

STATE OF OREGON

COUNTIES OF DESCHUTES AND CROOK

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

AVION WATER COMPANY, INC.  
60813 PARRELL RD  
BEND, OR 97702

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

APPLICATION FILE NUMBER: G-15851

SOURCE OF WATER: FOUR WELLS IN DESCHUTES RIVER BASIN

PURPOSE OR USE: QUASI-MUNICIPAL USE

MAXIMUM RATE/VOLUME: 5.0 CUBIC FEET PER SECOND, LIMITED TO A MAXIMUM ANNUAL VOLUME OF 643.0 ACRE FEET, FURTHER LIMITED BY THE CORRESPONDING MITIGATION PROVIDED

PERIOD OF USE: APRIL 15 THROUGH OCTOBER 15 OF EACH YEAR

DATE OF PRIORITY: OCTOBER 9, 2002

WELL LOCATIONS:

- WELL #1 (MORNINGSTAR): SW  $\frac{1}{4}$  NW  $\frac{1}{4}$ , SECTION 30, T18S, R12E, W.M.; 254 FEET NORTH & 327 FEET WEST FROM SE CORNER OF THE SW  $\frac{1}{4}$  OF THE NW  $\frac{1}{4}$  CORNER, SECTION 30
- WELL #2 (PARRELL): SW  $\frac{1}{4}$  SW  $\frac{1}{4}$ , SECTION 17, T18S, R12E, W.M.; 200 FEET NORTH & 580 FEET EAST FROM SW CORNER, SECTION 17
- WELL #3 (CHINA HAT 1): NE  $\frac{1}{4}$  NE  $\frac{1}{4}$ , SECTION 29, T18S, R12E, W.M.; 400 FEET SOUTH & 900 FEET WEST FROM NE CORNER, SECTION 29
- WELL #4 (CHINA HAT 2): NE  $\frac{1}{4}$  NE  $\frac{1}{4}$ , SECTION 29, T18S, R12E, W.M.; 400 FEET SOUTH & 1024 FEET WEST FROM NE CORNER, SECTION 29

THE PLACE OF USE IS LOCATED AS FOLLOWS:

WITHIN THE SERVICE BOUNDARY OF AVION WATER COMPANY, INC.

Measurement, recording and reporting conditions:

- A. Before water use may begin under this permit, the permittee shall install a totalizing flow meter on each well. The totalizing flow meter(s) must be installed and maintained in good working order consistent with those standards identified in OAR 690-507-645(1) through (3). The permittee 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; provided however, where the meter(s) is(are) located within a private structure, the watermaster shall request access upon reasonable notice.

Use of water under authority of this permit may be regulated if analysis of data available after the permit is issued discloses that the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right or as those quantities may be subsequently reduced. However, the use of ground water allowed under the terms of this permit will not be subject to regulation for Scenic Waterway flows so long as mitigation is maintained.

#### GROUND WATER MITIGATION CONDITIONS

Mitigation Obligation: 302.2 acre-feet annually in the General Zone of Impact (anywhere in the Deschutes River Basin above the Madras Gage which is located below Lake Billy Chinook)

Mitigation Source: Mitigation Credits or a Mitigation Project, in accordance with the incremental development plan on file with the Department, meeting the requirements

of OAR Chapter 690, Division 505 (Deschutes Ground Water Mitigation Rules).

The first stage of incremental development has been met with 17.9 AF of mitigation water, being mitigation water resulting from Mitigation Project MP-41, an instream transfer; or suitable mitigation water that meets the requirements of OAR 690-505-0610(2)-(5), within the General Zone of Impact.

Mitigation water must be legally protected instream for instream use within the General Zone of Impact and committed for life of the permit and subsequent certificate(s). Regulation of the use and/or cancellation of the permit, or subsequent certificate(s) will occur if the required mitigation is not maintained.

If mitigation is from a secondary right for stored water from a storage project not owned or operated by the permittee, the use of water under this right is subject to the terms and conditions of a valid contract, or a satisfactory replacement, with the owner/operator of the storage project, a copy of which must be on file in the records of the Water Resources Department prior to use of water.

The permittee shall provide additional mitigation if the Department determines that average annual consumptive use of the subject appropriation has increased beyond the originally mitigated amount.

The permittee shall provide mitigation prior to each stage of development under the permit and in accordance with the standards under OAR 690-505-0610(2)-(5).

The permittee shall not increase the rate or amount of water diversion before increasing the corresponding mitigation.

The permittee shall seek and receive Department approval prior to changing the incremental permit development plan and related incremental mitigation.

The permittee shall report to the Department the progress of implementing the incremental permit development plan and related mitigation by not later than April 1 of each year.

In conjunction with Special Order Volume 63, Page 459, Final Order approving a Water Management and Conservation Plan, the permittee shall submit an updated Water Management and Conservation Plan pursuant to OAR Chapter 690, Division 86. The Director may approve

an extension of this time line to complete a Water Management and Conservation Plan. The time line for submittal of a plan under this permit does not alter the time lines for submittal of a plan under any other order of the Department.

Failure to comply with these mitigation conditions shall result in the Department regulating the ground water permit, or subsequent certificate(s), proposing to deny any permit extension application for the ground water permit, and proposing to cancel the ground water permit, or subsequent certificate(s).

#### STANDARD CONDITIONS

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.

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

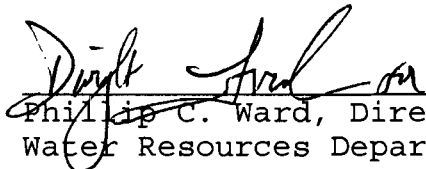
compliance with statewide land-use goals and any local acknowledged land-use plan.

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

Complete application of the water to the use shall be made on or before October 1, 2010. If the water is not completely applied before this date, and the permittee wishes to continue development under the permit, the permittee must submit an application for extension of time, which may be approved based upon the merit of the application.

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 March 9, 2006

  
Phillip C. Ward, Director  
Water Resources Department



Application G-15851  
Basin 5

Water Resources Department

PERMIT G-16025  
District 11