

STATE OF OREGON  
COUNTY OF JOSEPHINE  
HYDROELECTRIC LICENSE

THIS LICENSE ISSUED TO:

SEAN RAREY (Licensee)  
1224 SW IRONWOOD DRIVE  
GRANTS PASS, OR 97526

confirms the right to use of the waters of SCHOOLMARM CREEK, tributary to TAYLOR CREEK, for the HYDROELECTRIC PRODUCTION of 3.8 THEORETICAL HORSEPOWER (THP).

This hydroelectric license was filed under application HE 614. The date of priority is NOVEMBER 17, 2017. The maximum amount of water to be diverted is 0.24 CUBIC FEET PER SECOND (CFS). The hydraulic head is 140 feet. The period of use is YEAR-ROUND.

The point of diversion is located: Taxlot 300, SE¼ SW¼ of SECTION 8, TOWNSHIP 35 SOUTH, RANGE 7 WEST, W.M.

The authorized place of use is located: Taxlot 300, SE¼ SW¼ of SECTION 8, TOWNSHIP 35 SOUTH, RANGE 7 WEST, W.M.

The use of water is limited to the amount that the generation facilities can utilize efficiently and shall not exceed the specifications noted in the water right. This right is inferior in right and subsequent in time to any future appropriation of water for beneficial consumptive use.

**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.**

## Project Description

The project uses up to 0.24 CFS of water from Schoolmarm Creek, a tributary to Taylor Creek. The project has approximately 140 feet of hydraulic head to generate 3.8 theoretical horsepower.

At the point of diversion a 6" diameter PVC pipe will be screened and placed at the proper angle into Schoolmarm Creek so it will prevent the collection of debris. A minimum bypass flow of 10 gallons per minute will be maintained. Within 30 inches of where the water will enter the 6" PVC pipe, there will be a barrel to allow sediment to settle. A 4" PVC pipe, serving as the penstock, will be attached to the "sediment separator barrel" and will extend approximately 1,200 feet to the powerhouse. The water will drive an impulse turbine with three independently valved jets to accommodate different seasonal flows. The turbine will be powering an 1.5 kw 3-phase generator. The AC voltage from the generator will be rectified at powerhouse to charge a bank of batteries and the stored power will be inverted for use on-site.

At the powerhouse, the tail water will return to Schoolmarm Creek through a 6" PVC pipe. The 6" PVC pipe will be positioned into the Schoolmarm Creek so as to minimize erosion and turbidity.

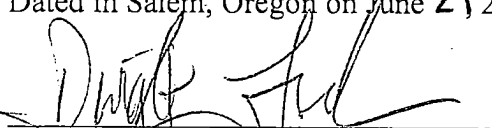
## LICENSE CONDITIONS

1. The Licensee shall comply with all statutes and rules applicable to the Project.
2. This hydroelectric license is effective from the date of issuance through **December 31, 2067**, and is to be exercised consistent with the conditions contained in the water right license. This right may be reauthorized under laws existing at that time.
3. The Licensee shall construct and build the Project according to the maps, plans and specifications filed with and approved by Oregon Water Resources Department (OWRD) within two years of issuance of the license or within any lawful extension thereof. [Oregon Revised Statutes (ORS) 543.300(2)]
4. The Licensee will maintain the Project, and each part thereof, in good order and repair and in efficient operation, for the development and transmission of electricity to its reasonable capacity; shall make all necessary renewals and replacements as required; and shall maintain and operate the Project, and all parts thereof, conformably to the rules of the Water Right Commission (Commission) not inconsistent with ORS 543.010 to 543.610. [ORS 543.300(4)]

5. No voluntary transfer of the license or of any property acquired, constructed or operated pursuant to the license issued under ORS 543.010 to 543.610 shall be made without written approval of the Commission. Any successor or assignee of any license under any Project acquired, constructed or operated by the Licensee, whether by voluntary transfer approved by the Commission or sale upon foreclosure, execution or otherwise, shall be subject to all the terms and conditions of the license and of the provisions of ORS 543.010 to 543.610 to the same extent as though the successor or assignee was the original Licensee thereunder. Any mortgage, deed of trust, or other lien suffered or created upon any such Project shall be subject and subordinate to all the terms and conditions of ORS 543.010 to 543.610. However, the provisions of this section shall not apply to any transfer, voluntary or involuntary, to the state or any municipal corporation thereof, and upon such transfer the license shall terminate. [ORS 543.440]
6. The Project must meet the water quality standards stated in OAR Chapter 340, Division 41, ORS 468B.048, and Section 303 of the Clean Water Act. The Project must meet water quality requirements including numeric and narrative standards, protect beneficial use, and not degrade existing water quality.
7. The Project shall be designed to minimize visual, aesthetic, and noise impacts.
8. If any cultural material is discovered during Project construction, all activities should stop and an archaeologist contacted to assess the discovery. In addition, the State Historic Preservation Office shall be contacted. It is a Class B misdemeanor to impact an archaeological site (ORS 358.905-955) and a Class C felony to impact Indian Burials (ORS 97-740-990).
9. If at any time an unanticipated situation arises in which the Licensee or operator observes or suspects that fish, wildlife, or their habitat may be harmed by any of the project facilities, or as the result of project operation, the operator shall immediately take appropriate action to prevent further loss. The operator shall, within 24 hours, notify the nearest office of the Oregon Department of Fish and Wildlife (ODFW) and comply with the measures required by ODFW to prevent additional injury or mortality. The Licensee shall subsequently restore any damaged fish and wildlife protection features of the project consistent with direction provided by ODFW.
10. The Licensee shall allow the OWRD Director and authorized agents and employees of the Oregon Department of Environmental Quality, ODFW, and OWRD free and unrestricted access upon reasonable notice, 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.

11. Issuance of the license does not absolve the Licensee from compliance with the requirements and enforcement of the requirements under other applicable local, state, and federal laws. The Licensee is made aware that permits may be required from the United State Army Corps of Engineers under Section 404 of the Clean Water Act, or from the Division of State Lands for removal and fill of material.
12. The Licensee shall be liable for all damages occasioned to the persons or property of others by the construction, operation, or maintenance of the Project facilities, and in no event will the State of Oregon be liable therefore.
13. Use of water is governed by this license. However, the operations of the Project by the Licensee, so far as those operations affect the use, storage and discharge from storage of waters affected by the Licensee, shall be at all times be controlled by such reasonable rules as the Commission may prescribe for the protection of life, health and property, and in the interest of the fullest practicable conservation and utilization of such waters for power purposes and for other beneficial public uses. [ORS 543.300(3)]
14. The Owner shall pay, upon receiving an invoice from OWRD, **an annual fee to OWRD in the amount of \$15.00** (OAR 690-051-0400(6) and ORS 543A.415, or subsequent statute). This amount shall be due by the date specified on the invoice.
15. Consistent with ORS 540.610, if after completing construction of the Project, the Licensee fails to use or operate the Project facilities for more than five consecutive years, the license shall be subject to termination by the OWRD. The Licensee shall comply with the decommissioning standards under OAR 690-52.
16. Upon a decision to terminate the hydroelectric use, the Licensee shall comply with any decommissioning statutes and rules in effect at that time. (OAR 690-052).

Dated in Salem, Oregon on June 29, 2018

  
Dwight French, Administrator  
Water Right Services Division,  
{For} Thomas M. Byler, Director  
Oregon Water Resources Department