

EXHIBIT 22

State Water Resources Control Board
 DIVISION OF WATER RIGHTS
 P.O. Box 2000 SACRAMENTO, CA 95812-2000
 901 P STREET, SACRAMENTO, CA
 (916) 657-1364 FAX: (916) 657-1485

PROGRESS REPORT BY PERMITTEE FOR 1998

OWNER OF RECORD: G SCOTT FAHEY

APPLICATION: A029977

G SCOTT FAHEY
 2787 STONY FORK WAY
 BOISE, ID 83706

PERMIT: 020784

TELEPHONE NUMBER:
 (208) 334-4180 x 251

IF OWNER'S NAME/ADDRESS/PHONE NO. IS WRONG OR MISSING, PLEASE CORRECT.

SOURCE:

COUNTY:

UNSP (AKA COTTONWOOD SPRING) } *Deadwood Spring*

TUOLUMNE

PURPOSE: DIVERSION/STORAGE SEASON:

ACRES/HP:

INDUSTRIAL

JAN 01 TO DEC 31 /

0 AC

AMOUNT: 0.062 CFS *Both Springs* AC-FT
 0.0312 CFS *Each Spring*

COMPLETE USE BY: 12/31/1999

IMPORTANT! EVERY permit is issued subject to the conditions therein expressed. I have currently reviewed my permit. YES [] NO []. I am complying with the conditions under which my permit has been issued: YES [] NO []. Identify any non-compliance by permit term number under "Remarks" on reverse side. This report is important in providing the record of use needed in establishing your water right. It should be filled out carefully and returned promptly to the above address.

THE PROJECT HAS BEEN ABANDONED AND I REQUEST REVOCATION OF THIS PERMIT: YES [].

CONSTRUCTION WORK

- Has construction work commenced? YES [] NO []. Is construction completed? YES [] NO [].
- If incomplete, describe briefly the work done, including cost: *Only Deadwood Spr. has been developed. 3mi. 2" pipeline & storage tanks at \$5,000 gal. EA cost \$420,000*
- If not completed, give estimated date of completion: *Tentatively plan on developing second spring by 11/15/99*
- What percent of construction work remains to be done? *40%* Explain: *Develop second spring & install 2 miles of 2" pipeline.*

USE OF WATER

5. Has use of water commenced? YES [] NO []. Check appropriate box(es) below and explain how water was used.

- (a) [] Irrigation _____ (e) [] Municipal _____
Approximate population
- (b) [] Stockwatering _____ (f) [] Recreational _____
Number of animals Boating, fishing, water contact sports
- (c) [] Industrial *Bulk delivery of spring water to bottlers* (g) [] Power generation _____
Nature of use Installed horsepower capacity
- (d) [] Domestic _____ (h) [] Other _____
Number of persons, area of garden, lawn, etc.

6. Amount of water used each month under this permit in gallons or acre-feet. (If not known, check months water was used.)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total Annual
<i>Appropriated</i>	613,200											613,200	7,358,400 GAL
<i>Developed</i>	193,110	274,857	477,557	559,760	413,575	429,921	551,563	498,090	632,907	664,327	380,840	401,995	5,392,092 GAL
	1998												
	FEB 18 2888 AND TOTAL												
	DEADWOOD SPR. ONLY!												

USE OF WATER (cont.)

- 7. Has use of water, both amount and season, been as great as you expect in any future year under this permit? YES [] NO [x] If "No", explain under "Remarks".
- 8. Has location of the intake, place of use, or type of use been changed? YES [x] NO []. Explain under "Remarks".
- 9. Did the source go dry? YES [] NO [x]. If so, during what months? _____

STORAGE PROJECTS ONLY

- 10. Did your reservoir spill this year? YES [] NO []. If not, how many feet below spillway vertically was the water level at maximum storage? _____ Have you emptied the reservoir? YES [] NO []. If not, how many feet below spillway vertically was it drawn down at end of season? _____

PLEASE ANSWER ONLY THOSE QUESTIONS BELOW WHICH ARE APPLICABLE TO YOUR PROJECT.

CONSERVATION OF WATER

- 11. Describe any water conservation efforts you may have started: _____
- 12. If credit toward beneficial use of water under this permit 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 (acre-feet or mg): _____ (af/mg)

WATER QUALITY AND WASTEWATER RECLAMATION

- 13. 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 benefits uses? YES [] NO [x]
- 14. If credit toward use under this permit 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 the amounts of reclaimed water used: _____ (af/mg)

CONJUNCTIVE USE OF SURFACE WATER AND GROUNDWATER

- 15. Are you now using groundwater in lieu of surface water? YES [] NO [x]
- 16. If credit toward use under this permit 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: _____ (af/mg)

REMARKS (Identify the item you are explaining, additional pages may be attached.)

• It is projected 15 million gallons will be diverted ~~and~~ sold in 1999. Once the second spring is developed and diverted, as much as 25 million gallons may be sold by 2003.

• A Petition for Change of Point of Diversion has been submitted to change the Cottonwood Spring POD to an unnamed spring aka Annie's Green Spring.

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

Dated: 2/24/99 Sign Here:  PERMITTEE (OR AGENT OR DESIGNEE)

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	1998												
	GRAND TOTAL												12,710,492 GAL

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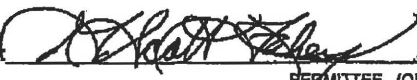
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Sign Here: _____



PERMITTEE (OR AGENT OR DESIGNEE)

PROGRESS REPORT BY PERMITTEE - PAGE 2



Winston H. Hickox
Secretary for
Environmental
Protection

State Water Resources Control Board

Division of Water Rights

901 P Street • Sacramento, California 95814 • (916) 657-1364
Mailing Address: P.O. Box 2000 • Sacramento, California • 95812-2000
FAX (916) 657-1485 • Internet Address: <http://www.swrcb.ca.gov>



Gray Davis
Governor

NOTICE TO PERMITTEE

Enclosed is your Progress Report of Permittee form for 1998.

One of the requirements under which you received your permit was that "Progress reports shall be submitted promptly by permittee when requested by the State Water Resources Control Board until license is issued."

Section 1011.5 of the Water Code has been amended to include the use of groundwater in lieu of water that you are allowed to use under your appropriative right. If you wish to claim the use of groundwater as allowed under this section of the Water Code, please complete Item 16 of the form.

Please complete the enclosed report form to the best of your knowledge and return it to this office. Thank you for your cooperation.

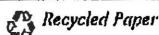
If you have any questions or need assistance with completing the form, please call (916) 657-1364.

Sincerely,

David R. Beringer
Program Manager
Licensing and Hearing Section

Enclosure

California Environmental Protection Agency



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