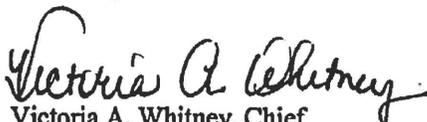


EXHIBIT 37

STATEMENT FOR FILES

AN EXCEPTION FROM THE LEGAL EFFECTS OF STATE WATER RESOURCES
CONTROL BOARD DECLARATION OF FULLY APPROPRIATED STREAM SYSTEMS
PURSUANT TO ORDER WR 98-08

I hereby approve an exception to Board Order WR 98-08 pursuant to Section 4.10 as it pertains to Application X3488 by G. Scott Fahey to appropriate water from the three springs in the Tuolumne River watershed in Tuolumne County. Diversion of water during the period from June 16 through October 31 of each year would be subject to maintenance of a water exchange agreement between the applicant and the Modesto Irrigation District and the Turlock Irrigation District. The Agreement will make up for any water right deficiency identified in Board Decisions 995 and 1594, in the above declarations. The applicant would provide replacement water to New Don Pedro Reservoir for all water diverted during the period from June 16 to October 31 of each year by a Water Exchange Agreement, executed on October 20, 2003, with the Tuolumne Utilities District for surplus water.


Victoria A. Whitney, Chief
Division of Water Rights

Dated: **JAN 26 2004**

California Environmental Protection Agency

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