

Attachment 1 - KRCD Application for Temporary Permit to divert water for the purposes of hydroelectric generation

3. PROJECT DESCRIPTION

The Kings River Conservation District (KRCD) owns and operates the Pine Flat Power Plant, consisting of three vertically mounted 55 megawatt generators with francis runners. The installed 165 megawatts of capacity was developed under the Federal Energy Regulatory Commission License No. 2741 issued in 1979. The commercial operation date of the facility was April 1, 1984. The facility operates on a run-or-river basis and the existing SWRCB License (12885) allows for 7,900 CFS (14 day average) and 2,732,000 AF of water annually on a nonconsumptive use basis (for hydroelectric energy production). The water that flows through the hydroelectric facility is either directed by Kings River Water Association as irrigation demand for the downstream water right holders (28 in total) or by the United States Army Corps of Engineers as part of the flood control project for the Kings River basin.

In most years, License 12885 enables KRCD to make the maximum beneficial use of the available water. In extremely high hydrologic years such as 2016-17, there is more water available than that the water use license allows for and KRCD would need to bypass that water resulting in a loss of beneficial use.

This Temporary Permit seeks a onetime opportunity to divert those additional waters available (400,000 AF) in the September and October 2017 timeframe that would otherwise bypass the hydroelectric facility and not be put the maximum beneficial use possible. If the Temporary Permit is allowed, that water would be able to generate 75,000 megawatt hours of low cost electrical energy without generating greenhouse emissions.

Attachment 2 – Water Availability

Water will be available in excess of the KRCD State Water Resource Control Board License 12885 in the 2017 September and October time frame. The current 2016-17 water year is the third wettest on record for the Kings River with a pre-project natural flow of 4.123 million acre feet. While the water of the Kings River is fully appropriated, the KRCD use of this is on a nonconsumptive basis only, the water is returned to the point of diversion once it passes through the hydroelectric facility or it is otherwise bypassed.

Monthly, based on the routing reports received from Kings River Water Association, a Reservoir Forecast is created by KRCD and circulated to all interested parties. The basis of this current report includes:

- Based on 269% runoff for August through September 2017 and assuming 100% runoff October 2017 through April 2018
- Irrigation demand projections by Kings River Water Association as of July 31, 2017
- Pine Flat reservoir inflow adjust for effects of anticipated upstream reservoir operations

The included forecast indicates that the outflow from Pine Flat Reservoir is projected to be the following:

- August 2017 – 368,926 acre feet (AF)
- September 2017 – 178,512 AF
- October 2017 – 153,719 AF
- November 2017 – 47,603 AF
- December 2017 – 30,744 AF

Under the current license 12885, KRCD has accumulated use of 2,377,662 AF of water through the hydroelectric facility. The license allows for 2,732,000 AF of water and the projection is that the existing license will be exhausted on or about August 29, 2017. (See figure 1)

The Temporary Permit is requesting if granted, the use of 400,000 acre feet of available water, to be put to the max beneficial use as hydroelectric power generation for the season of August 29, 2017 through December 31, 2017.

Attachment 2 – Water Availability

Figure 1 – Water Use under Existing Application 25169, Permit 17687, and License 12885

		AF through plant						
Actual	JAN	25,053						
	FEB	234,555						
	MAR	428,337						
	APR	410,245						
	MAY	446,329						
	JUN	421,956						
	JUL	411,187	2,377,662	AF through plant				
Projected	AUG	368,926						
	SEP	178,512						
	OCT	122,975						
	NOV	47,603						
	DEC	30,744						
		Total	3,126,422					
License Limit		2,732,000	Projected last day of operation - 8/29/17 under license 12885					
Remaining		-394,422	Additional water - season of operation 8/29/2017 - 12/31/2017					

STATE LANDS COMMISSION

1807 13TH STREET
SACRAMENTO, CALIFORNIA 95814



RECEIVED K.R.C.D.

AUG 6 1980

File No. 500.12

August 1, 1980

File Ref.: PRC 5727.9

Mr. Jeff Taylor
General Manager-Chief Engineer
Kings River Conservation District
4886 East Jensen Avenue
Fresno, CA 93725

Dear Mr. Taylor:

RE: Pine Flat Power Project

Enclosed is a fully executed copy of lease PRC 5727.9 for the use of State land in the bed of the Kings River, Fresno County. Your cooperation has been very much appreciated.

Sincerely,

A handwritten signature in blue ink that reads "Betty K. Louie".

BETTY K. LOUIE
Land Agent
(916) 322-7823

Enclosure

CERTIFIED - RETURN RECEIPT REQUESTED NO. 8216427

BKL/nyo

RECORDED AT THE REQUEST OF

State of California/State Lands Commission
Official Business — Document entitled to free
recordation pursuant to Government Code
Section 27383.

WHEN RECORDED MAIL TO

State Lands Commission
1807 - 13th Street
Sacramento, CA 95814
Attention: Title Unit

LEASE NO. PRC 5727.9

W 20818

This Lease consists of this summary and the following attached and incorporated parts:

- Section 1 Basic Provisions
- Section 2 Special Provisions amending or supplementing
 Section 1 or 4
- Section 3 Description of Lease Premises
- Section 4 General Provisions

SECTION 1

BASIC PROVISIONS

THE STATE OF CALIFORNIA, hereinafter referred to as Lessor acting by and through the **STATE LANDS COMMISSION** (1807 - 13th Street, Sacramento, California 95814), pursuant to Division 6 of the Public Resources Code and Title 2, Division 3 of the California Administrative Code, and for consideration specified in the Lease, does hereby lease,

demise and let to: Kings River Conservation District
hereinafter referred to as Lessee:
WHOSE MAILING ADDRESS IS: 4886 East Jensen Avenue
Fresno, California 93725

those certain lands described in Section 3 subject to the reservations, terms, covenants and conditions of this Lease.

LEASE TYPE: General Permit - Public Agency Use

LAND TYPE: Sovereign **LOCATION:** Fresno County

LAND USE OR PURPOSE: Hydroelectric Power Plant, associated dredging and
dredging site spoil area, and temporary construction yard

TERM: Sixty-six (66) years; beginning September 1, 1979
ending August 31, 2045, unless sooner terminated as provided under this Lease.

CONSIDERATION: § Public benefit; royalty of \$0.15 per cubic yard for any
dredged material removed from the lease area, which is sold or used for
any private or commercial benefit.

subject to modification by Lessor as specified in Paragraph 2(b) of Section 4.

AUTHORIZED IMPROVEMENTS: Pine Flat Power Plant, Tailrace Channel and
necessary appurtenances thereto, together with a spoil site and temporary
construction area.

EXISTING: _____

TO BE CONSTRUCTED; CONSTRUCTION MUST BEGIN BY: _____

AND BE COMPLETED BY: December 1, 1984

LIABILITY INSURANCE: See Section 2, Paragraph 8

SURETY BOND OR OTHER SECURITY: - - -

**SECTION 2
SPECIAL PROVISIONS**

BEFORE THE EXECUTION OF THIS LEASE, ITS PROVISIONS ARE AMENDED, REVISED OR SUPPLEMENTED AS FOLLOWS:

CHANGES IN FORM: Before the execution of this lease, the printed form was changed, revised and added to in the following manner:

1. It is hereby agreed that the dredging operations authorized under this lease shall be performed with diligence, in a good and workmanlike manner, using due care and safety precautions. Lessee shall pay to Lessor a royalty as specified in Section 1 hereof according to the following schedule:

Within twenty-five (25) days following the end of each quarter ending on March 31, June 30, September 30, and December 31, Lessee shall pay said royalty for all materials removed from land subject to this agreement during the preceding quarter. Each payment shall be accompanied by a detailed statement subscribed and sworn to by Lessee or his agent attesting to the accuracy of the payment.

Lessee also agrees to furnish copies of final surveys or copies of any other computations used as a basis to verify dredge volumes.

2. The Lessee hereby agrees that any signs or other types of printed notices, installed to provide notification of the public use and benefit of the project as set forth herein, shall contain and reasonably display a statement to the effect that the State Lands Commission has provided the lands underlying the project. Such statement may be as follows:

"The land for this project was provided by the State Lands Commission."

3. The portion of this Lease dealing with the construction yard terminates December 1, 1984, subject to all the terms and conditions of this Lease.

4. The parties to this Lease recognize that the State of California, Department of Water Resources has participated in the financing, construction and operation of the improvements authorized by this Lease in consideration for the electrical energy to be delivered to the Department pursuant to the contract between the Lessee and the Department entitled 'Pine Flat Power Sale Contract.' It is the intention of the parties to this Lease that the improvements authorized by this Lease shall be operated to deliver electrical energy to the Department for the term of such contract. This lease is subject to the terms and conditions of such power sale contract. This Lease is also subject to the jurisdiction of the Federal Energy Regulatory Commission and is subject to the terms and conditions of the Federal Energy Regulatory Commission license for the project. The terms and conditions of such power sale contract and FERC license shall prevail in the event of any conflict with the General Provisions attached as Section 4 of this Lease.

5. The Lessor and the Lessee shall provide the Department of Water Resources with copies of all notices and determinations required to be given under the terms and conditions of this Lease. All such notices and determinations shall be sent in accordance with the provisions of Paragraph 16(c) of Section 4 (General Provisions) of this Lease to:

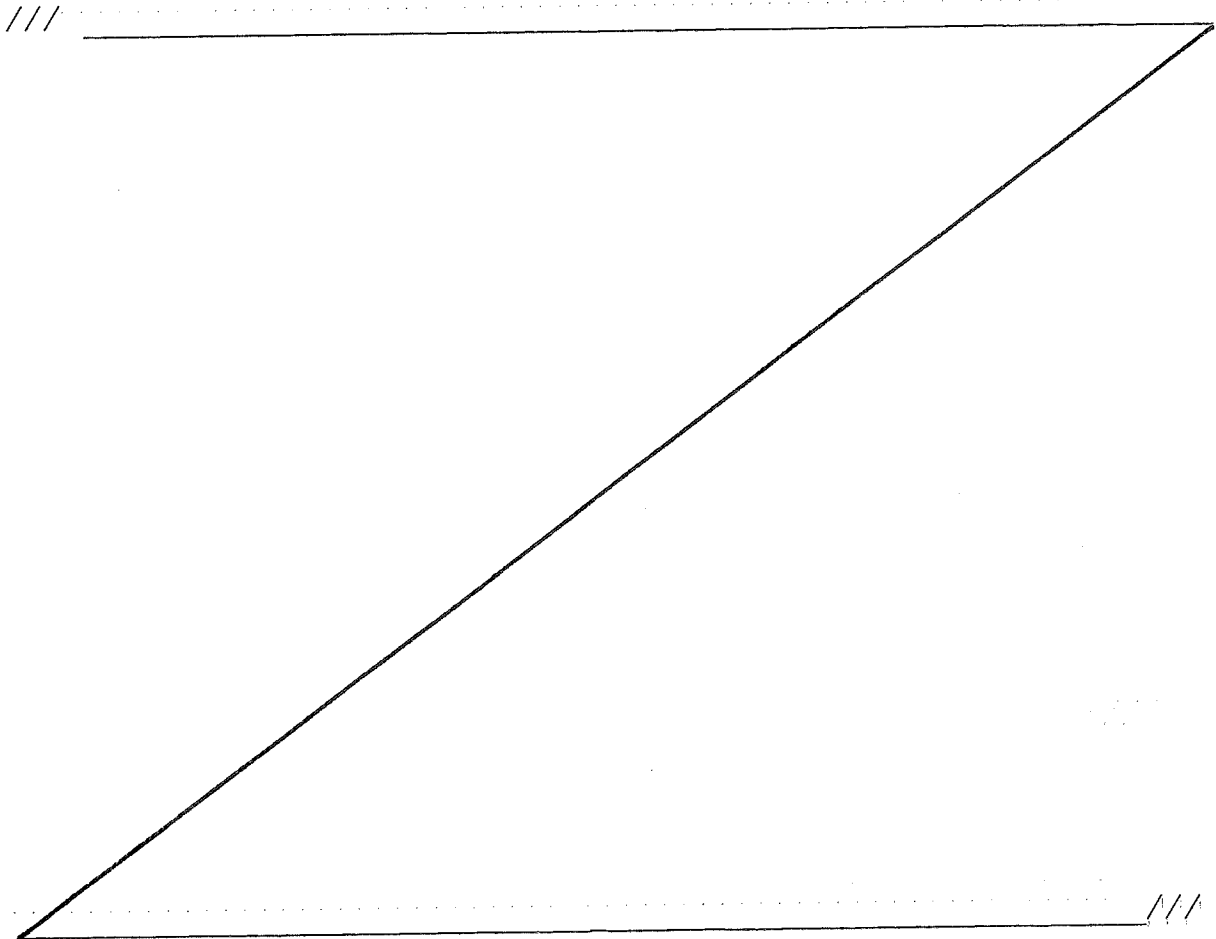
Director
Department of Water Resources
P.O. Box 388
Sacramento, CA 95802

6. Notwithstanding the provisions of Paragraph 12 of the General Provisions, the Lessees shall not terminate this lease during the term of its Power Sale Contract with the Department of Water Resources except upon the written consent of the Department of Water Resources.

7. Notwithstanding the provisions of Paragraph 11 of the General Provisions concerning termination of this Lease and repossession of the land subject to this Lease, it is recognized that Pine Flat Dam is owned by the United States, and Lessee's right to occupy the land at the base of Pine Flat Dam is subject to the regulatory jurisdiction of the United States Army Corps of Engineers. Lessee's right to own, operate and maintain the Pine Flat Power Plant and related facilities is also subject to the terms and conditions imposed by the Federal Energy Regulatory Commission. Possession and operation of the Power Plant is subject to the jurisdiction of these agencies. Within the limits of such

jurisdiction, it is the intention of the parties to this Lease that upon termination of this Lease, a subsequent Lease be negotiated between the Lessor, the Lessee or its successor in accordance with the law of the State of California and the regulations and policies of the State Lands Commission or its successor.

8. This Lease is subject to the liability insurance provisions set forth in Section 17 of the Pine Flat Power Sale Contract. The parties to this Lease hereby agree that the State, acting by and through the State Lands Commission, shall be named as a co-insured party in all policies of liability insurance, or under any program of self-insurance developed by the Department of Water Resources pursuant to section 17.5 of the Pine Flat Power Sale Contract.



STATE OF CALIFORNIA - STATE LANDS COMMISSION

PERMIT NO. PRC 5727.9

Section 3

LAND DESCRIPTION

The sovereign land beneath and a strip 20 feet wide all around the Power House, proposed spoil site, Tailrace Channel and proposed construction yard, shown on Kings River Conservation District Exhibit J (Location Map) and Exhibit K (Site Plan) which are included in the Kings River Hydroelectric Project, Unit 1 - Pine Flat Power Plant, Environmental Impact Report dated November 1978, on file with the staff of the State Lands Commission.

END OF DESCRIPTION

SECTION 4

GENERAL PROVISIONS

1. GENERAL

These provisions are applicable to all leases, permits, rights-of-way, easements, or licenses or other interests in real property conveyed by the State Lands Commission.

2. CONSIDERATION

(a) Categories:

(1) Rental:

Lessee shall pay the annual rental as stated in Section 1 or 2 to Lessor without deduction, delay or offset, on or before the beginning date of this Lease and on or before each anniversary of its beginning date during each year of the Lease term.

(2) Royalty or other consideration:

Lessee shall pay a royalty or other consideration in the amount, method and manner as specified in Section 1 or 2.

(3) Non-Monetary Consideration:

If a monetary rental, royalty, or other consideration is not specified in Section 1 or 2, consideration to Lessor for this Lease shall be the public use, benefit, health or safety, as appropriate, however Lessor shall have the right to review such consideration at any time and to set a monetary rental if the State Lands Commission, at its sole discretion, determines that such action is in the best interest of the State. Lessee shall notify Lessor within ten (10) days in the event that the public is charged any direct or indirect fee for use and enjoyment of the Lease Premises.

(b) Modification:

Lessor may modify the amount or rate of consideration effective on each fifth anniversary of the beginning date of this Lease. Should Lessor fail to exercise such right effective on any fifth anniversary it may do so effective on any one (1) of the next four (4) anniversaries following such fifth anniversary, without prejudice to its right to effect such modification on the next or any succeeding fifth anniversary. Any modification of the amount or rate of consideration made pursuant to this paragraph shall conform to Title 2, Division 3 of the California Administrative Code and no such modification shall become effective unless Lessee is given written notice at least sixty (60) days prior to the effective date.

(c) Penalty and Interest:

Any installments of rental, royalty, or other consideration accruing under this Lease not paid when due shall be subject to a penalty and shall bear interest as specified in Public Resources Code Section 6224 and Section 2.

3. BOUNDARIES

This Lease is not intended to establish the State's boundaries and is made without prejudice to either party regarding any boundary claims which may be asserted presently or in the future.

4. LAND USE

(a) General:

Lessee shall use the Lease Premises only for the purpose or purposes stated in Section 1 or 2 and only for the operation and maintenance of the improvements authorized in Section 1 or 2. Lessee shall commence use of the Lease Premises within ninety (90) days of the beginning date of this lease. Thereafter Lessee's discontinuance of such use for a period of ninety (90) days shall be conclusively presumed to be an abandonment.

(b) Repairs and Maintenance:

Lessee shall, at its own expense, keep and maintain the Lease Premises and all improvements in good order and repair and safe condition.

(c) Additions, Alterations and Removal:

(1) Additions — No improvements other than those ex-

pressly authorized in Section 1 or 2 of this Lease shall be constructed by the Lessee on the Lease Premises without the prior written consent of Lessor. Lessee shall notify Lessor within ten (10) days after commencing the construction of authorized improvements and within sixty (60) days after completing them.

(2) Alteration or Removal — Except as provided under this Lease, no alteration or removal of existing improvements on or natural features of the Lease Premises shall be undertaken without the prior written consent of Lessor.

(d) Conservation:

Lessee shall practice conservation of water and other natural resources and shall prevent pollution and harm to the environment in or on the Lease Premises.

(e) Enjoyment:

Nothing in this Lease shall preclude Lessee from excluding persons from the Lease Premises when their presence or activity constitute a material interference with Lessee's use and enjoyment of the Lease Premises as provided under this Lease.

(f) Discrimination:

Lessee in its use of the Lease Premises shall not discriminate against any person or class of persons on the basis of race, color, creed, national origin, sex, age, or physical handicap.

(g) Residential Use:

Unless otherwise allowed under this Lease, improvements on the Lease Premises shall not be used as a residence or for the purpose of mooring a floating residence.

5. RESERVATIONS, ENCUMBRANCES AND RIGHTS-OF-WAY

(a) Reservations:

(1) Lessor expressly reserves all natural resources in or on the Lease Premises, including but not limited to oil, coal, natural gas and other hydrocarbons, minerals, aggregates, timber and geothermal resources, as well as the right to grant leases in and over the Lease Premises for the extraction of such natural resources, however such leasing shall be neither inconsistent nor incompatible with the rights or privileges of Lessee under this Lease.

(2) Lessor expressly reserves a right to go on the Lease Premises and all improvements for any purpose associated with this Lease or for carrying out any function required by law, or the rules, regulations or management policies of the State Lands Commission. Lessor shall have a right of reasonable access to the Lease Premises across Lessee owned or occupied lands adjacent to the Lease Premises for any purpose associated with this Lease.

(3) Lessor expressly reserves to the public an easement for convenient access across the Lease Premises to other State-owned lands located near or adjacent to the Lease Premises and a right of reasonable passage across and along any right-of-way granted by this Lease, however, such easement or right-of-way shall be neither inconsistent nor incompatible with the rights or privileges of Lessee under this Lease.

(4) Lessor expressly reserves the right to lease, convey, or encumber the Lease Premises, in whole or in part, during the lease term for any purpose not inconsistent nor incompatible with the rights or privileges of Lessee under this Lease.

(b) Encumbrances:

This Lease may be subject to pre-existing contracts, leases, licenses, easements, encumbrances and claims and it is made without warranty by Lessor of title, condition or fitness of the land for the stated or intended use.

(c) **Rights-of-Way:**

If this Lease is for a right-of-way covering one or more pipelines or conduits, the Lease Premises include only land actually underlying the pipelines or conduits, and Lessor hereby grants to Lessee a non-exclusive right to go onto the lands adjacent to the Lease Premises as is reasonable and necessary for installation, inspection and maintenance of the pipelines or conduits.

6. RULES, REGULATIONS AND TAXES

(a) Lessor and Lessee shall comply with and be bound by all presently existing or subsequently enacted rules, regulations, statutes or ordinances of the State Lands Commission or any other governmental agency or entity having lawful authority and jurisdiction.

(b) Lessee recognizes and understands in accepting this Lease that it may be liable for a possessory interest tax imposed by a city or county on its leasehold interest and that its payment of such a tax shall not reduce the amount of consideration due Lessor under this Lease and that Lessor shall have no liability for the payment of such a tax.

7. INDEMNITY

(a) Lessor shall not be liable and Lessee shall indemnify, hold harmless and, at the option of Lessor, defend Lessor, its officers, agents, and employees against and for any and all liability, claims, damages or injuries of any kind and from any cause, occurring on the Lease Premises or improvements, or arising out of or connected in any way with the issuance of this Lease.

(b) Lessee shall give prompt notice to Lessor in case of any accident, injury or casualty on the Lease Premises.

8. LIABILITY INSURANCE

(a) If so specified in Section 1 or 2, Lessee shall obtain at its own expense and keep in full force and effect during the Lease term with an insurance company acceptable to Lessor comprehensive liability insurance, for specified categories and amounts, insuring Lessee and Lessor against any and all claims or liability arising out of the ownership, use, occupancy, condition or maintenance of the Lease Premises and all improvements.

(b) The insurance policy or policies shall name the State as an additional insured or co-insured party as to the Lease Premises and shall identify the Lease by its assigned number. Lessee shall provide Lessor with a certificate of such insurance and shall keep such certificate current.

(c) The liability insurance coverage specified in this Lease shall be in effect at all times during the Lease term and subsequently until all of the Lease Premises have been either accepted as improved by Lessor or restored pursuant to Paragraph 13.

9. SURETY BOND

(a) If so specified in Section 1, Lessee shall provide a surety bond or other security device acceptable to Lessor, for the specified amount, and naming the State of California as the assured, to guarantee to Lessor the faithful observance and performance by Lessee of all of the terms, covenants and conditions of this Lease.

(b) Lessor may increase the amount of the surety bond or other security device to cover any additionally authorized improvements, alterations or purposes and any modification of consideration.

(c) The surety bond or other security device shall be maintained in full force and effect at all times during the Lease term and subsequently until all of the Lease Premises have been either accepted as improved by Lessor or restored pursuant to Paragraph 13.

10. ASSIGNMENT, ENCUMBRANCING OR SUBLETTING

(a) Lessee shall not either voluntarily or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease and shall not sublet the Lease Premises, in whole or in part, or allow any person other than the Lessee's employees, agents, servants and invitees to occupy or use all or any portion of the Lease Premises without the prior written consent of Lessor.

(b) This Lease shall be appurtenant to littoral or riparian land and any ownership interest or use rights of Lessee in such lands and it shall not be severed from such rights or interests without the prior written consent of Lessor.

11. DEFAULT AND REMEDIES

(a) **Default:**

The occurrence of any one or more of the following events shall constitute a default or breach of this Lease by Lessee:

(1) Lessee's failure to make any payment of rental, royalty, or other consideration as required under this Lease.

(2) Lessee's failure to obtain or maintain liability insurance or a surety bond or other security device as required under this Lease.

(3) Lessee's vacation or abandonment of the Lease Premises during the Lease term.

(4) Lessee's failure to observe or perform any other term, covenant or condition of this Lease to be observed or performed by the Lessee when such failure shall continue for a period of sixty (60) days after Lessor's giving written notice; however, if the nature of Lessee's default or breach is such that more than sixty (60) days are reasonably required for its cure, then Lessee shall not be deemed to be in default or breach if Lessee commences such cure within such sixty (60) day period and diligently proceeds with such cure to completion.

(b) **Remedies:**

In the event of a default or breach by Lessee and Lessee's failure to cure such default or breach, Lessor may at any time and with or without notice do any one or more of the following:

(1) Re-enter the Lease Premises, remove all persons and property, and repossess and enjoy such premises.

(2) Terminate this Lease and Lessee's right of possession of the Lease Premises. Such termination shall be effective upon Lessor's giving written notice and upon receipt of such notice Lessee shall immediately surrender possession of the Lease Premises to Lessor.

(3) Maintain this Lease in full force and effect and recover any rental, royalty, or other consideration as they become due without terminating Lessee's right of possession regardless of whether Lessee shall have abandoned the Lease Premises.

(4) Exercise any other right or remedy which Lessor may have at law or in equity.

12. LESSEE'S TERMINATION

Lessee may terminate this Lease for any reason upon giving Lessor at least sixty (60) days prior written notice. Lessee agrees that on the effective date of termination it shall responsibly leave and surrender the Lease Premises to Lessor in a state of good order, condition, repair, and restoration as provided under Paragraphs 4(b) and 13. The exercise of such right of termination shall not release Lessee from liability for any unpaid but accrued rental, royalty or other consideration which may be due under this Lease or from any other obligations still applicable under the Lease. No portion of any rental paid by Lessee in advance shall be refunded.

13. RESTORATION OF LEASE PREMISES

(a) Upon expiration or sooner termination of this Lease, Lessor may accept all or any portion of the Lease Premises, as then improved with structures, buildings, pipelines, machinery, facilities and fills in place; or Lessor may require Lessee to remove all or any portion of such improvements at its sole expense and risk; or Lessor may itself remove or have removed all or any portion of such improvements at Lessee's sole expense.

(b) In removing any such improvements Lessee shall restore the Lease Premises as nearly as possible to the conditions existing prior to their installation or construction.

(c) All such removal and restoration shall be to the satisfaction of Lessor and shall be completed within ninety (90) days of the expiration or sooner termination of this Lease.

14. QUITCLAIM

Lessee shall, within ninety (90) days of the expiration or sooner termination of this Lease, execute and deliver to Lessor in a form provided by Lessor a good and sufficient release of all rights under this Lease. Should Lessee fail or refuse to deliver such a release, a written notice by Lessor reciting such failure or refusal shall, from the date of its recordation, be conclusive evidence against Lessee and all other claimants of the termination of this Lease and any rights or interests of Lessee in the Lease Premises.

15. HOLDING-OVER

Any holding-over by Lessee after the expiration of the Lease term, with or without the express or implied consent of Lessor, shall constitute a tenancy from month-to-month and not an extension of the Lease term and shall be on the terms, covenants and conditions of this Lease with rental, royalty or other consideration payable in advance on the first day of each month, at the rate of **one-twelfth (1/12th)** of the annual amount.

16. ADDITIONAL PROVISIONS

(a) Waiver:

(1) No term, covenant or condition of this Lease and no default or breach of any such term, covenant or condition shall be deemed to have been waived, by Lessor's acceptance of a late or nonconforming performance or otherwise, unless such a waiver is expressly acknowledged by Lessor in writing.

(2) Any such waiver shall not be deemed to be a waiver of any other term, covenant or condition or any other default or breach of any term, covenant or condition of this Lease.

(b) Time:

Time is of the essence of this Lease and each and all of its terms, covenants or conditions in which performance is a factor.

(c) Notice:

All notices required to be given under this Lease shall be given in writing, sent by United States mail with postage prepaid, to Lessor at the offices of the State Lands Commission and to Lessee at the address specified in Section 1. Lessee shall give Lessor notice of any change in its name or address.

(d) Consent:

Where Lessor's consent is required under this Lease its consent for one transaction or event shall not be deemed to be a consent to any subsequent occurrence of the same or any other transaction or event.

(e) Changes:

This Lease may be terminated and its term, covenants and conditions amended, revised or supplemented by mutual agreement of the parties.

(f) Successors:

The terms, covenants and conditions, of this Lease shall extend to and be binding upon and inure to the benefit of the heirs, successors, and assigns of the respective parties and if more than one Lessee is a party to this Lease, the obligations of the Lessees shall be joint and several.

(g) Captions:

The captions of this Lease are not controlling and shall have no effect upon its construction or interpretation.

(h) Severability:

If any term, covenant or condition of this Lease is judicially determined to be invalid, it shall be considered deleted and shall not invalidate any of the remaining terms, covenants and conditions.

STATE OF CALIFORNIA — STATE LANDS COMMISSION

LEASE P.R.C. No. 5727.9

This lease will become binding upon the State only when duly executed on behalf of the State Lands Commission of the State of California;

IN WITNESS WHEREOF, the parties hereto have executed this lease as of the date hereafter affixed.

LESSEE

KINGS RIVER CONSERVATION DISTRICT

BY

JEFF L. TAYLOR, SECRETARY

STATE OF CALIFORNIA
STATE LANDS COMMISSION

By: *Leslie W. Grimes*
Deputy Chief

Title: Division of Land Management and Conservation

Date: AUG 04 1980

ACKNOWLEDGEMENT

The issuance of this lease was authorized by the State Lands Commission on June 26, 1980
(Month Day Year)

THIS IS YOUR COPY OF THE LICENSE.
A COPY IS BEING RECORDED WITH THE COUNTY RECORDER.



Page 1 of 3

STATE OF CALIFORNIA
STATE WATER RESOURCES CONTROL BOARD
DIVISION OF WATER RIGHTS

License for Diversion and Use of Water

APPLICATION 25169 PERMIT 17687 LICENSE **12885**

THIS IS TO CERTIFY, *That* Kings River Conservation District
4886 East Jensen Avenue
Fresno, CA 93725

has made proof as of June 28, 1991 (the date of inspection)
to the satisfaction of the State Water Resources Control Board of a right to the use of the water of
Kings River in Fresno County

tributary to Tulare Lake Basin

for the purpose of Power use

under Permit 17687 of the Board and that the right to the use of this water has been perfected
in accordance with the laws of California, the Regulations of the Board and the permit terms; that the
priority of this right dates from October 8, 1976 and that the amount of water to which
this right is entitled and hereby confirmed is limited to the amount actually beneficially used for the stated
purposes and shall not exceed seven thousand nine hundred (7,900) cubic feet per second to be diverted
from January 1 to December 31 of each year. The maximum amount diverted under this license shall not
exceed 2,732,000 acre-feet per year.

The equivalent of such continuous flow allowance for any 14-day period may be diverted in a shorter
time provided there be no interference with other rights and instream beneficial uses and provided
further that all terms or conditions protecting instream beneficial uses are observed. (0000027)

THE POINT OF DIVERSION OF SUCH WATER IS LOCATED:

Pine Flat Dam - South 35° East 1,950 feet from NW $\frac{1}{4}$ corner of Section 2, T13S, R24E, MDB&M, being within
NW $\frac{1}{4}$ of NE $\frac{1}{4}$ of said Section 2.

A DESCRIPTION OF THE LANDS OR THE PLACE WHERE
SUCH WATER IS PUT TO BENEFICIAL USE IS AS FOLLOWS:

At Pine Flat Powerhouse within NW $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 2, T13S, R24E, MDB&M, as shown on map filed
with State Water Resources Control Board.

This license is subject to the agreement dated October 18, 1977 between licensee and Kings River Water Association, to the extent such agreement covers matters within the Board's jurisdiction. (0000024)

This license is subject to the agreement dated March 13, 1978 between licensee and California Department of Fish and Game, to the extent such agreement covers matters within the Board's jurisdiction. (0000024)

Water diverted under this license is for nonconsumptive use and is to be released to Kings River within NW $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 2, T13S, R24E, MDB&M. (0000111)

Licensee shall allow representatives of the State Water Resources Control Board and other parties, as may be authorized from time to time by said Board, reasonable access to project works to determine compliance with the terms of this license.

The quantity of water diverted under this license is subject to modification by the Board if, after notice to the licensee and an opportunity for hearing, the Board finds that such modification is necessary to meet water quality objectives in water quality control plans which have been or hereafter may be established or modified pursuant to Division 7 of the Water Code. No action will be taken pursuant to this paragraph unless the Board finds that (1) adequate waste discharge requirements have been prescribed and are in effect with respect to all waste discharges which have any substantial effect upon water quality in the area involved, and (2) the water quality objectives cannot be achieved solely through the control of waste discharges.

Pursuant to California Water Code Sections 100 and 275 and the common law public trust doctrine, all rights and privileges under this license, including method of diversion, method of use, and quantity of water diverted, are subject to the continuing authority of the Board in accordance with law and in the interest of the public welfare to protect public trust uses and to prevent waste, unreasonable use, unreasonable method of use or unreasonable method of diversion of said water.

This continuing authority of the Board may be exercised by imposing specific requirements over and above those contained in this license with a view to eliminating waste of water and to meeting the reasonable water requirements of licensee without unreasonable draft on the source. Licensee may be required to implement a water conservation plan, features of which may include but not necessarily be limited to: (1) reusing or reclaiming the water allocated; (2) using water reclaimed by another entity instead of all or part of the water allocated; (3) restricting diversions so as to eliminate agricultural tailwater or to reduce return flow; (4) suppressing evaporation losses from water surfaces; (5) controlling phreatophytic growth; and (6) installing, maintaining, and operating efficient water measuring devices to assure compliance with the quantity limitations of this license and to determine accurately water use as against reasonable water requirements for the authorized project. No action will be taken pursuant to this paragraph unless the Board determines, after notice to affected parties and opportunity for hearing, that such specific requirements are physically and financially feasible and are appropriate to the particular situation.

The continuing authority of the Board also may be exercised by imposing further limitations on the diversion and use of water by the licensee in order to protect public trust uses. No action will be taken pursuant to this paragraph unless the Board determines, after notice to affected parties and opportunity for hearing, that such action is consistent with California Constitution Article X, Sec. 2; is consistent with the public interest and is necessary to preserve or restore the uses protected by the public trust.

Reports shall be filed promptly by licensee on appropriate forms which will be provided for the purpose from time to time by the Board.

The right hereby confirmed to the diversion and use of water is restricted to the point or points of diversion herein specified and to the lands or place of use herein described.

This license is granted and licensee accepts all rights herein confirmed subject to the following provisions of the Water Code:

Section 1625. Each license shall be in such form and contain such terms as may be prescribed by the Board.

Section 1626. All licenses shall be under the terms and conditions of this division (of the Water Code).

Section 1627. A license shall be effective for such time as the water actually appropriated under it is used for a useful and beneficial purpose in conformity with this division (of the Water Code) but no longer.

Section 1628. Every license shall include the enumeration of conditions therein which in substance shall include all of the provisions of this article and the statement that any appropriator of water to whom a license is issued takes the license subject to the conditions therein expressed.

Section 1629. Every licensee, if he accepts a license does so under the conditions precedent that no value whatsoever in excess of the actual amount paid to the State therefor shall at any time be assigned to or claimed for any license granted or issued under the provisions of this division (of the Water Code), or for any rights granted or acquired under the provisions of this division (of the Water Code), in respect to the regulation by any competent public authority of the services or the price of the services to be rendered by any licensee or by the holder of any rights granted or acquired under the provisions of this division (of the Water Code) or in respect to any valuation for purposes of sale to or purchase, whether through condemnation proceedings or otherwise, by the State or any city, city and county, municipal water district, irrigation district, lighting district, or any political subdivision of the State, of the rights and property of any licensee, or the possessor of any rights granted, issued, or acquired under the provisions of this division (of the Water Code).

Section 1630. At any time after the expiration of twenty years after the granting of a license, the State or any city, city and county, municipal water district, irrigation district, lighting district, or any political subdivision of the State shall have the right to purchase the works and property occupied and used under the license and the works built or constructed for the enjoyment of the rights granted under the license.

Section 1631. In the event that the State, or any city, city and county, municipal water district, irrigation district, lighting district, or political subdivision of the State so desiring to purchase and the owner of the works and property cannot agree upon the purchase price, the price shall be determined in such manner as is now or may hereafter be provided by law for determining the value of property taken in eminent domain proceedings.

Dated: ~~APRIL 28~~ APRIL 28 1992

STATE WATER RESOURCES CONTROL BOARD

ORIGINAL SIGNED

BY ROGER JOHNSON

[Signature] Chief, Division of Water Rights

California Environmental Quality Act (CEQA):

The Kings River Conservation District feels based on being an Existing Facility, that the Temporary Permit has a qualified exemption under Title 14: California Code of Regulations; Article 19: Categorical Exemptions. The specific Code Section is called below:

15301. Existing Facilities

Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The types of "existing facilities" itemized below are not intended to be all-inclusive of the types of projects which might fall within Class 1. The key consideration is whether the project involves negligible or no expansion of an existing use.

(b) Existing facilities of both investor and publicly-owned utilities used to provide electric power, natural gas, sewerage, or other public utility services.

Based on conversations with Board Staff, it was stated that for the purpose of this request, that determination would be made by Board Staff and the appropriate notice filed.