIFORNIA

There are two principal types of surface water rights in California. They are riparian and appropriative rights.

A riparian right enables an owner of land bordering a natural lake or stream to take and use water on his riparian land. Riparian land must be in the same watershed as the water source and must never have been severed from the sources of supply by an intervening parcel without reservation of the riparian right to the severed parcel. Generally, a riparian water user must share the water supply with other riparian users. Riparian rights may be used to divert the natural flow of a stream but may not be used to store water for later use or to divert water which originates in a different watershed, water previously stored by others, return flows from use of groundwater, or other "foreign" water to the natural stream system.

An appropriative right is required for use of water on non-riparian land and for storage of water. Generally, appropriative rights may be exercised only when there is a surplus not needed by riparian water users. Since 1914, new appropriators have been required to obtain a permit and license from the State. Appropriative rights can be granted to waters "foreign" to the natural stream system.

Statements of Water Diversion and Use must be filed by riparian and pre-1914 appropriative water users as set forth in Water Code section 5100 with specific exceptions. The filing of a statement (1) provides a record of water use, (2) enables the State to notify such users if someone proposes a new appropriation upstream from their diversions, and (3) assists the State to determine if additional water is available for future appropriators.

The above discussion is provided for general information. For more specific information concerning water rights, please contact an attorney or write to this office. We have several pamphlets available. They include: (1) Statements of Water Diversion and Use, (2) Information Pertaining to Water Rights in California, and (3) Appropriation of Water in California.

State of California, State Water Resources Control Board
Division of Water Rights, P.O. Box 2000, Sacramento, CA 95812-2000
Info: (916) 341-5300, FAX: (916) 341-5400, Web: http://www.waterrights.ca.gov

S000070%S%2001

1999, 2000, 2001

SUPPLEMENTAL STATEMENT OF WATER DIVERSION AND USE

If the information below is inaccurate, please line it out in red and provide current information.
Notify this office if ownership or address changes occur during the coming year.

Please Complete and Return This Form by July 1, 2002.
***If the mail recipient's name, address or phone No. is wrong or missing, please correct.**

Owner of Record: BIDWELL RANCHES INC

PRIMARY CONTACT OR AGENT FOR MAIL & REPORTING:
BIDWELL RANCHES INC
42770 BIDWELL RD
HAT CREEK, CA 96040

STATEMENT NO.: [redacted]
CONTACT PHONE NO.: (530)335-3093

FOR ONLINE REPORTING AT
www.waterrights.ca.gov

USER NAME: S000070
PASSWORD: C23661

Source Name: LOST CREEK
Tributary To: HAT CREEK
County: Shasta
Diversion Within: SW1/4 of SW1/4 Section 34, T34N, R05E, MB&M

Year of First Use: 1884
Parcel Number:

A. Water is used under: Riparian claim _____ Pre 1914 right X Other (explain); _____

B. Year of first use (Please provide if missing above) _____

C. Amount of Use – Enter the amount (or the approximate amount) of water used each month.

Amounts below are: Gallons _____ Acre-feet _____ Other 75 CFS

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total Annual	
1999	75	75	75	75	75	75	75	75	75	75	75	75	900	CFS
2000	75	75	75	75	75	75	75	75	75	75	75	75	900	CFS
2001	75	75	75	75	75	75	75	75	75	75	75	75	900	CFS

D. Purpose of Use - Specify number of acres irrigated, stock watered, persons served, etc.

Irrigation X 600 acres; Stockwatering X ; Domestic _____ ;

Other (specify) See continuation

E. Changes in Method of Diversion – Describe any changes in your project since your previous statement was filed. (New pump, enlarged diversion dam, location of diversion, etc.)
none

F. Please answer only those questions below which are applicable to your project.

1. Conservation of water
   a. Are you now employing water conservation efforts? YES ___ NO X
   Describe any water conservation efforts you have initiated: _____

   b. If credit toward beneficial use of water under claimed pre 1914 appropriative water right for water not used due to a conservation effort is claimed under section 1011 of the Water Code, please show the amounts of water conserved:

   Reductions in Diversions:

   yr____ _____ (af/mg) yr____ _____ (af/mg) yr____ _____ (af/mg)

   Reductions in consumptive use:

   yr____ _____ (af/mg) yr____ _____ (af/mg) yr____ _____ (af/mg)

   I have data to support the above surface water use reductions due to conservation efforts. YES ___ NO ___

2. Water quality and wastewater reclamation

a. Are you now or have you been using reclaimed water from a wastewater treatment facility, desalination facility or water polluted by waste to a degree which unreasonably affects such water for other beneficial uses? YES _____ NO X.

b. If credit toward use under a claimed pre 1914 appropriative water right through substitution of reclaimed water, desalinated water or polluted water in lieu of appropriated water is claimed under section 1010 of the Water Code, please show amounts of reduced diversions and amounts of reclaimed water used:

yr____ n/a _____ (af/mg) yr____ _____ (af/mg) yr____ _____ (af/mg)
I have data to support the above surface water use reductions due to wastewater reclamation. YES ___ NO ___

3. Conjunctive use of surface water and groundwater

a. Are you now using groundwater in lieu of surface water? YES _____ NO X.

b. If credit toward use under a claimed pre 1914 appropriative right through substitution of groundwater in lieu of appropriated water is claimed under section 1011.5 of the Water Code, please show the amounts of groundwater used:

yr____ none _____ (af/mg) yr____ _____ (af/mg) yr____ _____ (af/mg)
I have data to support the above surface water use reductions due to conjunctive use efforts. YES ___ NO ___

I understand that it may be necessary to document the water savings claimed in "F." above if credit under Water Code sections 1010 and 1011 is sought in the future.

I declare that the information in this report is true to the best of my knowledge and belief.

DATE: 6-24, 2002 at Hat Creek, California

SIGNATURE: Mark N. Bidwell

PRINTED NAME: Mark N. Bidwell
(first name) (middle init.) (last name)

COMPANY NAME: Bidwell Ranch Inc.

If there is insufficient space for your answers, please use the space provided below.

ITEM CONTINUATION

D = We use this water through 3 Hydro Elec. Plants; 4 small lakes for wildlife & recreation; used to produce 700,000 lbs of Rainbow Trout

GENERAL INFORMATION PERTAINING TO WATER RIGHTS IN CALIFORNIA

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An appropriative right is required for use of water on nonriparian land and for storage of water. Generally, appropriative rights may be exercised only when there is a surplus not needed by riparian water users. Since 1914, new appropriators have been required to obtain a permit and license from the State. Appropriate rights can be granted to waters "foreign" to the natural stream system.

Statements of Water Diversion and Use must be filed by riparian and pre 1914 appropriative water users as set forth in Water Code section 5100 with specific exceptions. The filing of a statement (1) provides a record of water use, (2) enables the State to notify such users if someone proposes a new appropriation upstream from their diversions, and (3) assists the State to determine if additional water is available for future appropriators.

The above discussion is provided for general information. For more specific information concerning water rights, please contact an attorney or write to this office. We have several pamphlets available. They include: (1) Statements of Water Diversion and Use, (2) Information Pertaining to Water Rights in California, and (3) Appropriation of Water in California.

"The energy challenge facing California is real. Every California needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our Web-site at http://www.swrcb.ca.gov"

S - 70

*** PLEASE COMPLETE, SUBMIT THE ORIGINAL AND MAKE A COPY FOR YOUR RECORDS ***

12-08-95

STATE WATER RESOURCES CONTROL BOARD
DIVISION OF WATER RIGHTS

P.O. BOX 2000 SACRAMENTO, CA 95812-2000

SUPPLEMENTAL STATEMENT OF WATER DIVERSION AND USE

Please make change

STATEMENT NO: S000070
OWNER OF RECORD: BIRDIE L BIDWELL

~~BIRDIE L BIDWELL~~ Bidwell Ranches Inc.
ROUTE 2, ~~BOX 547~~ Rt 2 Box 449
CASSEL, CA 96016 Cassel Ca. 96016

SOURCE: LOST CREEK
TRIBUTARY TO: HAT CREEK
COUNTY: SHASTA
DIVERSION WITHIN: SW¼ OF SW¼ SECTION 34, T34N, R5E, MDB&M.

TELEPHONE NUMBER: (916) 335-~~2976~~ 3093
YEAR OF FIRST USE: 1884
PARCEL NO:

(If any of the above information is inaccurate or missing, please correct. Notify this office if ownership or address changes occur during the coming year.)

STATE WATER RESOURCES
1995 MAY -5 PM 12:41
DIV. OF WATER RIGHTS
SACRAMENTO

COMPLETE AND RETURN THIS FORM BY JULY 1, 1995.

A. Water is used under: Riparian claim _____; Pre 1914 right X; Other (explain) _____

B. Year of first use (Please provide if missing above) 1884.

C. Amount of Use - Enter the amount of water used each month. If monthly and annual use are not known, check the months in which water was used.

Amounts below are: ❑ Gallons ❑ Acre-feet ❑ (other) 75 CFS

	JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC	TOTAL ANNUAL
1992	75CFS	75	75CFS	75CFS	75CFS	75CFS	75CFS	75	75	75	75	75	900 CFS
1993	75	75CFS	75	75	75	75	75CFS	75	75	75	75	75	900 CFS
1994	75	75CFS	75	75	75	75	75	75	75	75	75	75	900 CFS

D. Purpose of Use - Specify number of acres irrigated, stock watered, persons served, etc.

Irrigation 680 acres; Stockwatering 600 cows per year; Domestic _____

X Other (specify) Use this same water in 3 different hydro-electric plants year around and 2 trout hatcheries, that produce approximately 500,000 lbs of fish yearly.

*** CONTINUE ON BACK PAGE ***

*** PLEASE COMPLETE, SUBMIT THE ORIGINAL AND MAKE A COPY FOR YOUR RECORDS ***

E. Changes in Method of Diversion - Describe any changes in your project since your previous statement was filed. (New pump, enlarged diversion dam, location of diversion, etc.)

None

F. If part of the water listed in Part C consists of reclaimed or polluted water, please indicate the annual amounts of reclaimed or polluted water in the space below.

None

I declare under penalty of perjury that the information in this report is true to the best of my knowledge and belief.

DATED: 5-2, 19 95, at Bidwell Ranch Hat Creek, California

SIGNATURE: Mark N. Bidwell

PRINTED NAME: MARK (FIRST NAME) Norman (M. NAME) Bidwell (LAST NAME)

COMPANY NAME: Bidwell Ranches Inc.

GENERAL INFORMATION PERTAINING TO WATER RIGHTS IN CALIFORNIA

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The above discussion is provided for general information. For more specific information concerning water rights, please contact an attorney or write to this office. We have several pamphlets available. They include:

"Statements of Water Diversion and Use"
"Information Pertaining to Water Rights in California"
"Water Rights for Stockponds Constructed Prior to 1969"
"Appropriation of Water in California"

STATE WATER RESOURCES CONTROL BOARD
DIVISION OF WATER RIGHTS
P.O. Box 2000
Sacramento, CA 95812-2000

STATEMENT OF WATER DIVERSION AND USE INFORMATION SHEET

STATEMENT NO. S000070

DIVERSION SITE:
OWNER'S NAME MARK (FIRST) Norman (MIDDLE) Bidwell (LAST)

PARCEL NO. _____

PLACE OF USE:
OWNER'S NAME MARK (FIRST) Norman (MIDDLE) Bidwell (LAST)

1. **PARCEL NO.** _____
2. **PARCEL NO.** _____
3. **PARCEL NO.** _____

PERSON OR FIRM TO RECEIVE ALL CORRESPONDENCE AND SUPPLEMENTAL STATEMENTS:

OWNER/LESSEE/AGENT/OTHER Bidwell Ranches Inc.

NAME MARK (FIRST) Norman (MIDDLE) Bidwell (LAST)

MAILING ADDRESS Rt 2 Box 449
Cassel (CITY) Ca. (STATE) 96016 (ZIP)

TELEPHONE NO. (916) 335 - 3093

OTHERS USING ABOVE DIVERSION LOCATION:

1. **NAME** None (FIRST) (MIDDLE) (LAST)

   MAILING ADDRESS _____
   (CITY) (STATE) (ZIP)

   TELEPHONE NO. (_____) _____ - _____

2. **NAME** _____ (FIRST) (MIDDLE) (LAST)

   MAILING ADDRESS _____
   (CITY) (STATE) (ZIP)

   TELEPHONE NO. (_____) _____ - _____

☐ ADDITIONAL INFORMATION CONTINUED ON BACK OF PAGE OR ATTACHED

PLEASE USE THE OTHER SIDE TO PROVIDE THE ABOVE INFORMATION FOR ADDITIONAL OWNERS OR PLACES OF USE AND CHECK THE ADDITIONAL INFORMATION BOX.

(1/95)

Stmt #70

McDONOUGH, HOLLAND & ALLEN
A Professional Corporation
STUART L. SOMACH, ESQ.
PAUL S. SIMMONS, ESQ.
555 Capitol Mall, Suite 950
Sacramento, California 95814
Telephone: (916) 444-3900

Attorneys for
Highland Hydro Construction, Inc.

BEFORE THE STATE WATER RESOURCES CONTROL BOARD

In Re the Application of Highland Hydro Construction, Inc. for Board Certification of Water Rights for the Lost Creek II Hydroelectric Project and the Lost Creek I Hydroelectric Project.	DECLARATION OF FLOYD BIDWELL

I, Floyd Bidwell, declare:

1. I am the owner of "Bidwell Ranch", in eastern Shasta County, California. Bidwell Ranch is approximately 15 miles southeast of Burney and 15 miles south of Fall River Mills. Bidwell Ranch is also identified in Exhibits A, B, and C, attached hereto.

2. I personally have resided on the Bidwell Ranch since 1924. My family has resided on Bidwell Ranch since 1900, when the property was purchased from the original patentee.

3. I am also the owner of the parcel in Shasta County containing the diversion works for Lost Creek. That property (hereinafter "Bidwell Diversion Parcel") is described in Exhibit D, attached hereto. The Bidwell Diversion Parcel also

chain of Title?

is depicted on Exhibits A, B, and C. I have owned the Bidwell Diversion Parcel since 1953.

4. I have knowledge of the geography of the Lost Creek area and the history of diversion of the Lost Creek. To the extent that the description of historical events is not based upon my personal knowledge, it is based upon information derived from public records and/or my predecessor(s) in ownership of the Bidwell Diversion Parcel and Bidwell Ranch.

5. Lost Creek is fed from springs located in Lost Creek Canyon. Prior to the diversion of the Creek at a point on the Bidwell Diversion Parcel, all water was lost to percolation shortly after the stream exited Lost Creek Canyon, as depicted in Exhibit A ("old percolation area").

when

6. Approximately in 1880, a predecessor in ownership of Bidwell Ranch diverted the flow of Lost Creek into a ditch, now known as Bidwell Ditch, also known as Lost Creek Ditch. The ditch carried the water exclusively to the properties that now constitute the Bidwell Ranch property. The point of diversion, still maintained today, is on the Bidwell Diversion Parcel. The point of diversion for Bidwell Ditch, and the Ditch itself, are depicted on Exhibits A, B, and C.

How thus?

7. In 1910 and again in 1912, my grandmother, Mary A. Bidwell, great uncle, J.H. Bidwell, and their neighbor, C.J. Long (1912 only) recorded Notices of Appropriation of Water with the Shasta County Recorder. A copy of the 1910 Notice is attached as Exhibit E. A copy of the 1912 Notice is attached as Exhibit F. The 1910 notice claims 2000 inches of water out of Lost Creek; the 1912 notice claims 3000 inches. Both notices

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describe the works then and still used to divert the entire flow of Lost Creek: a wooden flume and a 20' x 4' earthen ditch. The ditch runs for approximately six miles from the northwest corner of the Bidwell Parcel to the Bidwell Ranch. The diversion works have been maintained by my family and me in their original configuration. With two minor exceptions, the entire flow of Lost Creek is diverted by the Bidwell Ditch. The first exception is that in times of high local runoff, the flow of Lost Creek may exceed the capacity (approximately 80 cfs) of Bidwell Ditch. Second, a small amount of water (approximately 1 cfs) is diverted from Lost Creek, upstream of the Bidwell Ditch Diversion Parcel, for use on the Wilcox property.

all? entire? what is an interest?

8. I own a complete interest in the Bidwell Ditch. The interests were obtained in the following manner. Mary A. Bidwell left her estate to my father, Charles M. Bidwell. Charles M. Bidwell purchased the estate of J.H. Bidwell. I acquired the C.J. Long Ranch, and inherited all of Charles M. Bidwell's property, thereby uniting all interests in Lost Creek Ditch.

9. The sole sources of water for Lost Creek, discounting minimal rainfall drainage, are the springs of Lost Creek Canyon. All water diverted by Bidwell Ditch is used on the property now constituting the Bidwell Ranch irrigation and domestic use runoff is diffuse surface waters tributary to no body of water. There are no other consumptive users of Lost Creek, either upstream or downstream.

10. Since the initial diversion, the waters of Lost Creek have been continuously used for irrigation, domestic, power and

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stock watering purposes. The water is also used to generate power for irrigation pumping and domestic pressure. Other than stock watering ponds, no water is stored. I have filed a Statement of Diversion and Use (No. 1613) with the State Water Resources Control Board pursuant to such use patterns. A true and correct copy of the Statement of Diversion and use is attached as Exhibit G. There is in operation one hydroelectric facility on Bidwell Ditch. It (the Bidwell Ditch Project) is operated by Mega Renewables and is located downstream of the Lost Creek I and Lost Creek II Projects.

11. I have participated in the Lost Creek II Hydroelectric Project. In 1983, the Division of Water Rights of the State Water Resources Control Board issued a letter indicating that the Division believes that water rights exist for the Lost Creek II Project. A copy of the letter is attached hereto as Exhibit H. At the time of issuance of that letter, the Lost Creek II Project configuration was identical to that for which the Federal Energy Regulatory Commission ("FERC") has issued a license. On or about May 29, 1987, I obtained a license from FERC (No. 5130) for the construction, operation, and maintenance of the Lost Creek II Project. A copy of the FERC order issuing license is attached as Exhibit I. On or about September 27, 1987, the United States Forest Service issued a Special Use Permit to me and Mega Renewables authorizing construction of part of the Lost Creek II Project on federal lands. A copy of the Special Use Permit is attached as Exhibit J. On December 14, 1984, I entered into a Standard Offer No. 4 Power Purchase Contract with PG&E. On March 31, 1988, I assigned my

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interest in the contract to Mega. On March 31, 1988 I sold, transferred and assigned all rights, title, and interest in the Lost Creek II Project to Mega. A true and correct copy of the "Purchase and Royalty Agreement" effecting that transfer is attached as Exhibit K. Interests transferred include: a) all interest in the FERC license; b) the Special Use Permit issued by the Forest Service for the Project; c) the necessary water rights; and d) the Power Purchase Agreement. I am aware that Mega assigned its interest in the Purchase and Royalty Agreement to Highland Hydro Construction, and I consented to that assignment in writing, by an instrument dated February 2, 1989. I also granted to Mega an easement authorizing construction and operation of the Lost Creek II Project on the Bidwell Diversion Parcel. A true and correct copy of that document is attached as Exhibit L. I am aware that Mega's interest in the easement has been assigned to Highland and I consented to that assignment by an instrument dated February 9, 1989.

12. I have also participated in the Lost Creek II Hydroelectric Project. The intake for that project will be located on USFS land, upstream of the historic Bidwell Ditch diversion point, and the powerhouse will be located on the Bidwell Diversion Parcel, just above the point of diversion for Bidwell Ditch.

In 1981 and again in 1982, my agents received letters from the State Water Resources Control Board indicating that water rights exist for the Lost Creek I Project. Copies of those letters are attached as Exhibits M and N. At the time inquiry was made of the State Board, the Project configuration was

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identical to that currently planned and for which FERC has issued a license.

On May 18, 1988, FERC issued a license to me to construct and operate the Lost Creek I Project (No. 3863). On March 23, 1989, Highland and I made application to FERC for transfer of the license to Highland. On April 26, 1989, the USFS issued a special use permit to Highland and me for the construction and operation, and maintenance of the portions of the Lost Creek I Project to be located on USFS property.

On September 14, 1987, I entered into an agreement with Mega with respect to the Lost Creek I Project, by which I granted to Mega the option to purchase the Lost Creek I Project, including water rights for the Project. A copy of the option is attached as Exhibit O. I am aware that Mega assigned the option to Owl Constructors and that Owl assigned the option to Highland, and I have consented to these assignments.

13. I am unaware of any ongoing litigation concerning the property or water rights identified herein. To the best of my knowledge, no deed in the chain of title of either the Bidwell Ranch or the Bidwell Parcel makes express reference to water rights.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on June 12, 1989, at Redding, California.

Floyd N Bidwell

Floyd Bidwell

McDONOUGH, HOLLAND & ALLEN
A PROFESSIONAL CORPORATION

DOWNEY, BRAND, SEYMOUR & ROHWER
ANNE J. SCHNEIDER
MARTHA H. LENNIHAN
555 Capitol Mall, 10th Floor
Sacramento, California 95814
Telephone: (916) 441-0131

Attorneys for
Highland Hydro Construction, Inc.

BEFORE THE STATE WATER RESOURCES CONTROL BOARD

In Re the Application of Highland Hydro Construction, Inc. for Board Certification of Water Rights for the Lost Creek II Hydroelectric Project and the Lost Creek I Hydroelectric Project.	THIRD DECLARATION OF FLOYD BIDWELL

1. I made a declaration dated June 12, 1989, and a supplemental declaration dated August 25, 1989, which were given to the State Water Resources Control Board. I am making this third declaration to describe in more detail the history of the Bidwell Ditch, the work that was done on the ditch over the years, and the use we have made of the water.

2. Of course, I wasn't there, but I know from my family and from an old hand named Jim Bennett (who worked for me and must have been about 85 years old by the Second World War) that the ditch was built from 1880 to 1883. It took three years for water to get all the way down to the ranches. The ditch runs for about six miles from the diversion to the ranch.

3. The ditch was flume in some places, rock ditch in most places. The ditch originally started where we blasted out a rock channel and ran a flume right from the channel. The wood flume

fit into that rock channel. In the beginning, the only equipment we had were hand tools, horses, and wagons. In places the ditch was 100 or more feet wide through the lava rock. Down near the bottom, for the mile up from the ranch, we ran the ditch on top of a wide rock base. That part of the ditch was at least 12 feet wide and two feet deep. Horses and wagons hauled dirt to seal that last mile of ditch as much as possible.

4. Before World War II, the irrigation on the three original ranches (which I own now and operate as one) only amounted to around 350 acres. That's all the land that we had water for. The whole creek was diverted at the head of the ditch, but a lot of the water wasn't making it down to the ranch. There never used to be enough water from the ditch to irrigate any one field of alfalfa again in less than three weeks after the first irrigation. That's not enough to keep alfalfa going.

At the time of World War II, we cleared a lot of land. Since around 1940, we've had about 1,000 acres we can irrigate. But, after we cleared more land, of course, we didn't have enough water coming down the ditch. We finally got bulldozers in about 1948, and we used them to get right in the ditch channel and clear it out. We had never had any way to do that kind of work before, no physical way to clear the huge lava rocks and willows. We spent a whole winter clearing the ditch with those bulldozers in order to get more water to irrigate our 1,000 acres. With the bulldozers, we could decrease seepage by making the ditch narrower through the lava rocks.

5. We've been irrigating 1,000 acres since the late 1940's. I have been operating the ranch myself since the early

1950's, but I've worked on the ranch all my life. I know we reported that we irrigated about 500 acres in 1966, but I know that that acreage number was wrong. My mother, Birdie Bidwell, used to file those papers, and she was guessing. She didn't work the land herself. I wonder if the fellows at the Farm Bureau meetings didn't confuse her about what she was supposed to file. Those reports are just wrong if they say we were irrigating less than 1,000 acres since the end of the 1940's.

6. We lost at least 50 percent of the water coming down the ditch, even after all the work we did. The old Watermaster, Vicroy, and I went out to try to figure out how much we were losing and if there was some one place where we were losing a lot of water, so we could fix the problem. We still were not getting as much water as we needed. As a favor to me, he went out with me and went along the whole ditch. We measured flows at the head of the ditch, which was all the flow of Lost Creek, and at the ranch. Half the water was being lost, but there was no one place where a whole lot of water was being lost. It was just gradually being lost the whole length of the ditch.

7. We have always had to repair the ditch and its flumes. Even though the flow of the spring, which is the source of Lost Creek, is fairly steady, we do get flood waters. Butte Lake, for instance, can overflow, and if the rim flats above us have had snow followed by warm rains, lots of water comes down from the rim above the spring. The ditches overtop sometimes, and have to be built up again. Spring flow also varies somewhat after drought years, when we notice we get even less water than usual.

8. We have had to repair and replace flumes, as well. I have seen pictures taken in 1956 by Vic Scammon, who was working for the State, and those pictures show an old and new flume section that crossed a stretch of sink holes in the lava boulders. The old wood flume in the picture was repaired over the years, but was basically the flume that was there since the 1880's. It carried the full flow of water that make it to that point. It was square bottomed, about four feet wide and two feet deep. Although the picture doesn't show it, my father lined it with sheet metal to stop leaks. We built the flume shown in the picture in about 1945. I went down to Berkeley to Armco Steel and bought the steel half that the picture shows. It was round, about four feet wide at the top and 24 inches deep. I don't know why I bought such a big half, but it was what I could get because of the war. We built that new flume so it wasn't quite as steep as the old one, but it carried the same amount of water as the old flume did.

9. Both of those flumes are gone now. A huge fire burned through that whole area on Labor Day 1987, and badly damaged the flume. When last winter's floods came down, it all washed out. It was a desperate situation, especially for the fish, and we had emergency crews up here who built a rock, gunnited ditch to replace the flume. That new ditch section was put in fast enough that we think most of the fish were saved.

10. We've always had problems with freezing in the ditch and laterals in the winter. From where the main Bidwell Ditch reaches the ranch, it branches into three ditches (we use more, four or five, in the summer). We've used all the water that we could get. We've used the water to irrigate, for livestock, for house

use, and for fish and birds in our pond. You need a fast stream of water through a ditch to keep it from freezing. Ditches freeze from the bottom up, and once a ditch freezes up, you can't open it up again. In winter, less than half as much water reaches the ranch as reaches it in summer. This additional loss comes from the freezing. If the main ditch weren't so steep and the water flow so fast in the upper section, probably no water would reach us in the winter. After the water reaches the ranch, it is distributed via lateral ditches. The lateral ditches freeze up regularly. So far as I know, though, the main ditch has never frozen completely, although it has come close plenty of times. It does freeze over the top in the lower reaches at the ranch.

11. There have been changes in how our water is being used in the last three years. For one, the water is being used to generate more power. I have also leased some land to Mt. Lassen Trout Farm, and it takes the water when it comes out of the Bidwell Project powerhouse, before I use it for all the same uses I've had before. One other change is that I don't use what we call the Lamarr Ranch meadows any more. We used to keep about 75 head of cattle on about 15 or 20 acres there for two to three months every summer. We'd irrigate the meadows by removing the board from across an old 8-inch pipe that took off from the ditch just below where the Lost Creek II Power Project intake is now. We put that 8-inch cement pipe in the 1950's; before that, Lamarr, an old Indian who had a patent to the land from BIA, used to irrigate it using a rock canal system. I'd say it took 2 or 3 cfs from the main ditch to irrigate the Lamarr meadows because of additional ditch losses en route. There's lots of lava rock up there. The 1987 fire burned

big patches of peat, so those meadows are gone now. I have filed with the State Department of Forestry for re-forestation help and will be planting pines where the meadow burned out.

12. The FERC license for the Lost Creek II project has been transferred to Highland Hydro. Attached to this declaration as Exhibit "A" is a true and correct copy of the order approving the license transfer.

13. I also entered into an agreement with Highland Hydro which gave them an easement on my property. A true and correct copy of this document is attached hereto as Exhibit "B".

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 25 day of October, 1989, at Hat Creek, California.

Floyd N Bidwell
FLOYD BIDWELL

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Mega Renewables
Highland Hydro Construction, Inc.

Project No. 5130-009
California

ORDER APPROVING TRANSFER OF LICENSE

(Issued May 22, 1989)

Mega Renewables seeks Commission approval to transfer its license for the Lost Creek No. 2 Project to Highland Hydro Construction, Inc. The project occupies lands within the Lassen National Forest on Lost Creek, in Shasta County, California.

Mega Renewables has fully complied with the terms of the license and agrees to pay annual charges that have accrued to the date of the transfer. Highland Hydro Construction, Inc. is qualified to hold the license and operate the property under license and agrees to be bound by the license as if it were the original licensee.

No motions to intervene, comments, or protests were filed in response to the public notice of the application to transfer the license. Transfer of the license for this project is consistent with the Commission's regulations and is in the public interest.

The Director orders:

(A) Transfer of the license for this project is approved.

(B) Approval of the transfer is contingent upon transfer of title of the properties under license and delivery of all license instruments to Highland Hydro Construction, Inc., which shall be subject to all terms and conditions of the license as though it were the original licensee. Highland Hydro Construction, Inc. shall submit certified copies of all instruments of conveyance within 60 days from the date of this order.

(C) This order is issued under authority delegated to the Director and is final unless appealed to the Commission within 30 days from the date of this order. Highland Hydro Construction, Inc. shall acknowledge acceptance of this order and its terms and conditions by signing and returning the attached acceptance sheet within 60 days from the date of this order.

Edward J. Fowlkes
for Dean L. Shumway
Director, Division
of Project Review

EXHIBIT A

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Floyd N. Bidwell
Highland Hydro Construction, Inc.

Project No. 3863-002
California

ORDER APPROVING TRANSFER OF LICENSE
(Issued June 12, 1989)

Floyd N. Bidwell seeks Commission approval to transfer his license for the Lost Creek No. 1 Project to Highland Hydro Construction, Inc. The project is located on Lost Creek in Shasta County, California. The purpose of the transfer is to facilitate financing and construction of the project.

Mr. Bidwell has fully complied with the terms of the license and agrees to pay annual charges that have accrued to the date of the transfer. Highland Hydro Construction, Inc. is qualified to hold the license and operate the property under license and agrees to accept all of the terms and conditions of the license and to be bound by the license as if it were the original licensee.

No comments, protests, or motions to intervene were filed in response to the public notice of the application to transfer the license. Transfer of the license for this project is consistent with the Commission's regulations and is in the public interest.

The Director orders:

(A) Transfer of the license for this project is approved.

(B) Approval of the transfer is contingent upon transfer of title of the properties under license and delivery of all license instruments to Highland Hydro Construction, Inc., which shall be subject to all terms and conditions of the license as though it were the original licensee. Highland Hydro Construction, Inc. shall submit certified copies of all instruments of conveyance within 60 days from the date of this order.

(C) This order is issued under authority delegated to the Director and is final unless appealed to the Commission within 30 days from the date of this order. Highland Hydro Construction, Inc. shall acknowledge acceptance of this order and its terms and conditions by signing and returning the attached acceptance sheet within 60 days from the date of this order.

Edward J. Faulkner
for Dean L. Shumway
Director, Division
of Project Management

Project No. 3863-002

IN TESTIMONY of its acknowledgement of acceptance of all of the terms and conditions of this order, Highland Hydro Construction, Inc. this _____ day of _____, 19____, has caused its corporate name to be signed hereto by _____, its President, and its corporate seal to affixed hereto and attested by _____, its Secretary, pursuant to a resolution of its Board of Directors duly adopted on the _____ day of _____, 19____, a certified copy of the record of which is attached hereto.

By _____
President

Attest:

_____
Secretary

(Executed in quadruplicate)

ORIGINAL DOCUMENT RECORDED
ON AUG 25 1989 No. 28352
THIS DOCUMENT HAS NOT BEEN COMPARED WITH THE ORIGINAL DOCUMENT.
SHASTA COUNTY RECORDER

WHEN RECORDED RETURN TO:

Highland Hydro Construction, Inc.
2576 Hartnell Avenue
Redding, CA 96002
Attn: Mearl Williams

GRANT OF EASEMENT

This Grant is made this 4th day of August, 1989, by Floyd Bidwell ("Grantor"), and HIGHLAND HYDRO CONSTRUCTION, INC. ("Grantee").

1. Grantor does hereby grant to Grantee, in perpetuity, the exclusive rights, privileges and easements for the purpose of constructing, operating and maintaining a hydroelectric power project known as the Lost Creek I Hydropower FERC No. 3863 Project (including, but not limited to, the construction and maintenance of power transmission lines, penstock, access roads, fences, structures, fixtures and any other incidental or necessary facilities), (hereinafter collectively referred to as the "Project") over, across and upon those certain real properties described in Attachment A (the "Properties"), and by reference made a part hereof.

2. Grantee shall only disturb portions of the Properties as are reasonably necessary for the construction, operation or maintenance of the Project. All merchantable timber logged by Grantee shall remain the property of the

EXHIBIT B

Grantor. Upon completion of construction, all disturbed areas other than those areas or roads necessary for the maintenance or operation of the Project and shall be revegetated by Grantee to meet the standards of the County of Shasta, California, and the State of California Water Quality Control Board to the extent it is economically reasonable for Grantee to do so.

3. Within ninety (90) days of construction completion, Grantee shall cause to be recorded a record of survey and legal description prepared by an independent surveyor defining the Project location, including the minimum right-of-way necessary for operation and maintenance, which shall be deemed the Easement location for purposes of this grant of use.

4. The rights and easements, in addition to the Easement for the Project granted herein with regard to the Properties, shall include non-exclusive rights of way in perpetuity, to agents and employees of the Grantee as necessary for free ingress and egress to and from the Project adjacent to said Properties, over and across roads and pathways as now exist, or by such routes that will cause the least practicable damage and inconvenience to Grantors' lands; provided that the right set forth in this paragraph shall not extend to any portion of the Properties which is isolated from the Project by any public road or highway now

crossing or hereafter crossing said lands; also, provided that if any portion of said Properties is or shall be subdivided and publicly dedicated roads on such subdivided portion shall extend to the Project easement, the rights set forth in this paragraph on said subdivided portion shall be confined to such dedicated roads and highways, but shall not restrict Grantees' right of access in cases of emergency. Grantee shall have the right to construct and maintain, at its own expense, additional roads outside the Project easement, subject to Grantor's approval of location, which approval shall not be unreasonably withheld. Grantor reserves the right of reasonable use of any roads constructed or maintained on the Properties; provided that such use shall not interfere with the construction, operation or maintenance of the Project. In cases of emergency, Grantee shall have the right, as necessary, to cross and recross the Properties for purposes of access to that portion of the Project where the emergency exists; provided that Grantee shall not unnecessarily damage the lands of Grantor; and further provided that Grantee shall restore the property to as near its pre-emergency condition as is economically practicable.

5. Grantor agrees to pay all applicable property taxes assessed against the Properties, except that the Grantee shall pay all possessory interest taxes and

assessments due as a result of or charged against the activities of Grantee upon or directly related to said real Properties. Prior to March 1 of each year, Grantee shall request separate assessments by the Shasta County Assessor's Office for the possessory interests of the Grantee in said Properties.

6. This Easement shall be construed as an easement in gross, and may be conveyed, transferred, assigned, hypothecated or devised by Grantee without the prior written consent of the Grantor, their heirs or assigns. Grantee shall have the right to license third parties to enter upon the Properties to construct, improve, maintain and use the Project and the Easement granted herein.

GRANTOR	GRANTEE
By: Floyd Bidwell	HIGHLAND HYDRO CONSTRUCTION, INC., a California corporation
Its:	By: Mearl Williams Mearl Williams Its: Vice President

STATE OF CALIFORNIA)
) ss.
COUNTY OF Shasta)

On Aug 4, 1989 before me, the undersigned, a Notary Public in and for said State, personally appeared FLOYD BIDWELL, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument and acknowledged to me that he executed the same.

WITNESS my hand and official seal.

OFFICIAL SEAL
EVELYN M. PARKER
NOTARY PUBLIC - CALIFORNIA
SHASTA COUNTY
My Comm Expires Jan 18, 1992

Evelyn M. Parker
Notary Public

(Official Seal)

STATE OF CALIFORNIA)
) ss.
COUNTY OF SHASTA)

On July 28, 1989 before me, the undersigned, a Notary Public in and for said State, personally appeared MEARL WILLIAMS, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the Vice President of HIGHLAND HYDRO CONSTRUCTION, INC., a California corporation, and acknowledged to me that the corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

OFFICIAL SEAL
EVELYN M. PARKER
NOTARY PUBLIC - CALIFORNIA
SHASTA COUNTY
My Comm Expires Jan 18 1992

Evelyn M. Parker
Notary Public

(Official Seal)

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07/25/89 12:17 pm

DESCRIPTION

All that certain real property granted to Floyd Bidwell in that grant deed dated June 9, 1953 and recorded at Book 402, Page 370 of the Official Records of Shasta County, State of California, described as follows:

Lot 4, Section 3 and Lot 1, Section 4, T. 33 N., R. 5 E., and SW 1/4 SW 1/4 Section 34 and SE 1/4 SE 1/4 Section 33, T. 34 N., R 5 E., M.D.M., Shasta County, California.

Containing 158.97 acres.

ATTACHMENT "A"

S70

SAMPLE

STATE WATER RIGHTS BOARD
ROOM 1140, RESOURCES BUILDING
1416 NINTH STREET
SACRAMENTO, CALIFORNIA 95814

SAMPLE

Statement of Water Diversion and Use

A. Name of person diverting water Wife of Charles M. Bidwell deceased Mrs Birdie Bidwell
Address Rt 2 Box 547, Cassel Calif. 96016

B. Name of body of water at point of diversion Lost Creek.
Tributary to Creeks in Rivers.

C. Place of diversion ~~N Winter 34-4 E MDM~~ Situated in Wit Sec 1 and 12 TP 34-4 E MDM + Sec 6 and 7 TP. Section, Township, Range, B&M, Hot Creek Rim. Shasta County, or locate it on sketch of section grid on reverse side with regard to section lines or prominent local landmarks. Claimant of the S.W. 1/4 of the S W 1/4 of Sec 34 TP 34 N R. 19-19129, H Bidwell Mary A Bidwell

D. Capacity of diversion works is ditch 20 ft by 4 ft deep cubic feet per second / gallons per minute

Capacity of storage reservoir gallons / acre-feet

State quantity of water used each month in gallons or acre-feet

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total Annual
1966 :	Stock water all year irrigation for for 6 to 9 months depending on weather conditions												

If monthly and annual use are not known, check months in which water was used. State extent of use in units, such as acres of each crop irrigated, average number of persons served, number of stock watered, etc. near 500 acres and 200 cows + calves before sale time

Maximum annual water use in recent years has been all of it through irrigation period gallons / acre-feet

Minimum annual water use in recent years has been gallons / acre-feet

Type of diversion facility: gravity ✓, pump

Method of measurement: weir, flume, electric power meter, water meter, estimate

E. Purpose of use (what water is being used for) irrigation + stock - also was used for domestic for years -

F. General description or location of place of use (use sketch of section grid on reverse side if you desire) USFS map - enclosed -

G. Year of first use as nearly as known 1884 by Hosey Pickett he made a ditch for 2 miles other people filed but never used the water Mary Ann Bidwell had one → H. Bidwell son filing May 25 - 1910

H. Name of person filing statement Birdie Bidwell
Position Ranching Organization
Address Cassel P.O. Shasta Co. Calif.

I certify that the foregoing statements are true and correct to the best of my knowledge and belief.

Date signed Dec 4 Signature Birdie Bidwell

The water has been in use for over 55 yrs by the Bidwell family.

See Instructions on Reverse Side

filed on 5000 acres of land - but I can not find it in the records - it is there as I did find it earlier