

STATE OF OREGON
 COUNTY OF COLUMBIA

PERMIT TO CONSTRUCT A RESERVOIR AND STORE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO:

OLYMPIC FOREST PRODUCTS
 69480 BANZER RD
 MIST OR 97016

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

APPLICATION FILE NUMBER: R-86688

SOURCE OF WATER: AN UNNAMED STREAM AND NEHALEM RIVER, tributaries to NEHALEM BAY

STORAGE FACILITY: RSG RESERVOIR

MAXIMUM VOLUME: 28.0 ACRE FEET

DATE OF PRIORITY: SEPTEMBER 26, 2006

Use	Period
Multiple Purpose	November 1 - September 30

Dam Location/Authorized Point of Diversion:

	Twp	Rng	Mer	Sec	Q-Q	Survey Coordinates
UNNAMED STREAM	6 N	5 W	WM	16	NE SE	1420 FEET NORTH AND 510 FEET WEST FROM SE CORNER, SECTION 16
NEHALEM RIVER	6 N	5 W	WM	15	SE NW	2860 FEET NORTH AND 1375 FEET EAST FROM SW CORNER, SECTION 15
CENTER OF DAM	6 N	5 W	WM	16	NE SE	2050 FEET NORTH AND 440 FEET WEST FROM SE CORNER, SECTION 16

The Area To Be Submerged:

Twp	Rng	Mer	Sec	Q-Q
6 N	5 W	WM	16	NE SE

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 at each point of diversion as approved by the Director. The permittee shall maintain the meter or measuring device in good working order.
- B. The permittee shall allow the watermaster access to the meter or measuring device; 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 permittee to keep and maintain a record of the amount (volume) of water used, and may require the permittee to report water use on a periodic schedule as established by the Director. In addition, the Director may require the permittee 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 permittee to submit alternative reporting procedures for review and approval.

The permittee shall install, maintain, and operate fish-screening and by-pass devices consistent with current Oregon Department of Fish and Wildlife (ODFW) standards. Fish screening is to prevent fish from entering the proposed diversion, while by-pass devices provide adequate upstream and downstream passage for fish. The required screen and by-pass devices are to be in place and functional, and approved in writing by ODFW prior to diversion of any water. The permittee may submit evidence in writing that ODFW has determined screens and/or by-pass devices are not necessary.

The use may be restricted if the quality of the source stream or downstream waters decreases to the point that those waters no longer meet existing state or federal water quality standards due to reduced flows.

The storage of water allowed herein is subject to the installation and maintenance of an outlet pipe, or the provision of other means to evacuate water when determined necessary by the Water Resources Director to satisfy prior downstream rights.

The permittee shall pass all live flow outside the storage season described above.

The permittee shall not construct, operate or maintain any dam or artificial obstruction to fish passage in the channel of the subject stream without providing a fishway to ensure adequate upstream and downstream passage for fish, unless the permittee has requested and been granted a fish passage waiver by the Oregon Fish and Wildlife Commission. The permittee is hereby directed to contact an Oregon Department of Fish and Wildlife Fish Passage Coordinator, before beginning construction of any in-channel obstruction.

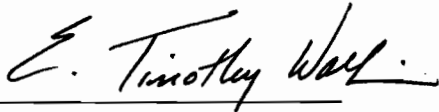
This permit does not provide for the appropriation of water for out-of-reservoir uses, the maintenance of the water level or maintaining a suitable freshwater condition. If any water is used for out-of-reservoir purposes, or any live flow is appropriated to maintain either the water level or a suitable freshwater condition, a secondary water right is required.

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. 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.
3. 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.
4. 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.
5. 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.
6. The reservoir shall be filled and complete application of the stored water to the use shall be made on or before October 1, 2011.

7. Within one year after complete application of water to the proposed use, the permittee shall submit a claim of beneficial use to the Oregon Water Resources Department.
8. The claim of beneficial use shall be prepared by a Certified Water Right Examiner in conformance with the requirements of OAR 690-014 if an associated secondary permit exists for the use of stored water under this permit, or if the reservoir stores 9.2 or more acre-feet of water.
9. If no secondary permit exists and the reservoir stores less than 9.2 acre-feet of water, the claim of beneficial use need not be prepared by a Certified Water Right Examiner. The information submitted to the Oregon Water Resources Department shall include:
 - a. the dimensions of the reservoir;
 - b. the maximum capacity of the reservoir in acre-feet; and
 - c. a map identifying the location of the reservoir prepared in compliance with Water Resource Department standards.

Issued JANUARY 18, 2007.



for Phillip C. Ward, Director
Water Resources Department

