

STATE OF OREGON

COUNTIES OF CROOK AND DESCHUTES

PERMIT TO APPROPRIATE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO:

CITY OF PRINEVILLE
387 NE THIRD ST
PRINEVILLE OR 97754

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

APPLICATION FILE NUMBER: G-16900

SOURCE OF WATER: WELL 1 (CROO 1894/CROO 50095), WELL 2 (CROO 53453), WELL 3, WELL 4, WELL 5, WELL 6, WELL 7, AND WELL 8 IN CROOKED RIVER BASIN

RATE: 12.48 CUBIC FEET PER SECOND (CFS), FURTHER LIMITED TO 5.57 CFS FROM WELLS 1-6, BEING NO MORE THAN 2.23 CFS IN TOTAL FROM WELL 1 (CROO 1894/CROO 50095), WELL 2 (CROO 53453), AND WELL 3; NO MORE THAN 1.11 CFS IN TOTAL FROM WELL 4 AND WELL 5; AND NO MORE THAN 2.23 CFS FROM WELL 6

MAXIMUM ANNUAL VOLUME: 3682.7 ACRE FEET

DATE OF PRIORITY: JUNE 27, 2007

USE: MUNICIPAL

PERIOD: YEAR-ROUND

Authorized Points of Appropriation:

Well	Twp	Rng	Mer	Sec	Q-Q	Measured Distances
Well 1 (CROO 1894/CROO 50095)	15 S	15 E	WM	11	SE SW	1210 FEET NORTH AND 1950 FEET EAST FROM SW CORNER, SECTION 11
Well 2 (CROO 53453)	15 S	15 E	WM	11	SE SW	1165 FEET NORTH AND 1990 FEET EAST FROM SW CORNER, SECTION 11
Well 3	15 S	15 E	WM	11	SE SW	790 FEET NORTH AND 2560 FEET EAST FROM SW CORNER, SECTION 11
Well 4	15 S	14 E	WM	26	NW NE	319 FEET SOUTH AND 2408 FEET WEST FROM NE CORNER, SECTION 26
Well 5	15 S	14 E	WM	26	NW NE	835 FEET SOUTH AND 2477 FEET WEST FROM NE CORNER, SECTION 26
Well 6	15 S	15 E	WM	6	NE SW	2000 FEET NORTH AND 2340 FEET EAST FROM SW CORNER, SECTION 6
Well 7	15 S	13 E	WM	23	NE NW	110 FEET SOUTH AND 1870 FEET EAST FROM NW CORNER, SECTION 23
Well 8	15 S	13 E	WM	23	NE NW	100 FEET SOUTH AND 2470 FEET EAST FROM NW CORNER, SECTION 23

Authorized Place of Use: WITHIN CITY OF PRINEVILLE SERVICE BOUNDARY

Measurement, Recording and Reporting Conditions:

- A. Before water use may begin under this permit, the permittee shall install a totalizing flow meter at each point of appropriation. The permittee shall maintain the meter in good working order.

- B. 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.
- C. The permittee shall allow the watermaster access to the meters; provided however, where any meter is located within a private structure, the watermaster shall request access upon reasonable notice.
- D. The Director may provide an opportunity for the permittee to submit alternative measuring and reporting procedures for review and approval.

The Department requires the water user to obtain, from a qualified individual (see below), and report annual static water levels for each well on the permit. 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 permittee shall report an initial March static water-level measurement once well construction is complete and annual measurements thereafter. Annual measurements are required whether or not the well is used. The first annual measurement will establish a reference level against which future measurements will be compared. However, the Director may establish the reference level based on an analysis of other water-level data. The Director may require the user to obtain and report additional water levels each year if more data are needed to evaluate the aquifer system.

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. Measurements shall be submitted on forms provided by, or specified by, the Department. Measurements shall be made with equipment that is accurate to at least the standards specified in OAR 690-217-0045. The Department requires the individual performing the measurement to:

- A. Associate each measurement with an owner's well name or number and a Department well log ID; and
- B. Report water levels to at least the nearest tenth of a foot as depth-to-water below ground surface; and
- C. Specify the method of measurement; and
- D. Certify the accuracy of all measurements and calculations reported to the Department.

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

- A. Annual water-level measurements reveal an average water-level decline of three or more feet per year for five consecutive years; or
- B. Annual water-level measurements reveal a water-level decline of 15 or more feet in fewer than five consecutive years; or
- C. Annual water-level measurements reveal a water-level decline of 25 or more feet; or
- D. Hydraulic interference leads to a decline of 25 or more feet in any neighboring well with senior priority.

The period of restricted use shall continue until the water level rises above the decline level which triggered the action or the Department determines, based on the permittee's and/or 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 causing substantial interference with senior water rights. The water user shall not 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.

Ground Water Mitigation Conditions:

1. Mitigation Obligation: a total of 1473.1 acre-feet of mitigation water in the General Zone of Impact and/or the Crooked River Zone of Impact, as applicable.

Well	Zone of Impact
Well 1 (CROO 1894/CROO 50095)	Crooked River Zone of Impact
Well 2 (CROO 53453)	Crooked River Zone of Impact
Well 3	Crooked River Zone of Impact
Well 4	Crooked River Zone of Impact
Well 5	Crooked River Zone of Impact
Well 6	Crooked River Zone of Impact
Well 7	General Zone of Impact
Well 8	General Zone of Impact

Mitigation must be provided in the General Zone of Impact for use of water from any well with a mitigation obligation in the General Zone of Impact. Mitigation must be provided in the Crooked River Zone of Impact for use of water from any well with a mitigation obligation in the Crooked River Zone of Impact. The amount of mitigation provided in each zone of impact shall be consistent with the incremental development plan on file with the Department, and shall be of sufficient quantity to mitigate for the annual volume of water used in each zone of impact.

2. Mitigation Source: mitigation projects, mitigation credits, or offsets
3. First increment of mitigation:
 - a. Mitigation obligation: 91.5 acre feet of mitigation water in the either the General Zone of Impact or Crooked River Zone of Impact
 - b. Mitigation source: 36.6 mitigation credits originating from Mitigation Project MP-140, established by instream water right certificates 87249 and 87250, and which may be used in either the General Zone of Impact or Crooked River Zone of Impact, in accordance with the incremental development plan on file with the Department, meeting requirements of OAR chapter 690, Division 505 (Deschutes Groundwater Mitigation Rules).
4. The permittee shall provide mitigation during 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 and 522.
5. 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.
6. 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.
7. The permittee shall report to the Department the progress made in implementing the incremental mitigation development plan and related mitigation no later than April 1 of each year. The annual report shall include the annual volume of water used, the source and amount of mitigation, and any offset used for that period. This information shall be broken down by Zone of Impact, and shall

include identification of the authorized wells utilized. This annual notification is not necessary if the permittee has completed development and submitted a Claim of Beneficial Use to the Department.

8. Mitigation water must be legally protected instream in the General Zone of Impact and the Crooked River Zone of Impact, as applicable, 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.
9. 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.
10. 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.
11. 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).

Scenic Waterway Condition:

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 reduced subsequently. 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.

Water Management and Conservation Plan Condition

The permittee shall submit a Water Management and Conservation Plan, addressing use under this permit, consistent with OAR 690-086 within five years of permit issuance, or before use of the second increment of water development occurs, whichever is sooner. The Director may approve an extension of this time line to complete the required Water Management and Conservation Plan. No water may be diverted if a Water Management and Conservation Plan is not submitted according to the time lines described in this condition, unless such an extension has been approved. The time line for submittal of a plan under this permit does not alter the time lines for submittal of such a plan under any other order of the Department.

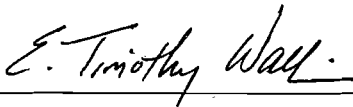
STANDARD CONDITIONS

1. 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.
2. 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.
3. 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.
4. 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.

5. 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.
6. 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.
7. 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-practice technologies or conservation practices to achieve this end.
8. By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged comprehensive land-use plan.
9. Completion of construction and complete application of the water to the use shall be made within twenty years of the date of permit issuance. 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.
10. 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.

Issued November 30, 2011



E. Timothy Wallin, Water Rights Program Manager
for Phillip C. Ward, Director