This is a final order in other than a contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080 you may either petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied. In addition, under ORS 537.260 any person with an application, permit or water right certificate subsequent in priority may jointly or severally contest the issuance of the certificate at any time before it has issued, and after the time has expired for the completion of the appropriation under the permit, or within three months after issuance of the certificate.

STATE OF OREGON

COUNTY OF UNION

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

CITY OF COVE P. O. BOX 8 COVE, OREGON 97824

confirms the right to use the waters of BRIDGE CREEK AND MILL CREEK, tributaries of the GRANDE RONDE RIVER, for HYDROELECTIC POWER DEVELOPMENT OF 1148 THEORETICAL HORESEPOWER AT THE MILL CREEK HYDROELECTRIC PROJECT.

This right was perfected under Permit 48505. The date of priority is OCTOBER 16, 1981. The amount of water to which this right is entitled is limited to an amount actually beneficially used and shall not exceed 12.0 CUBIC FOOT PER SECOND (CFS), BEING 6.0 CFS FROM BRIDGE CREEK AND 6.0 CFS FROM MILL CREEK, or its equivalent in case of rotation, measured at the point of diversion from the source.

The points of diversion are located as follows:

BRIDGE CREEK: SW 1/4 NE 1/4, SECTION 19, T 3 S, R 41 E, W.M.; 3570 FEET NORTH AND 760 FEET EAST FROM N 1/4 CORNER, SECTION 30.

MILL CREEK: NE 1/4 NE 1/4, SECTION 30, T 3 S, R 41 E, W.M.; 670 FEET SOUTH AND 1560 FEET EAST FROM N 1/4 CORNER, SECTION 30.

A description of the place of use to which this right is appurtenant is as follows:

SW 1/4 SW 1/4
SECTION 24
TOWNSHIP 3 SOUTH, RANGE 40 EAST, W.M.

Certificate Number 82203

The right granted herein is expressly made inferior in right and subsequent in time to any appropriation of water from this source which may hereafter be made for domestic, municipal, irrigation or any other beneficial consumptive use, or for storage for such purposes, provided further the project shall be constructed under the supervision of a registered professional engineer, provided further the water user shall comply with the provisions of the order of the Water Policy Review Board dated October 14, 1983 and herein made part of this right.

- 1) A flow of not less than one cubic foot per second shall be maintained in the channel of Mill Creek between the project diversion and discharge, at all times during project operation, for the benefit of fish and wildlife.
- 2) The City of Cove shall provide and maintain measuring devices or facilities, approved by the Water Resources Director, for the adequate administration of this project.
- 3) The right granted herein acquired for hydroelectric power purposes utilizing the waters of the Middle Grande Ronde Basin shall be subordinate in priority to future beneficial uses of water except for hydroelectric power.

This right may not be assigned to any non-municipal entity so as to result in loss of ownership of the right by a municipal corporation or district and the holder of this right must remain qualified as a municipal applicant under ORS 537.285 and 537.287. If the municipal corporation or district proposes to alter any existing agreement or enter into any new agreement with a non-municipal entity that would provide for change in management of the generation of hydroelectric powers as allowed under this right, the proposed agreement between the municipal corporation or district and the non-municipal entity must be reviewed by the water Resources Commission to determine whether or not the owner of the certificate remains qualified as a municipal applicant.

The right to the use of the water for the above purpose is restricted to beneficial use on the lands or place of use described. The use confirmed herein may be made only at times when sufficient water is available to satisfy all prior rights, including rights for maintaining instream flows.

WITNESS the signature of the Water Resources Director, affixed

SEP 0 1 2006

Phillsp C.VWard, Director Water Resources Department

Recorded in State Record of Water Right Certificates numbered 82203.