

STATE OF OREGON

COUNTY OF POLK

PERMIT TO CONSTRUCT A RESERVOIR AND STORE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

BOB MCKEE
24903 SW PERRYDALE RD
AMITY, OR 97101

(503)835-7200

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

APPLICATION FILE NUMBER: R-86066

SOURCE OF WATER: SALT CREEK, A TRIBUTARY OF SOUTH YAMHILL RIVER

STORAGE FACILITY: MCKEE RESERVOIR

PURPOSE OR USE OF THE STORED WATER: MULTIPLE PURPOSE AND TO BE APPROPRIATED UNDER APPLICATION S-86067, PERMIT 54144

MAXIMUM VOLUME: 24.0 ACRE FEET EACH YEAR

PERIOD OF USE: NOVEMBER 1 THROUGH MAY 31

DATE OF PRIORITY: AUGUST 10, 2004

The area submerged by the reservoir, when full, will be 2.45 acres. The maximum height of the dam shall not exceed 12.5 feet.

DAM LOCATION: LOT 3 (NW $\frac{1}{4}$ NW $\frac{1}{4}$), SECTION 12, T6S, R5W, W.M.; 855 FEET SOUTH & 1655 FEET WEST OF THE SE CORNER, EDWIN T STONE DLC 67

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

LOT 3 (NW $\frac{1}{4}$ NW $\frac{1}{4}$)
SECTION 12
TOWNSHIP 6 SOUTH, RANGE 5 WEST, W.M.

Measurement, recording and reporting conditions:

- A. Before water use may begin under this permit, the water user shall install a meter or other suitable measuring device as approved by the Director. The water user shall maintain the meter or measuring device in good working order.
- B. The water user 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.

- C. The Director may require the water user to keep and maintain a record of the amount (volume) of water used and may require the water user to report water use on a periodic schedule as established by the Director. In addition, the Director may require the water user to report general water use information, the periods of water use and the place and nature of use of water under the permit. The Director may provide an opportunity for the water user to submit alternative reporting procedures for review and approval.

The water user may be required in the future to 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.

The water user shall install, maintain, and operate fish screening to prevent fish from entering the proposed diversion. The water user may submit evidence that the Oregon Department of Fish and Wildlife (ODFW) has determined screens are not necessary. The required screens are to be in place, functional, and approved by ODFW before diversion of any water.

If the riparian area is disturbed in the process of constructing a pipeline under Salt Creek, the water user shall be responsible for restoration and enhancement of such riparian area in accordance with ODFW's Fish and Wildlife Habitat Mitigation Policy OAR 635-415. For purposes of mitigation, the ODFW Fish and Wildlife Habitat Mitigation Goals and Standards, OAR Chapter 635, Division 415, Section 030 adopted November 13, 1991 shall be followed.

DAM CONDITIONS

1. All construction shall be performed under the supervision of a registered professional engineer licensed in Oregon.
2. No embankment fill shall be placed until preparation of the underlying foundation is complete. No fill materials shall be placed in the core trench until the excavation has been examined in entirety by the engineer of record, or by the Water Resources Dam Safety Engineer, or both.
3. The constructed works shall conform to the approved plans and specifications on file with the Water Resources Dam Safety program. The engineer of record shall notify the Water Resources Dam Safety program before making any significant change to the approved design prior to or during construction.
4. 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 set reproducible as-constructed drawings, including a revised reservoir capacity graph or table, must accompany the engineer's letter of completion.

5. Routine maintenance or repair of the dam and all appurtenant structures shall be performed to include, but not limited to, the removal of woody vegetation or debris, prompt restoration of areas of erosion or to replace defective equipment necessary for the continued safe operation of the project works.
6. Except for routine repair and maintenance, design plans and specifications must be prepared by an Oregon licensed professional engineer and approved by the Water Resources Dam Safety program prior to any enlargement, or alteration of the dam or any appurtenant structure.

STANDARD CONDITIONS

Use under this permit is limited to the reservoir area. This permit does not provide for the appropriation of water for maintaining the water level or maintaining a suitable fresh water condition.

The storage of water allowed herein is subject to the installation and maintenance of a fully functional conduit/gate assembly having a minimum diameter of 8 inches.

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.

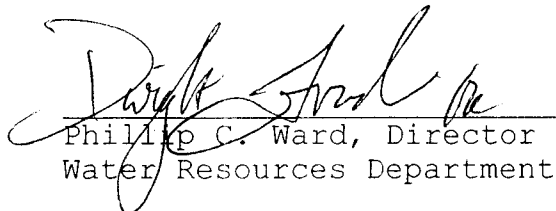
By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

The use of water 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.

The reservoir shall be filled and complete application of the water to the use shall be made on or before October 1, 2009. If the water is not completely applied before this date, and the water user wishes to continue development under the permit, the water user 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 water user shall submit a claim of beneficial use, which includes a map and report, prepared by a Certified Water Rights Examiner (CWRE).

Issued December 16, 2004


Phillip C. Ward, Director
Water Resources Department

ASSIGNMENT OF PERMIT: Pursuant to ORS 537.220, this permit may be assigned to a party other than the water user named hereon, if the land the permit is associated with changes ownership, or if the water user is an organization whose name changes as a result of sale or merger. Request for Assignment forms are available from the Oregon Water Resources Department web site at <http://www.wrd.state.or.us/>, or may be requested from the Department at 503-986-0801 or Water Right Application Section, Oregon Water Resources Department, 725 Summer St NE Ste A, Salem OR 97301-1271.

MAILING ADDRESS CHANGES: If the mailing address of the water user named hereon changes, it is important that the Oregon Water Resources Department be informed of the change. Address changes must be submitted in writing with the water user's signature to Water Right Application Section, Oregon Water Resources Department, 725 Summer St NE Ste A, Salem OR 97301-1271.

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: Water users 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.