



State Water Resources Control Board

JAN 09 2013

In Reply Refer
to: BRC:A010358

Certified Mail Number: 70042510000391465816
Return Receipt Requested

Rudd Farming, Inc.
10875 North Butte Road
Live Oak, CA 95953

To Whom It May Concern:

ORDER ADOPTING CEASE AND DESIST ORDER FOR FAILURE TO FILE 2011 ANNUAL USE
FOR LICENSE 2830, APPLICATION A010358

Enclosed is a copy of Order WR 2013-0002-DWR signed by the Assistant Deputy Director of the State Water Resources Control Board (State Water Board), Division of Water Rights. This Order adopts the draft Cease and Desist Order (CDO) dated October 22, 2012 for failure to file your 2011 annual use report.

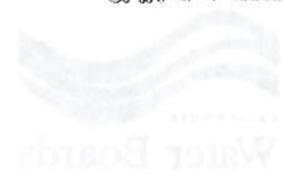
On October 22, 2012, the Division sent you a certified letter instructing you to submit your deficient 2011 annual use report online through our Report Management System (RMS). Instructions on how to access the RMS system as well as contact information for Division staff were provided. The Division allowed 20 days from receipt of the draft CDO to submit your 2011 annual use report to avoid formal enforcement action. The United States Post Office confirms the draft CDO was delivered on October 23, 2012 at 11:14am (Certified Mail # 70042510000391466240). As of the date of this letter, 78 days after confirmed receipt of the draft CDO, the Division has not received your 2011 annual use report.

Since you have not submitted your 2011 annual use report within 20 days of receipt of the draft CDO, the State Water Board adopted the enclosed Order which subjects you to a potential \$1,000 per day Administrative Civil Liability beginning on January 9, 2013 as permitted by Water Code Section 1845(b)(1).

To avoid additional penalties of up to \$1,000 per day, you should immediately submit your 2011 annual use report using the access information provided on the enclosed sheet. Enforcement is at the discretion of the State Water Board and we will take into consideration any corrective action taken.

If you have any questions please contact me, the Division's Enforcement Section Manager, at (916) 341-5368, or Mr. Andrew Tauriainen, Senior Staff Counsel, Office of Enforcement at (916) 341-5445 or Andrew.Tauriainen@waterboards.ca.gov.

Rudd Farming, Inc.



A written response may be directed to:

Division of Water Rights
P.O. Box 2000
Sacramento, CA 95812-2000
Attention: Enforcement Section

Sincerely,

John O'Hagan, Chief
Enforcement Section

Enclosures: Cease and Desist Order
Confidential User Information Sheet

State Water Resources Control Board

JAN 09 2013

Certified Mail Number: 700452100091A05810
Return Receipt Requested

Rudd Farming, Inc.
10875 North Butte Road
Live Oak, CA 95022

To Whom It May Concern:

ORDER ADOPTING CEASE AND DESIST ORDER FOR FAILURE TO FILE 2011 ANNUAL USE FOR LICENSE 2830 APPLICATION NUMBER

Enclosed is a copy of Order WTR 2012-0002-DWR signed by the Assistant Deputy Director of the State Water Resources Control Board (State Water Board). This Order adopts the draft Cease and Desist Order (CDO) dated October 22, 2012 for failure to file your 2011 annual use report.

On October 22, 2012, the Division sent you a certified letter instructing you to submit your deficient 2011 annual use report online through our Report Management System (RMS). Instructions on how to access the RMS system as well as contact information for Division staff were provided. The Division allowed 30 days from receipt of the draft CDO to submit your 2011 annual use report to avoid formal enforcement action. The United States Post Office confirms the draft CDO was delivered on October 23, 2012 at 11:44am (Certified Mail # 700452100091A05810). As of the date of this letter, 78 days after confirmed receipt of the draft CDO, the Division has not received your 2011 annual use report.

Since you have not submitted your 2011 annual use report within 30 days of receipt of the draft CDO, the State Water Board adopted the enclosed Order which subjects you to a penalty of \$100 per day Administrative Civil Liability beginning on January 8, 2013 as permitted by Water Code Section 17450(a) (1).

To avoid additional penalties of up to \$1,000 per day, you should immediately submit your 2011 annual use report using the access information provided on the enclosed sheet. Enforcement is at the discretion of the State Water Board and we will take into consideration any corrective action taken.

If you have any questions please contact me, the Division's Enforcement Section Manager, at (916) 341-2388 or Mr. Andrew Tammann, Senior Staff Counsel, Office of Enforcement, at (916) 341-2448 or Andrew.Tammann@waterboards.ca.gov

DIVISION OF WATER RIGHTS

ORDER WR 2013-0002-DWR

CEASE AND DESIST ORDER

In the Matter of Violation of Annual Use Reporting Requirements by

Rudd Farming, Inc.
(License 2830, Application 10358)

SOURCE: RD 833 Lateral E

COUNTY: Butte

The State Water Resources Control Board (State Water Board or Board) is authorized under Water Code section 1831 to issue a Cease and Desist Order (CDO) requiring Rudd Farming, Inc. (referred to herein as Licensee) to cease and/or abate a threatened or ongoing violation of the terms and conditions of your License.

Licensee is alleged to have violated or is threatening to violate California Water Code section 1052 and/or license terms for which section 1831 (d) provides, in part:

The State Water Board is authorized to issue a Cease and Desist Order when it determines that any person is violating or threatening to violate any of the following:

- (1) The prohibition set forth in Section 1052 against the unauthorized diversion or use of water subject to this division.*
- (2) Any term or condition of a permit, license, certification, or registration issued under this division.*

On October 22, 2012, and in accordance with the provisions of section 1834 of the California Water Code, the State Water Board, Division of Water Rights (Division) provided notice of the CDO against Licensee for the violation of the terms and conditions of your license and/or Chapter 2, Article 20, section 847 of the California Code of Regulations and the unauthorized diversion or use of water. Pursuant to State Water Board Resolution 2012-0029, the Deputy Director for Water Rights is authorized to issue a notice of cease and desist, and when a hearing has not been timely requested, issue a CDO in accordance with Water Code section 1831 et seq. State Water Board Resolution 2012-0029 also authorizes redelegation of this authority from the Deputy Director for Water Rights to the Assistant Deputy Director for Water Rights. This authority has been redelegated.

FACTUAL BASIS FOR ISSUING THE CDO

The facts and information upon which this CDO is based are as follows:

1. Senate Bill X7-8, which was signed into law in 2009, authorized the State Water Board to adopt regulations requiring online reporting of water diversions. Consistent with the Senate Bill, the State Water Board has adopted regulations requiring annual reporting of water diversion and use under permits and licenses, and developed a new online Report Management System (RMS) as a component of the enhanced Water Right Information Management System (eWRIMS). The regulation specifying annual Licensee reporting requirements is codified at Title 23, Chapter 2.7, Article 2, section 929 of the California Code of Regulations.
2. On March 5, 2012, the Division mailed out a notice to the Licensee notifying of: the annual use reporting requirements, instructions on how to access the RMS system and

submit their 2011 use report online. The Licensee was also notified that if they had any questions on the reporting process, they could contact the Division by phone or email. The deadline to submit their 2011 use report online was June 30, 2012.

3. As of October 17, 2012, the Division has not received the Licensee's 2011 annual use report.

IT IS HEREBY ORDERED, pursuant to sections 1831 through 1836 of the California Water Code, that:

1. Licensee shall immediately come into compliance with the terms of the License by submitting their 2011 annual use report by accessing the Report Management System at www.waterboards.ca.gov/RMS using the User ID and Password shown on the User Information Sheet accompanying this CDO.

Please note the User ID is a seven-digit alphanumeric string that begins with the letter "A" and followed by six numbers corresponding to your original application number. If you have any problems accessing the reporting system, please contact the Division staff noted on the letter accompanying this CDO.

Consequences of Non-Compliance

In the event Licensee fails to comply with the requirements of this Order, Licensee shall be in violation of this CDO and subject to additional enforcement, which may include the imposition of administrative civil liability pursuant to Water Code section 1845 (b)(1) of up to \$1,000 for each day in which the violation occurs, or referral to the Attorney General to take further enforcement action as described in California Water Code section 1845(a):

Upon the failure of any person to comply with a cease and desist order issued by the board pursuant to this chapter, the Attorney General, upon the request of the board, shall petition the superior court for the issuance of prohibitory or mandatory injunctive relief as appropriate, including a temporary restraining order, preliminary injunction, or permanent injunction.

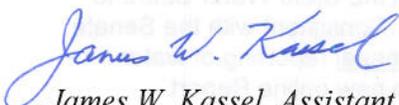
Reservation of Enforcement Authority and Discretion

Nothing in this Order is intended to or shall be construed to limit or preclude the State Water Board from exercising its authority under any statute, regulation, ordinance, or other law, including but not limited to, the authority to bring enforcement against Licensee for unauthorized diversion of water in accordance with Water Code section 1052.

Regulatory Changes

Nothing in this Order shall excuse Licensee from meeting any more stringent requirements that may be imposed hereafter by applicable legally binding legislation, regulations or water right license requirements.

STATE WATER RESOURCES CONTROL BOARD



*James W. Kassel, Assistant Deputy Director
Division of Water Rights*

Dated: **JAN 09 2013**