

EXHIBIT 38

Return completed Report to: STATE WATER RESOURCES CONTROL BOARD
DIVISION OF WATER RIGHTS
P.O. Box 2000

SACRAMENTO, CA 95812-2000

For assistance completing this Report, call: (916) 341-5300 FAX (916) 341-5400



STATE A029977%P%2003

PROGRESS REPORT BY PERMITTEE FOR 2003

OWNER(S) OF RECORD: If the owner information below is wrong or missing, please correct.
G SCOTT FAHEY;

2004 APR -8 PM 12:58

DIVISION OF WATER RIGHTS
SACRAMENTO

APPLICATION NO.: A029977
PERMIT NO.: 020784
CONTACT PHONE NO.: (208)345-5170

PRIMARY CONTACT OR AGENT FOR MAIL & REPORTING:

G SCOTT FAHEY
2787 STONY FORK WAY
BOISE, ID 83706

PERMIT SUMMARY

NAME(S) OF SOURCES OF WATER (Up to first 4 sources listed)	PARCEL NO	COUNTY LOCATION
Unnamed Spring (AKA SUGAR PINE SPRING)		Tuolumne
DEADWOOD SPRING		Tuolumne

MAX DIRECT DIVERSION RATE:	.062 CFS	MAX COLLECTION TO STORAGE AMOUNT:	AC-FT
[Cubic feet per second (CFS) or Gallons per day(GPD)]		[Total reservoir(s) storage volume in acre-feet (AC-FT)]	
PERMITTED USE(S) OF WATER (First 4 uses displayed below)	ACRES (AC)	DIRECT DIVERSION SEASON (month/day to month/day)	COLLECTION TO STORAGE SEASON (month/day to month/day)
Industrial	0 AC	01/01 - 12/31	

DATE BY WHICH PERMITTEE SHALL COMPLETE THE AUTHORIZED PROJECT, INCLUDING COMPLIANCE WITH ALL PERMIT TERMS AND CONDITIONS, AND MAKE FULL BENEFICIAL USE OF WATER: 12/31/2011

COMPLIANCE WITH PERMIT TERMS AND CONDITIONS: This Report is important since it provides a record of your actual water use necessary to establish your water right as well as your compliance with the terms and conditions of your water right permit. The information requested below should be filled out carefully. This Report should be promptly returned to the above address.

- YES NO I have currently reviewed my water right permit.
- YES NO I am complying with all terms and conditions listed in the permit. Identify any noncompliance under "Remarks" on the reverse side.
- YES NO I have changed the intake location, type(s) of use, and/or place of use authorized by the permit. If YES, explain under "Remarks" on reverse side. Note: A Change Petition & associated fees may be required for any significant changes to the permitted project.

PERMITTED PROJECT STATUS: California Water Code sections 1398 and 1397 requires a permittee(s) to exercise due diligence in developing an appropriative water right project so that the project is completed within the time period specified in the permit. Time extensions may be authorized for good cause.

CHECK ONE OF THE FOLLOWING CONCERNING YOUR WATER RIGHT PROJECT STATUS:

- REVOCATION - The project has been abandoned and I request revocation of the permit.
- PROJECT COMPLETE -- The project has been completed. I have made full beneficial use of water as to the diversion rate, amount, and season specified in the permit and have complied with all terms and conditions. I am ready for (or have had) a licensing inspection by Division of Water Rights staff and request that a water right license be issued.

6. PROJECT HAS NOT BEEN COMPLETED

If the project has not been completed, please answer the following:

- YES NO Has construction work commenced?
- YES NO Is construction completed?
- YES NO Have the permitted beneficial uses of water commenced?
- YES NO Will the project be completed within the time period specified in the permit?

e. Explain what work remains to be done: _____

f. Give the estimated date of completion of the project, including maximizing beneficial use of water: _____

Note: A time extension petition and associated fees may be required if the project is not completed within the time period specified in the permit.

(Continues on reverse)

PROGRESS REPORT BY PERMITTEE - PAGE 1

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BENEFICIAL USE(S) OF WATER: (Note: See reverse side for a summary of the beneficial uses of water authorized under your permit.)

7. If your use of water has commenced, check the appropriate boxes below and explain how the water was used:

- | | | | |
|---|---------------------------------|--|--|
| a. <input type="checkbox"/> Irrigation | _____ Acres | f. <input type="checkbox"/> Municipal | _____ Approximate population |
| b. <input type="checkbox"/> Frost Protection | _____ Acres | g. <input type="checkbox"/> Domestic | _____ No. of persons, lawn/garden area, etc. |
| c. <input type="checkbox"/> Heat Control | _____ Acres | h. <input type="checkbox"/> Power Generation | _____ Installed capacity in kW, MW, or hp |
| d. <input checked="" type="checkbox"/> Industrial | <u>Bottled Water</u>
Specify | i. <input type="checkbox"/> Recreational | _____ Boating, fishing, water contact sports |
| e. <input type="checkbox"/> Stockwatering | _____ No. & type of animals | j. <input type="checkbox"/> Other | _____ Specify |

AMOUNT OF WATER USED:

8. Amount of water used each month under this permit in gallons or acre-feet: See Attached

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Annual

STORAGE PROJECTS ONLY: (Note: Up to 5 reservoirs may be covered under a single permit. Refer to your permit for the actual number covered.)

9. Complete for long-term storage projects only:

- a. YES NO Did your reservoir(s) spill this year?
If No, how many feet below the spillway vertically was the water level(s) at maximum storage? _____
- b. YES NO Have you emptied the reservoir(s)?
If No, how many feet below the spillway vertically was the water level (s) at minimum storage? _____

PLEASE ANSWER ONLY THOSE QUESTIONS BELOW WHICH ARE APPLICABLE TO YOUR WATER RIGHT PROJECT.
(Please note that future amendments to the claims below will not be accepted.)

An appropriate water right can be reduced or revoked through five continuous years of nonuse. However, the California Water Code specifies that under certain conditions no reduction or loss of the appropriate water right shall occur due to: (a) water conservation efforts; (b) use of recycled, desalinated, or polluted water; and/or (c) conjunctive use of groundwater and surface water. You must report the extent and amount of water claimed for credit below. Failure to report the amounts will deprive you of the benefits allowed under the Water Code sections.

CONSERVATION OF WATER: (Water Code section 1011)

10. YES NO During the period covered by this Report, were you implementing any water conservation efforts? If YES, please describe:

11. If YES and you want to claim credit for the amount of water conserved towards the water use authorized under your permit as allowed under Water Code section 1011, please show the amount of water conserved below:

_____ (specify the amount in acre-feet or million gallons) Future amendments to this claim will not be accepted.

WATER QUALITY AND WASTEWATER RECLAMATION: (Water Code section 1010)

12. YES NO During the period covered by this Report, did you use reclaimed water from a wastewater treatment facility, water from a desalination facility, or water polluted by waste to a degree which unreasonably affects the water for other beneficial uses?

13. If YES and you want to claim credit for the substitution of this reclaimed, desalinated, or polluted water in lieu of the surface water authorized under your permit as allowed by Water Code section 1010, please show the amount of reclaimed, desalinated, or polluted water used below:

_____ (specify the amount in acre-feet or million gallons) Future amendments to this claim will not be accepted.

CONJUNCTIVE USE OF GROUNDWATER AND SURFACE WATER: (Water Code section 1011.5)

14. YES NO During the period covered by this Report, were you using groundwater in lieu of the surface water authorized under your permit?

15. If YES and you want to claim credit for the groundwater used in lieu of the surface water authorized under your permit as allowed under Water Code section 1011.5, please show the amount of groundwater used below:

_____ (specify the amount in acre-feet or million gallons) Future amendments to this claim will not be accepted.

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

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

Signature: [Signature] Date: 04/03/04 Phone No: (208) 345-5170
PERMITTEE (OR AGENT/DESIGNEE)

6/2003

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CONTACT PHONE NO.: (208)345-5170

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BOISE, ID 83706

PERMIT SUMMARY

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Unnamed Spring (AKA SUGAR PINE SPRING) DEADWOOD SPRING		Tuolumne Tuolumne
MAX DIRECT DIVERSION RATE: .062 CFS [Cubic feet per second (CFS) or Gallons per day (GPD)]		MAX COLLECTION TO STORAGE AMOUNT: [Total reservoir storage volume in acre-feet (AC-FT)]
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| d. <input checked="" type="checkbox"/> Industrial | <u>Bottled Water</u>
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I declare under penalty of perjury that the information in this report is true to the best of my knowledge and belief.

Signature: [Signature]
PERMITTEE (OR AGENT/DESIGNEE)

Date: 04/03/04 Phone No: (208) 345-5170

AMOUNT OF WATER USED:						
APPL NO. A029977						
PERMIT NO. 020784						
	Jan. 03	Feb. 03	Mar. 03	Apr. 03	May. 03	June. 03
Total Gallons	1,262,095	1,309,500	1,167,750	1,167,750	1,086,750	1,404,000
Deadwood Spring						
Total	631,048	608,918	426,229	525,488	499,905	624,780
Appropriated	611,520	608,918	426,229	525,488	499,905	611,520
Developed	19,528	-	-	-	-	13,260
Sugar Pine Spring						
Total	631,048	700,583	741,521	642,263	586,845	779,220
Appropriated	611,520	611,520	611,520	611,520	586,845	611,520
Developed	19,528	89,063	130,001	30,743	-	167,700
	July. 03	Aug. 03	Sept. 03	Oct. 03	Nov. 03	Dec. 03
Total Gallons	1,478,250	1,269,000	1,201,500	1,228,500	762,750	1,336,500
Deadwood Spring						
Total	657,821	571,050	534,668	577,395	354,679	621,473
Appropriated	611,520	571,050	534,668	577,395	354,679	611,520
Developed	46,301	-	-	-	-	9,953
Sugar Pine Spring						
Total	820,429	697,950	666,833	651,105	408,071	715,028
Appropriated	611,520	611,520	611,520	611,520	408,071	611,520
Developed	208,909	86,430	55,313	39,585	-	103,508

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8,040,896