

STATE OF OREGON

COUNTY OF JEFFERSON

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

DESCHUTES VALLEY WATER DISTRICT
881 SW CULVER HWY
MADRAS, OREGON 97741

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

APPLICATION FILE NUMBER: G-14721

SOURCE OF WATER: THREE WELLS IN THE DESCHUTES AND CROOKED RIVER
BASINS

PURPOSE OR USE: MUNICIPAL USE

MAXIMUM RATE: 16.7 CUBIC FEET PER SECOND, FURTHER LIMITED TO A
MAXIMUM VOLUME OF 2312.0 ACRE FEET ANNUALLY

PERIOD OF USE: JUNE 15 THROUGH AUGUST 31

DATE OF PRIORITY: APRIL 13, 1998

WELL LOCATIONS:

WELL #1: SW $\frac{1}{4}$ NE $\frac{1}{4}$, SECTION 33, T12S, R12E, W.M.; 1824 FEET
SOUTH & 2023 FEET WEST FROM NE CORNER, SECTION 33

WELL #2: SW $\frac{1}{4}$ NE $\frac{1}{4}$, SECTION 33, T12S, R12E, W.M.; 2090 FEET
SOUTH & 1960 FEET WEST FROM NE CORNER, SECTION 33

WELL #3: NW $\frac{1}{4}$ SE $\frac{1}{4}$, SECTION 33, T12S, R12E, W.M.; 2720 FEET
SOUTH & 1890 FEET WEST FROM NE CORNER, SECTION 33

THE PLACE OF USE IS WITHIN THE SERVICE AREA BOUNDARY OF DESCHUTES
VALLEY WATER DISTRICT

Measurement, recording and reporting conditions:

- A. Before water use may begin under this permit, the permittee shall install a meter or other suitable measuring device as approved by the Director. The permittee shall maintain the meter or measuring device 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 device; provided however, where the meter or measuring device is 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, provided the required mitigation is maintained.

GROUND WATER MITIGATION CONDITIONS

Mitigation Obligation: 1387.2 acre-feet in the General Zone of Impact (anywhere in the Deschutes River basin above the Madras gage 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).

Mitigation water must be legally protected instream for instream use within the General Zone of Impact and committed for the 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.

The permittee shall provide mitigation prior to each stage of development under the permit, as described in the incremental development mitigation plan on file with the Department, and in

accordance with the standards of the Deschutes Ground Water Mitigation Rules, OAR Chapter 690, Division 505.

The permittee shall not increase the rate or amount of water diverted, as described in the incremental development mitigation plan, prior to increasing the corresponding mitigation.

The permittee shall seek and receive Departmental approval prior to changing the incremental mitigation development plan and related mitigation obligation for each stage of permit development.

The permittee shall report to the Department the progress of implementing the incremental mitigation development plan and related mitigation no later than April 1 of each year. This annual notification is not necessary if the permittee has completed development and submitted a Claim of Beneficial Use to the Department.

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.

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 maintenance and terms and conditions of a valid contract or 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.

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).

Within two years of permit issuance, the permittee shall submit a water management and conservation plan, addressing use under this permit, consistent with OAR Chapter 690, Division 86. This condition does not negate any deadline for an updated water management and conservation plan under any other Final Order issued by the Department.

STANDARD CONDITIONS

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.

If the number, location, source, or construction of any well deviates from that proposed in the permit application or required by permit conditions, this permit may be subject to cancellation, unless the Department authorizes the change in writing.

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.

Where two or more water users agree among themselves as to the manner of rotation in the use of water and such agreement is placed in writing and filed by such water users with the watermaster, and such rotation system does not infringe upon such prior rights of any water user not a party to such rotation plan, the watermaster shall distribute the water according to such agreement.

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.

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.

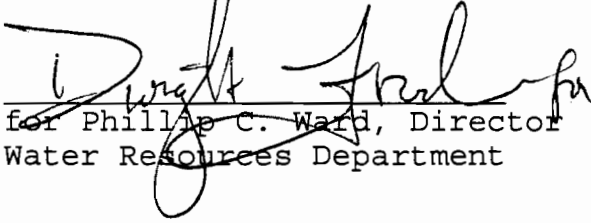
By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

Completion of construction and application of the water shall be made within 20 years of the date of permit issuance. If beneficial use of permitted water has not been made before this date, the permittee may submit an application for extension of time, which may be approved based upon the merit of the application.

Within one year after making beneficial use of water, the permittee shall submit a claim of beneficial use, which includes a map and report, prepared by a Certified Water Rights Examiner.

Issued

July 16, 2009


for Phillip C. Ward, Director
Water Resources Department