STATE OF OREGON

COUNTY OF YAMHILL

PERMIT TO STORE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

CITY OF MCMINNVILLE PO BOX 638 MCMINNVILLE, OREGON 97128

(503) 472-6158

The specific limits for the use are listed below along with conditions of use.

APPLICATION FILE NUMBER: R-69772

SOURCE OF WATER: NESTUCCA RIVER, A TRIBUTARY OF PACIFIC OCEAN

STORAGE FACILITY: MCGUIRE RESERVOIR (ENLARGEMENT OF RESERVOIR CONSTRUCTED UNDER PERMIT R-2652 AND R-5561)

PURPOSE OR USE OF THE STORED WATER: TO BE APPROPRIATED UNDER APPLICATION S-69773, PERMIT 54038, FOR MUNICIPAL USE

VOLUME OF USE: 6,040.0 ACRE FEET PER YEAR EACH YEAR

PERIOD OF USE: WATER MAY BE APPROPRIATED FOR STORAGE NOVEMBER 1 THROUGH JULY 31

DATE OF PRIORITY: DECEMBER 7, 1988

The total area proposed to be submerged by the reservoir, when full, is 260 acres; the proposed maximum depth of water is 98 feet. The maximum height of the dam will not exceed 108 feet.

DAM LOCATION: NW 1/4 SE 1/4, SECTION 15, T3S, R6W, W.M.; 2445 FEET NORTH AND 1970 FEET WEST FROM SE CORNER, SECTION 15

THE AREA TO BE SUBMERGED BY THE RESERVOIR IS LOCATED AS FOLLOWS:

NW 1/4 SW 1/4 SW 1/4 SW 1/4 SECTION 14

NE 1/4 SE 1/4 NW 1/4 SE 1/4 SW 1/4 SE 1/4 SE 1/4 SE 1/4 SECTION 15 NE 1/4 NE 1/4 SE 1/4 NE 1/4 SE 1/4 SE 1/4 SECTION 22

NW 1/4 NW 1/4 SW 1/4 NW 1/4 SE 1/4 NW 1/4 NE 1/4 SW 1/4 NW 1/4 SW 1/4 SW 1/4 SW 1/4 SE 1/4 SW 1/4 SECTION 23

NE 1/4 NE 1/4 SECTION 27

NW 1/4 NE 1/4 NE 1/4 NW 1/4 NW 1/4 NW 1/4 SECTION 28

TOWNSHIP 3 SOUTH, RANGE 6 WEST, W.M.

Measurement, recording and reporting conditions:

- Before water use may begin under this permit, the permittee Α. shall instal 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.
- The permittee shall allow the watermaster access to the В. 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.

The permittee shall install, maintain, and operate fish screening and by-pass devices as required by the Oregon Department of Fish and Wildlife to prevent fish from entering the proposed diversion. required screens, fishways and by-pass devices are to be in place, functional and approved by an ODFW representative prior to diversion of any water.

The permittee shall allow by-pass flows or make releases from storage of 1.3 cubic feet per second May 1 through October 31 and 0.5 cfs November 1 through April 30.

Within 2 years of permit issuance, the permittee shall submit a Water Management and Conservation Plan consistent with OAR Chapter 690, Division 86. The Director may approve an extension of this time line to complete the required 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.

DAM CONDITIONS

The outlet gate shall be cycled at least once each year and shall be fully operational at all times.

Routine maintenance of the dam and all appurtenant structures shall be performed as determined necessary by the Water Resources Department Dam Safety program for the timely removal of trees, brush and debris, and to repair slumps, areas of erosion, or defective equipment.

The constructed works shall conform to the approved plans and specifications on file with the Water Resources Dam Safety program. Any significant change in the approved design prior to or during construction shall be documented by the project engineer in a letter to Dam Safety. All construction shall be performed by under the supervision of a registered professional engineer licensed in Oregon.

No embankment fill shall be placed until preparation of the foundation or the excavation of the core trench has been completed and examined in entirety by the engineer of record, or by the Water Resources Dam Safety Engineer, or both.

No water shall be stored until the Water Resources Department receives written certification from the engineer of record that construction has been completed in accordance with the approved plans and specifications. If final construction deviates from the approved design a quality set of reproducible asbuilt drawings, including a revised reservoir capacity graph or table, must accompany the engineer's written certification of completion.

No water shall be stored until the Water Resources Department has approved an Emergency Action Plan (EAP) for the dam. The Emergency Action Plan shall be updated on an annual basis or more frequently, as needed, to reflect changed conditions at the dam or within the downstream inundation zone.

Neither the completed dam nor any appurtenant structure shall be enlarged, modified, or otherwise altered without the prior written approval of the Water Resources Dam Safety program. Except for routine repair and maintenance, plans and specifications prepared by an Oregon licensed professional engineer are required for any significant modification or alteration of the dam or any appurtenant structure.

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.

This permit is for the beneficial use of water without waste. 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 allowed herein may be made only at times when sufficient water is available to satisfy all prior rights, including prior rights for maintaining instream flows.

This permit does not authorize the permit holder to pursue this right in such a way as to interfere with or affect adjacent property not under the ownership of the permit holder.

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.

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Actual construction work shall begin within one year from issuance of the final order approving the use. The reservoir shall be filled and complete application of the stored water to the use shall be made on or before October 1, 2008. 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 April 22, 2004

Paul C. Cleary, Director Water Resources Department

REAL ESTATE TRANSACTIONS: Pursuant to ORS 537.330, in any transaction for the conveyance of real estate that includes any portion of the lands described in this permit, the seller of the real estate shall, upon accepting an offer to purchase that real estate, also inform the purchaser in writing whether any permit, transfer approval order, or certificate evidencing the water right is available and that the seller will deliver any permit, transfer approval order or certificate to the purchaser at closing, if the permit, transfer approval order or certificate is available.

CULTURAL RESOURCES PROTECTION LAWS: Permittees involved in ground-disturbing activities should be aware of federal and state cultural resources protection laws. ORS 358.920 prohibits the excavation, injury, destruction or alteration of an archeological site or object, or removal of archeological objects from public and private lands without an archeological permit issued by the State Historic Preservation Office. 16 USC 470, Section 106, National Historic Preservation Act of 1966 requires a federal agency, prior to any undertaking to take into account the effect of the undertaking that is included on or eligible for inclusion in the National Register. For further information, contact the State Historic Preservation Office at 503-378-4168, extension 232.