STATE OF OREGON

COUNTY OF YAMHILL

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

CITY OF LAFAYETTE 486 THIRD STREET LAFAYETTE, OREGON 97127

(503)864-2451

The specific limits and conditions of the use are listed below.

APPLICATION FILE NUMBER: G-14386

SOURCE OF WATER: 5 WELLS IN WEST FORK PALMER CREEK BASIN

PURPOSE OR USE: MUNICIPAL USE

MAXIMUM RATE: in combination with the appropriation of water under any permit, transfer, or certificate issued for application G-14385, appropriation of water under this permit shall not exceed 3.34 CUBIC FEET PER SECOND (1500 gallons per minute) and shall not exceed 300 gallons per minute per well.

PERIOD OF USE: YEAR ROUND

DATE OF PRIORITY: SEPTEMBER 27, 1996

POINT OF DIVERSION LOCATION: NE 1/4 NW 1/4, SE 1/4 NW 1/4, SE 1/4 SW 1/4, SECTION 25, NW 1/4 NE 1/4, NW 1/4 NW 1/4, SECTION 36, T4S, R4W, W.M.; WELL 1 - 1170 FEET SOUTH AND 3250 FEET EAST; WELL 2 - 1000 FEET SOUTH AND 960 FEET EAST; WELL 3 - 910 FEET NORTH AND 1350 FEET EAST; WELL 4 - 2890 FEET NORTH AND 1550 FEET EAST; WELL 5 - 4630 FEET NORTH AND 2350 FEET EAST, ALL FROM SW CORNER SECTION 25

THE PLACE OF USE IS LOCATED AS FOLLOWS:

WITHIN THE SERVICE BOUNDARIES OF THE CITY

Measurement, recording and reporting conditions:

- A. Before water use may begin under this permit, at each well, the permittee shall install a meter or other suitable measuring device as approved by the Director. The permittee shall maintain the meter or measuring devices in good working order, shall keep a complete record of the amount of water used each month and shall submit a report which includes the recorded water use measurements to the Department annually or more frequently as may be required by the Director. Further, the Director may require the permittee to report general water use information, including the place and nature of use of water under the permit.
- B. The permittee shall allow the watermaster access to the meter or measuring devices; provided however, where the meters or measuring devices is located within a private structure, the watermaster shall request access upon reasonable notice.

If substantial interference with a senior water right occurs due to withdrawal of water from any well listed on this permit, then use of water from the well(s) shall be discontinued or reduced and/or the schedule of withdrawal shall be regulated until or unless the Department approves or implements an alternative administrative action to mitigate the interference. The Department encourages junior and senior appropriators to jointly develop plans to mitigate interferences.

To monitor the effect of water use from the well(s) authorized under this permit, the Department requires the water user to make and report annual static water level measurements. The static water level shall be measured in the month of March. Reports shall be submitted to the Department within 30 days of measurement. The first annual measurement will establish the reference level against which future annual measurements will be compared.

All measurements shall be made by a certified water rights examiner, registered professional geologist, registered professional engineer, licensed well constructor or pump installer licensed by the Construction Contractors Board and be submitted to the Department on forms provided by the Department. The Department requires the individual performing the measurement to:

- (A) Identify each well with its associated measurement; and
- (B) Measure and report water levels to the nearest tenth of a foot as depth-to-water below ground surface; and

- (C) · Specify the method used to obtain each well measurement; and
- (D) Certify the accuracy of all measurements and calculations submitted to the Department.

The water user shall discontinue use of, or reduce the rate or volume of withdrawal from, the well(s) if annual March water level measurements reveal any of the following events:

- (A) An average water level decline of three or more feet per year for five consecutive years; or
- (B) A water level decline of 15 or more feet in fewer than five consecutive years; or
- (C) A water level decline of 25 or more feet.

The water user shall discontinue use of, or reduce the rate or volume of withdrawal from, the well(s) if irrigation season (March - October) water level measurements reveal hydraulic interference leading to a decline of 25 or more feet in any neighboring well with senior priority.

The period of non or restricted use shall continue until the annual water level rises above the decline level which triggered the action or until the Department determines, based on the permittee's and the Department's data and analysis, that no action is necessary because the aquifer in question can sustain the observed declines without adversely impacting the resource or senior water rights. The water user shall in no instance allow excessive decline, as defined in Commission rules, to occur within the aquifer as a result of use under this permit. If more than one well is involved, the water user may submit an alternative measurement and reporting plan for review and approval by the Department.

In addition to the monitoring requirements above, in order to monitor the effect of water use from the wells authorized under this permit, the permittee has submitted, and the Department has approved, a plan entitled "Groundwater Monitoring Plan, Cities of Dayton and Lafayette" dated April 26, 2000. Implementation of the permittee's monitoring plan is a condition of this permit. By reference, permittee's monitoring plan is incorporated into this permit and shall at all times be kept on file in application file G-14386 at the Department of Water Resources in Salem.

Modifications to the monitoring plan may be submitted by the permittee; however, proposed modifications must be approved, in writing, by the Department. Any request to modify the monitoring plan must include the basis for the proposed modifications and evidence that the permittee has consulted with the Dayton Prairie Groundwater Management Advisory Board

(e.g. Advisory Board meeting minutes). In any event, at a minimum, the permittee's plan shall always include the following:

- a program to periodically measure water levels within the permitted wells in months other than March.
- a program to periodically measure water levels in up to six off-site wells in March and during high water use periods.
- a reference water level for city wells and off-site wells against which any water level declines will be compared.
- a program to ensure qualified parties are conducting the monitoring.
- a program to ensure the monitoring data are available to all interested parties, including the Department, within a few days of collection.

The water use under this permit shall be limited to any deficiency in the available supply, either with respect to quantity or quality, of any prior municipal use right held by the permittee.

If the number, location, or construction of any well deviates from that proposed in the permit application or permit conditions, the conclusions of the Technical Review, Initial Review or Proposed Final Order under which this permit was granted may be revised, conditions may be appropriately revised, or this permit may not be valid.

Within 1 year of permit issuance, the permittee shall submit a water management and conservation plan consistent with OAR Chapter 690, Division 86.

Ground water for use under this permit shall be produced from no shallower than 100 feet below land surface.

No water may be appropriated under the terms of this permit from well #4 and well #5 until the permittee has demonstrated, to the satisfaction of the Department, that the wells develop a confined aquifer. Such a demonstration may be made by providing a log of materials encountered during drilling, head relationships of water bearing zones encountered, on-site test data, or data from other wells in the area. The permittee should consult with the Department prior to placing any permanent casing and sealing material.

In addition to other conditions in this permit, the Director may require the preferential use of certain wells and their times of operation to reduce interference with existing water uses. The permittee shall still obtain the quantity of water needed or permitted, whichever is less.

STANDARD CONDITIONS

The wells shall be constructed in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. The works shall be equipped with a usable access port, and may also include an air line and pressure gauge adequate to determine water level elevation in the well at all times.

The use shall conform to such reasonable rotation system as may be ordered by the proper state officer.

Prior to receiving a certificate of water right, the permit holder shall submit the results of a pump test meeting the department's standards, to the Water Resources Department. The Director may require water level or pump test results every ten years thereafter.

Failure to comply with any of the provisions of this permit may result in action including, but not limited to, restrictions on the use, civil penalties, or cancellation of the permit.

This permit is for the beneficial use of water without waste. The water user is advised that new regulations may require the use of best practical technologies or conservation practices to achieve this end.

By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

No water use or related construction under this permit may be made until all required local land use approvals are obtained. This prohibition shall continue through completion of an appeal before the Land Use Board of Appeals and any remand back to Yamhill County for further proceedings, but not through completion of an appeal before the Oregon Court of Appeals or review by the Supreme Court.

The use of water shall be limited when it interferes with any prior surface or ground water rights.

The Director finds that the proposed use(s) of water described by this permit, as conditioned, will not impair or be detrimental to the public interest.

Actual construction of the well shall begin by September // , 2001. Complete application of water to the use shall be made on or before October 1, 2004. Within one year after complete application of water to the proposed use, the permittee shall submit a claim of beneficial use, which includes a map and report, prepared by a Certified Water Rights Examiner (CWRE).

Issued September

2000

Paul R. Cleary, Director Water Resources Department