#### STATE OF CALIFORNIA CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY STATE WATER RESOURCES CONTROL BOARD

### DIVISION OF WATER RIGHTS

# ADMINISTRATIVE CIVIL LIABILITY COMPLAINT

In the Matter of Unauthorized Diversion by

### G. SCOTT FAHEY AND SUGAR PINE SPRING WATER LP

SOURCES: Unnamed Spring (AKA Cottonwood Spring), tributary to Cottonwood Creek, thence Clavey River, thence Tuolumne River; Deadwood Spring, tributary to an unnamed stream, thence Basin Creek, thence North Fork Tuolumne River, thence Tuolumne River; and two Unnamed Springs (aka Marco Spring and Polo Spring) tributary to an unnamed stream, thence Hull Creek, thence Clavey River, and thence Tuolumne River.

COUNTY: Tuolumne

# YOU ARE HEREBY GIVEN NOTICE THAT:

- 1. G. Scott Fahey and Sugar Pine Spring Water, LP, (collectively Fahey) are alleged to have diverted and used water in violation of California Water Code section 1052, subdivision (a), which provides that the diversion or use of water subject to Division 2 of the Water Code other than as authorized is a trespass.
- 2. Water Code section 1052, subdivision (c), provides that any person or entity committing a trespass during a period for which the Governor has issued a proclamation of a state of drought emergency may be liable in an amount not to exceed the sum of one thousand dollars (\$1,000) for each day the trespass occurs plus two thousand five hundred dollars (\$2,500) for each acrefoot of water diverted or used in excess of that diverter's rights. Water Code section 1052, subdivision (d)(2), provides that civil liability may be imposed administratively by the State Water Resources Control Board (State Water Board or Board) pursuant to Water Code section 1055.
- 3. Water Code section 1055, subdivision (a), provides that the Executive Director of the Board may issue a complaint to any person or entity on which Administrative Civil Liability (ACL) may be imposed. On June 5, 2012, the Executive Director delegated this authority to the Deputy Director for Water Rights. State Water Board Resolution 2012-0029 authorizes the Deputy Director for Water Rights to issue an order imposing an ACL when a complaint has been issued and no hearing has been requested within 20 days of receipt of the complaint. The Deputy Director for Water Rights has redelegated this authority to the Assistant Deputy Director for Water Rights pursuant to State Water Board Resolution 2012-0029.

### ALLEGATIONS

#### Fahey Water Rights

Fahey holds water right Permit 20784 (Application A029977) and Permit 21289 (Application A031491) to appropriate water from sources that are ultimately tributary to the Tuolumne River upstream of New Don Pedro Reservoir. Fahey does not hold or claim any other appropriative or riparian water rights on record with the State Water Board.

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- 5. Permit 20784 has a priority date of July 12, 1991, and authorizes the direct diversion and use of water from: (1) an Unnamed Spring (a.k.a. Cottonwood Spring) for a rate of diversion not to exceed 0.031 cubic foot per second (cfs) and; (2) Deadwood Spring for a rate of diversion not to exceed 0.031 cfs. The water appropriated under Permit 20784 is limited to a total combined of 0.062 cfs to be diverted from January 1 to December 31 of each year for Industrial Use at bottled water plant(s) located off the premises. The maximum amount diverted under Permit 20784 shall not exceed 44.82 acre-feet per year. Fahey's annual Reports of Licensee indicate that he diverted an average of 42.9 acre-feet per year under Permit 20784 for the years 2009 through 2014.
- 6. Permit 21289 has a priority date of January 28, 1994, and authorizes the direct diversion and use of water from: (1) Unnamed Spring (a.k.a. Marco Spring) for a rate of diversion not to exceed 0.045 cfs and; (2) Unnamed Spring (a.k.a. Polo Spring) for a rate of diversion not to exceed 0.045 cfs. The water appropriated under Permit 21289 is limited to a total combined diversion rate of 0.089 cfs to be diverted from January 1 to December 31 of each year for Industrial Use at bottled water plants located off the premises. The maximum amount diverted under Permit 21289 shall not exceed 64.5 acre-feet per year. Fahey's annual Reports of Permittee indicate that he diverted an average of 26.2 acre-feet per year under Permit 21289 for the years 2012 through 2014.
- 7. Diversions from all four springs subject to Permits 20784 and 21289 are conveyed via separate pipes from each spring that combine into a common pipe system. The pipeline connects to two 35,000 gallon tanks and an overhead bulk water truck filling station (collectively referred to as the transfer station) located on Tuolumne County Assessor Parcel Number (APN) 052-060-48-00, owned by Sugar Pine Spring Water, LP. Fahey operates the transfer station, and bulk water hauler trucks access the property through a locked gate to remove the water for delivery off-premises.
- Term 17 in Permit 20784 and Term 9 in Permit 21289 state that the permits are subject to prior rights and that in some years, water will not be available for diversion during parts or all of the authorized season.
- 9. Term 19 in Permit 20784 requires Fahey to provide exchange water to New Don Pedro Reservoir for all water diverted under the permit during the period from June 16 through October 31 of each year. This term was included as a condition for accepting Application A029977 because State Water Board Orders WR 89-25 and WR 91-07 identify the Sacramento-San Joaquin Delta watershed upstream of the Delta, and the Tuolumne River upstream from Don Pedro Reservoir, as fully appropriated between June 16 and October 31 (Decisions 995 and 1594). Fahey's points of diversion are within the Fully Appropriated Stream systems identified in the Board orders; however, Order WR 91-07 sets guidance for acceptance of an application on a fully appropriated stream when replacement water is made available under an Exchange Agreement. Fahey entered into an Exchange Agreement with the Turlock Irrigation District and Modesto Irrigation District (Districts) on December 12, 1992.
- 10. Term 20 in Permit 20784 and Term 34 in Permit 21289 require Fahey to provide replacement water to New Don Pedro Reservoir for water diverted adverse to the prior rights of the City and County of San Francisco (San Francisco) and the Districts. These terms describe certain provisions of a December 19, 1994 letter agreement under which San Francisco would withdraw its protest of Fahey's water right applications, including the method by which Fahey would compensate San Francisco and the Districts, upon a finding of injury, with replacement water. These terms do not modify, amend or enhance the seniority of either or both Permits. Fahey's compliance with these terms does not prevent or preclude the State Water Board from finding that there is insufficient water for diversion under the priorities of Permits 20784 and 21289.

# **Drought Actions**

- 11. On January 17, 2014, Governor Edmund G. Brown Jr. issued Proclamation No. 1-17-2014, declaring a State of Emergency to exist in California due to severe drought conditions.
- 12. Also on January 17, 2014, the State Water Board issued a "Notice of Surface Water Shortage and Potential Curtailment of Water Right Diversions" (2014 Shortage Notice). The 2014 Shortage Notice alerts water right holders in critically dry watersheds that water may become unavailable to satisfy beneficial uses at junior priorities.
- 13. On April 25, 2014, Governor Brown issued a Proclamation of a Continued State of Emergency due to drought conditions, to strengthen the state's ability to manage water and habitat effectively in drought conditions.
- 14. On May 27, 2014, the State Water Board issued a "Notice of Unavailability of Water and Immediate Curtailment for Those Diverting Water in the Sacramento and San Joaquin River Watershed with a post-1914 Appropriative Right" (2014 Unavailability Notice), which notified all holders of post-1914 appropriative water rights within the Sacramento and San Joaquin River watersheds of the lack of availability of water to serve their post-1914 water rights, with some minor exceptions for non-consumptive diversions.
- 15. On October 31, 2014, the State Water Board issued a "Notice of Temporary Opportunity to Divert Water under Previously Curtailed Water Rights for Sacramento and San Joaquin River Watershed." The State Water Board temporarily lifted the curtailment of water rights for post-1914 water rights holders in the Sacramento-San Joaquin watershed and continued the opportunity to divert until 7 AM on November 3, 2014. The temporary lifting of the curtailment was based upon a predicted rain event.
- On November 19, 2014, the State Water Board temporarily lifted the curtailment of post-1953 water rights in the Sacramento-San Joaquin watershed. The State Water Board did not issue any further notice of water unavailability for 2014.
- 17. On January 23, 2015, the State Water Board issued a "Notice of Surface Water Shortage and Potential for Curtailment of Water Right Diversions for 2015" (2015 Shortage Notice). The 2015 Shortage Notice alerted water right holders in critically dry watersheds that water may become unavailable to satisfy beneficial uses at junior priorities.
- 18. On April 1, 2015, Governor Brown issued Executive Order B-29-15 (Executive Order) to strengthen the state's ability to manage water and habitat effectively in drought conditions and called on all Californians to redouble their efforts to conserve water. The Executive Order finds that the on-going severe drought conditions present urgent challenges across the state including water shortages for municipal use and for agricultural production, increased wildfire activity, degraded habitat for fish and wildlife, threat of saltwater contamination, and additional water scarcity if drought conditions persist. The Executive Order confirms that the orders and provisions in the Governor's previous drought proclamations and orders, the January 17, 2014, Proclamation, April 25, 2014, Proclamation, and Executive Orders B-26-14 and B-28-14, remain in full force and effect. On April 2, 2015, the State Water Board issued another notice warning that notices of unavailability of water were likely to be issued soon.
- 19. On April 23, 2015, the State Water Board issued a "Notice of Unavailability of Water and Immediate Curtailment for Those Diverting Water in the San Joaquin River Watershed with Post-1914 Appropriative Rights" (April 23 Unavailability Notice), which notifies all holders of post-1914 appropriative water rights within the San Joaquin River watershed of the lack of availability of water to serve their post-1914 water rights, with some minor exceptions for non-consumptive diversions.

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20. On July 15, 2015, the State Water Board issued a clarification to the Unavailability Notices indicating that, to the extent that any of the notices described above contain language that may be construed as an order requiring water right holders to curtail diversions under affected water rights, that language has been rescinded. Similarly, any language requiring affected water right holders to submit curtailment certification forms has been rescinded. However, for purposes of noticing water rights holder of the unavailability of water for their priority of right, the Unavailability Notices remain in effect.

### Water Availability Determinations

- 21. Drought management of water rights is necessary to ensure that water to which senior water right holders are entitled is actually available to them, which requires that some water remain in most streams to satisfy senior demands at the furthest downstream point of diversion of these senior water rights.
- 22. To determine the availability of water for water rights of varying priorities, the State Water Board compares the current and projected available water supply with the total water right diversion demand.
- 23. To determine water availability, the State Water Board relies upon the full natural flows of watersheds calculated by the Department of Water Resources (DWR) for certain watersheds in its Bulletin 120 and in subsequent monthly updates. "Full natural flow," or "unimpaired runoff," represents the natural water production of a river basin, unaltered by upstream diversions, storage, storage releases, or by export or import of water to or from other watersheds. The full natural flow amount is different than the measured stream flows at the given measurement points because the measured flows may be higher or lower due to upstream operations. Forecasted flow data is uncertain, so DWR provides the data in the form of "levels of exceedance" or simply "exceedance" to show the statistical probability that the forecasted supply will occur. The exceedance is simply the percent of the time that the actual flow is expected to exceed the projected flow. The 90 percent exceedance hydrology assumes inflows from rainfall and snowmelt at levels that are likely to be met or exceeded by actual flows with a 90 percent probability, or in other words, there is a ten percent or less chance of actual conditions turning out to be this dry or drier. In April and early May, the State Water Board used the 90% and 99% exceedance amounts for its analyses due to low flow conditions. DWR's daily natural flow calculations are also used in the analysis.
- 24. To determine water demand, the State Water Board relies on information supplied by water right holders on annual or triennial reports of water diversion and use required to be true and accurate to the best of the knowledge of the diverters. The State Water Board also incorporates 2014. diversion data submitted pursuant to Order WR 2015-0002. All reported monthly water diversion data is compiled by watershed, type of right and priority dates. The State Water Board performs quality control checks and removes obvious errors, excess reporting, removes demand for direct diversion for power, and makes additional changes based on stakeholders' input. The corrected demand data includes the 2014 reported data for 90% of the watershed demand plus, for the remaining diverters, an averaged diversion amount for 2010 through 2013. These monthly diversion demands are grouped into water right types (riparian, pre-1914 and post-1914 rights).
- 25. The State Water Board consistently adjusts the water availability and demand analyses based on new information obtained from stakeholders, or adjustments to projected flows from the DWR. State Water Board staff reviews this information and provides revisions to its data set and graphs that are all shown on the Watershed Analysis website (http://www.waterboards.ca.gov/waterrights/water\_issues/programs/drought/analysis/).
- 26. The State Water Board's Watershed Analysis website provides updated graphical summations and spreadsheets containing supporting analysis of the availability and demand analyses. The graphical summations show priorities with monthly demands for the total riparian demand at bottom, the pre-1914 demands added to riparian and depicted above the riparian demand. The

monthly amounts are averaged into cubic feet per second for graphical purposes.

27. The availability and demand analysis shows that by May 27, 2014, and April 23, 2015, available supply was insufficient to meet the demands of post-1914 appropriative rights throughout the San Joaquin River watersheds in each year.

#### Investigation

- 28. The Unavailability Notices of May 27, 2014, and April 23, 2015, and the related notices, apply to Permits 20784 and 21289 because both Permits are post-1914 appropriative water rights within the covered geographic areas. In each year, the Unavailability Notices for Permits 20784 and 21289 were sent addressed to G Fahey, 2787 Stony Fork Way, Boise, Idaho, 83706.
- 29. On June 6, 2014, Fahey submitted a hard copy of the Curtailment Certification Form for each of his water rights in response to the 2014 Unavailability Notice. On each of the forms, Fahey checked the box indicating that he had information explaining why his diversion and use of water was legally authorized, notwithstanding the limited amounts of water available during the drought. Fahey included a letter, dated June 3, 2014, claiming the right to continue diverting because of a purchase of replacement water stored in New Don Pedro Reservoir. In the letter, Fahey indicated that the reason for the purchase of replacement water was to ensure that any potential or actual reduction to the District's or to San Francisco's water supply could be offset within one year of notice.
- 30. The Exchange Agreement between Fahey and the Districts and the letter agreement between Fahey and San Francisco do not modify, amend or enhance the seniority of Fahey's permits. Compliance with the replacement water terms does not prevent or preclude the State Water Board from finding that there is insufficient water for diversion under the priorities of Permits 20784 and 21289 as related to all other downstream rights. Fahey cannot divert water during periods when water is not available to serve water rights at the priority of the Permits. Additionally, State Water Board files show that Fahey has not submitted annual reports documenting the replacement water provided to New Don Pedro Reservoir, as required under Terms 19 and 20 of Permit 20784 and Term 34 of Permit 21289.
- 31. The 2014 Notice of Unavailability put Fahey on notice that there was not enough water to fulfill his water rights under Permits 20784 and 21289 from May 27, 2014 through October 30, 2014, and from November 4 through 18, 2014.
- 32. On March 3, 2015, Fahey submitted to the State Water Board, via the online Progress Report by Permittee for 2014, water diversion and use information for Permits 20784 and 21289. Each progress report indicates that Fahey diverted water in 2014 during each period in which water was unavailable for his priority of right.
  - In the Progress Reports by Permittee for 2014, Fahey reported the amount of water (in gallons) diverted during each month of the year for Permits 20784 and 21289. The table below shows the amount of water reported under each water right for each month in 2014 during the period in which water was determined to be unavailable for appropriation under the subject rights. The monthly amounts of water reported under each permit were totaled, and then converted to acrefeet. The total amounts of water reported during May, October and November were prorated in the last column of the table to reflect the number of days that the State Water Board had determined that no water was available to divert (5 days in May, 30 days in October, and 15 days in November).

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Month	Permit 20784 (A029977) (Gallons)	Permit 21289 (A031491) (Gallons)	Total Diversion in Gallons	Total Diversion in Acre-Feet	Total Diversion with Pro-rated June, October and November Quantities (Acre- Feet)
May	639,117	437,740	1,076,858	3.30	0.53
June	681,103	600,075	1,281,178	3.93	3.93
July	718,556	661,652	1,380,208	4.24	4.24
August	644,405	452,645	1,097,050	3.37	3.37
September	648,128	396,315	1,044,443	3.20	3.20
October	694,220	469,579	1,163,799	3.57	3.46
November	576,025	219,493	795,518	2.44	1.22
Total					19.95

34. Permits 20784 and 21289 authorize the diversion and use of water year round, from January 1 to December 31 of each year. No water was available for diversion under the permits from May 27 through October 30 and from November 4 through November 18, 2014, a total of 172 days, inclusive of both periods. Based upon available information obtained from State Water Board staff's investigation, water is normally not diverted on Sundays. Therefore, staff concludes that Fahey diverted water for a total of 148 days in 2014 during periods when no water was available under Fahey's Permits. Fahey diverted a total of 19.95 acre-feet of water during those periods.

On April 29, 2015, in lieu of submitting an online Certification Form in response to the April 23 Unavailability Notice, Fahey submitted a copy of the June 3, 2014, letter submitted in response to the 2014 Unavailability Notice.

36. Following the April 23 Unavailability Notice, State Water Board staff attempted to contact Fahey to schedule an inspection of Permits 20784 and 21289. Staff left multiple telephone messages over the course of two weeks before Fahey responded by telephone on June 12, 2015. Fahey indicated that he was unavailable to meet with staff to conduct an inspection of his facilities and that, if an inspection was required, he would not be available before the end of the summer.

37. The overhead bulk water truck filling station is a secure area, protected by a locked gate on the access road from U.S. Forest Route 1N04 (Cottonwood Road). Based on a prior inspection (conducted on October 23, 2007) associated with issuance of Permit 21289, State Water Board staff is not aware of any water sources or diversion facilities located beyond the gate, other than Fahey's permitted spring diversions and transfer station, that can be used to fill tanker trucks with water.

38. On July 12, 2015, State Water Board staff deployed surveillance equipment in the publically accessible road easement along Cottonwood Road near the entrance to APN 052-060-48-00. The surveillance equipment was deployed to capture images of vehicles accessing the property. State Water Board staff limited their observations and deployment of surveillance equipment to the publically accessible road side and did not access the Sugar Pine Spring Water, LP, property.

39. On July 23, 2015, State Water Board staff returned to the site to collect surveillance data from equipment deployed on July 12, 2015. During this visit, within a period of 90 minutes, staff observed four tanker trucks (approximate 6,600 gallon capacity each) at or just down the road from the property that is the site of the transfer station. Staff observed a tanker truck enter the property at approximately 12:15 PM and leave at approximately 12:54. Staff also observed a tanker truck enter the property at approximately 1:06 PM, just prior to staff's departure from the site. The data collected on July 23, 2015, includes surveillance data collected from July 12 through July 23.

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- 40. On August 5, 2015, State Water Board staff collected surveillance data from equipment deployed on July 23, 2015. During that visit, staff observed three tanker trucks entering and/or leaving the access road to APN 052-060-48-00. The data collected on August 5, 2015, includes surveillance data collected from July 23 through August 5.
- 41. State Water Board staff reviewed photo images collected from the surveillance equipment and observed that a total of 99 tanker trucks accessed the water transfer station property on 22 out of 25 days between July 12 and August 5, 2015, at a rate from one to eleven trucks per day (three days had zero trucks). Based on the available information consistent with the size of the water tanker trucks personally observed by State Water Board staff and by photo surveillance, staff estimates the capacity of these water tanker trucks to be approximately 6,600 gallons each. Thus, staff estimates that 653,400 gallons, or 2.00 acre-feet, of water were diverted during the period.

42. On August 12, 2015, State Water Board staff contacted Mr. Fahey via telephone in an attempt to schedule an inspection of the facilities. Staff informed Mr. Fahey that he was still subject to the April 23 Unavailability Notice. Mr. Fahey indicated that he would not be able to meet. During the conversation, Mr. Fahey indicated that he has not ceased diversions during 2015 and that he continues to sell water to commercial water bottling companies.

43. Diversion when there is no water available under the priority of the water right constitutes unauthorized water diversion and use. Unauthorized diversion is prohibited, and is a trespass. (Wat. Code § 1052.).

44. This enforcement action is based on lack of available water supply under the priority of the right. The Unavailability Notices were issued for the purpose of advising the public and water diverters of the lack of available water under the priority of the rights identified in each Notice; the Notices are not the basis for this enforcement action.

## PROPOSED CIVIL LIABILITY

- 45. Water Code section 1052 provides that the maximum civil liability that can be imposed by the State Water Board in this matter for the unauthorized diversion and use of the water during a drought period is \$1,000 for each day of trespass plus \$2,500 for each acre-foot of water diverted or used in excess of that diverter's water rights.
- 46. Evidence demonstrates that Fahey's unauthorized diversions in 2014 began on May 27, 2014, and continued, with a four-day interruption, until November 18, 2014, for a total of 148 days of unauthorized diversion under each Permit (assuming that diversions occur six out of every seven days), for a combined total of 296 days of unauthorized diversion in 2014. During that period, Fahey diverted 19.95 acre-feet of water in excess of that available to serve his permitted water rights.
- 47. Evidence demonstrates that Fahey's unauthorized diversions in 2015 have occurred from at least July 13 through August 5, 2015, for a total of 22 days under each water right, or a combined total of 44 days of unauthorized diversion. Over that period, Fahey diverted approximately 2.00 acrefeet of water (99 tanker trucks at 6,600 gal/tanker) in excess of that available to serve his permitted water rights. Evidence suggests that Fahey's unauthorized diversions in 2015 may have begun as early as April 29, 2015, and there is no evidence that diversions have ceased. The Division of Water Rights intends to submit all evidence of 2015 unauthorized diversions that is available at the time of any hearing on this matter, and may propose additional penalties based thereon.

48. The maximum civil liability for the alleged violations in 2014 is \$345,866 [296 days at \$1,000 per day plus 19.95 acre-feet at \$2,500 per acre-foot], and the maximum civil liability for the alleged

violations in 2015 is \$49,000 [44 days at \$1,000 per day plus 2.00 acre-feet at \$2,500 per acrefoot], for a total combined maximum civil liability of \$394,866 for the alleged violations.

- 49. In determining the amount of civil liability, California Water Code section 1055.3 requires that the State Water Board consider all relevant circumstances, including, but not limited to, the extent of harm caused by the violation, the nature and persistence of the violation, the length of time over which the violation occurs, and any corrective action taken by the violator.
- 50. In this case, Fahey has made unauthorized diversions of water from the Tuolumne River watershed during a severe drought, when there was insufficient water supply available for Fahey's permitted water rights. Fahey was aware that the State Water Board had determined that there was insufficient water supply available for Fahey's permitted water rights. These unauthorized diversions have reduced the amount of water available for downstream water right holders during an extreme drought emergency. Moreover, Fahey's diversions reduced the water available for instream resources and riparian habitat downstream.
- 51. Fahey received a significant economic benefit by continuing diversions during the violations period. During 2015, irrigation districts north of the Delta have paid at least \$250 per acre-foot of replacement water. Thus, by illegally diverting 19.95 acre-feet of water from June 3, 2014 through November 18, 2014, and 2.00 acre-feet of water from July 13, 2015 through August 5, 2015, Fahey avoided purchased water costs of at least \$5,488. However, Fahey sells the spring water to commercial water bottling operations, likely at significantly higher costs than that paid by irrigation districts for replacement water.
- 52. The Division estimates that its staff cost to investigate the unauthorized diversion issues and develop the enforcement documents to be \$15,624.
- 53. Having taken into consideration the factors described above, the Assistant Deputy Director for Water Rights recommends an ACL for the unauthorized diversion of water in the amount of \$224,875. The recommended penalty is based on reducing the number of violation days to a single violation between the two rights per day, which is appropriate given the specific circumstances of this case, including Fahey's continued diversions despite lack of availability of water to serve his rights during 340 days of two consecutive drought years, Fahey's economic benefit derived from the water sales, and the need to provide a strong disincentive for continued unauthorized diversions by Fahey and any similarly-situated parties. The Division of Water Rights Prosecution Team may consider revising the proposed penalty based on all evidence that becomes available before any hearing on this matter, including evidence of economic benefit derived from water sales.
- 54. Should the matter go to hearing, the State Water Board may consider a different liability based on the evidence received, including additional staff costs incurred, up to the maximum amount provided by law. It is estimated that if this this matter goes to hearing, additional staff costs incurred for the prosecution staff would be approximately \$10,000.

#### RIGHT TO HEARING

- 55. Fahey may request a hearing on this matter before the State Water Board. Any such request for hearing must be in writing and received or postmarked within 20 days of the date this notice is received. (California Water Code, § 1055, subd. (b).)
- 56. If Fahey requests a hearing, Fahey will have an opportunity to be heard and to contest the allegations in this Complaint and the imposition of an ACL by the State Water Board. If a hearing is requested, separate notice setting the time and place for the hearing will be mailed not less than 10 days before the hearing date.
- 57. If Fahey requests a hearing, the State Water Board will consider at the hearing whether to impose the civil liability, and, if so, whether to adjust the proposed liability within the amount authorized by

statute. Based on the evidence received at the hearing, the State Water Board may take any appropriate action in accordance with sections 100, 275, and 1050 et seq. of the California Water Code and its responsibilities under the public trust doctrine. Any State Water Board order imposing an ACL shall become final and effective upon issuance.

58. If Fahey does not wish to request a hearing, please remit a cashier's check or money order within 20 days of the date of this Complaint for the amount of the ACL set forth above to:

State Water Resources Control Board Division of Water Rights Enforcement Section P.O. Box 2000 Sacramento, CA 95812-2000

59. If Fahey does not request a hearing and does not remit the ACL amount, the State Water Board may seek recovery of the ACL amount as authorized by Water Code section 1055.4.

STATE WATER RESOURCES CONTROL BOARD

John O'Hagan, Assistant Deputy Director

Division of Water Rights

Dated: SEP 01 2015