

STATE OF OREGON
COUNTY OF DESCHUTES
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO:

NORTH UNIT IRRIGATION DISTRICT
2024 NW BEECH STREET
MADRAS OR 97741

confirms the right to use up to 350 CUBIC FEET PER SECOND (cfs) of the waters of THE DESCHUTES RIVER, WICKIUP RESERVOIR, CROOKED RIVER, and HAYSTACK RESERVOIR tributary to the COLUMBIA RIVER for HYDROELECTRIC PRODUCTION of 4375 THEORETICAL HORSEPOWER (thp).

The use of water for hydroelectric purposes shall be in conjunction with water used under the rights of North Unit Irrigation District evidenced by Certificates 72279, 72280, 72281, 72282, and 72283 and as delivered through the District's Main Canal. Use of water shall be limited to periods when the applicant's water rights under the above certificates are put to beneficial use without waste. The amount of water used shall not be greater than the quantity of water diverted to satisfy the authorized specific uses under the above certificates. The use of water shall be limited by rate, duty, season and any other limitations of the above certificates.

This right was filed under application PC 895.

The points of diversion are located:

Deschutes River: 850 Feet North And 630 Feet West of the E1/4 Corner of Section 29, being within the SE ¼ NE ¼, Section 29, Township 17 South, Range 12 East, W.M.

Wickiup Reservoir: SW ¼ NE ¼ of Section 7, Township 22 South, Range 9 East, W.M.

Haystack Reservoir: SW ¼ NE ¼ of Section 27, Township 12 South, Range 13 East, W.M.

Crooked River: SW ¼ NE ¼ of Section 13, Township 14 South, Range 13 East, W.M.,
590 Feet North and 2790 Feet East from the W ¼ Corner of Section 13

Rediversion: North Unit Main Canal: SE ¼ SE ¼ of Section 15, Township 12 South, Range 13 East, W.M.

Appeal Rights

This is a final order in other than 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.

This statement of judicial review rights does not create a right to judicial review of this order, if judicial review is otherwise precluded by law.

The authorized place of use is located: Tax Lot 804, SE ¼ NE ¼ of Section 15, Township 12 South, Range 13 East, W.M.,

The applicant shall measure and report the quantity of water diverted.

Project Description

The proposed 45-Mile Hydroelectric Project would be located at an existing, concrete drop structure on the North Unit Irrigation District's Main Canal (Canal) on land owned and leased by the applicant. The Canal diverts water for irrigation from the Deschutes River (located 45 miles south of the proposed project) and from the Crooked River (located approximately 19 miles southeast of the proposed project). From the diversion points along the Deschutes and Crooked Rivers, water is delivered to irrigation customers.

The proposed 45-Mile Hydroelectric Project would divert water from the existing Canal through a new intake structure located at a flat section of the existing Canal. Water from the intake will travel through a new 2,700-foot-long, 96-inch-diameter buried penstock that runs at the same elevation and parallel to the existing Canal. The penstock would carry water to a new powerhouse containing one 5,000 kW generating unit that will discharge back into the Canal for delivery to the North Unit Irrigation District's irrigation patrons.

. The turbine will use up to 350 cubic feet per second (cfs) of water for hydroelectric generation with an operating head of 110 feet. This provides approximately 4375 theoretical horsepower (thp) of capacity.

WATER RIGHT CONDITIONS

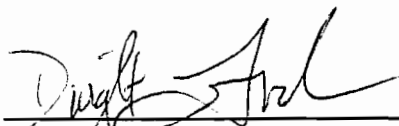
Upon review of the application, Oregon Water Resources Department (OWRD) finds that the Project, with the conditions set forth below is consistent with the public interest. The Project is well adapted to the development and utilization of the water power involved.

1. The water right holder shall comply with all statutes and rules applicable to the Project.
2. The water right holder shall construct and build the Project according to the maps, plans and specifications filed with the application within five years of issuance of this water right certificate or by any lawful extension thereof.
3. The water right holder shall construct, operate and maintain all fish screens, by-pass devices and fish passages as required by the Oregon Department of Fish and Wildlife.
4. The Owner shall allow the OWRD Director and authorized agents and employees of the Oregon Department of Environmental Quality, Oregon Department of Fish and Wildlife, and OWRD free and unrestricted access in, through, and across the Project in

the performance of their official duties, and shall allow free access to all reports, accounts, records, and other data relating to said Project.

5. The restrictions established in ORS 543.660 shall apply as conditions of use.
6. This certificate shall be invalidated upon a change in the point of diversion of the water right for the North Unit Main Canal and Pipeline.
7. The Water Resources Department shall conduct a review of this certificate upon approval of any changes or adjustments made to the applicant's existing water right for the Central Oregon North Canal and Pipeline to determine if a revised certificate should be issued.
8. The right to use water under this certificate is invalidated if the Federal Energy Regulatory Commission exemption related to the certificate is canceled or invalidated.
9. This certificate does not have its own priority date. The Department shall not regulate for or against this certificate. This certificate does not grant a right to divert water for hydroelectric purposes other than in conjunction with the water right as used under Certificates 72279, 72280, 72281, 72282, and 72283.
10. This certificate is subject to review by the Department 50 years after the date of issuance pursuant to ORS 543.765.
11. The Owner shall pay, upon receiving an invoice from OWRD, an annual fee to OWRD under ORS 543.078. This amount shall be due by the date specified on the invoice.
12. Failure to comply with any of the provisions of this water right may result in action including, but not limited to, restrictions on the use, civil penalties, or cancellation of the water right.

Issued May 24 2012



Dwight W. French, Administrator
Water Right Services Division, for
Phillip C. Ward, Director
Oregon Water Resources Department

Recorded in State Record of Water Right Certificates numbered 87595 .