STATE OF OREGON

COUNTY OF YAMHILL

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

BAILEY NURSERIES INC. PO BOX 398 DAYTON OR 97114

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

APPLICATION FILE NUMBER: R-88905

SOURCE OF WATER: NORTH YAMHILL RIVER, TRIBUTARY TO YAMHILL RIVER

STORAGE FACILITY: BAILEY RESERVOIR

MAXIMUM DAM HEIGHT: 28.5 FEET

PURPOSE OR USE OF THE STORED WATER: IRRIGATION AND AGRICULTURE (NURSERY USE)

MAXIMUM VOLUME: 145.0 ACRE-FEET

WATER MAY BE APPROPRIATED FOR STORAGE DURING THE PERIOD: DECEMBER 1 THROUGH APRIL 30

DATE OF PRIORITY: DECEMBER 21, 2020

AUTHORIZED POINTS OF DIVERSION:

POD Name	Twp	Twp Rng Mer Sec		Sec	Q-Q	Measured Distances	
POD 1	2 S	4 W	WM	31	SE SW	2180 FEET SOUTH AND 4280 FEET WEST FROM SE CORNER, DLC 55	
POD 2	25	4 W	WM	31	SE SE	1305 FEET NORTH AND 1195 FEET WEST FROM SE CORNER, SECTION 31	

CENTER OF RESERVOIR:

Twp	Rng	Mer	Sec	Q-Q	Measured Distances
25	4 W	WM	32	SW SW	700 FEET NORTH AND 830 FEET EAST FROM SE CORNER, SECTION 31

THE AREA TO BE SUBMERGED BY THE RESERVOIR:

Twp	Rng	Mer	Sec	Q-Q	
25	4 W	WM	32	SW SW	

PERMIT SPECIFIC 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. Water Use Measurement, Recording, and Reporting:

- A. Before water use may begin under this permit, the permittee shall install a totalizing flow meter at each point of diversion. The permittee shall maintain the device in good working order.
- B. The permittee shall allow the watermaster access to the device; provided however, where any device is located within a private structure, the watermaster shall request access upon reasonable notice.
- C. The permittee shall keep a complete record of the volume of water diverted each month, and shall submit a report which includes 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.
- D. The Director may provide an opportunity for the permittee to submit alternative measuring and reporting procedures for review and approval.

Fish Passage:

The permittee shall not construct, operate, or maintain any dam or artificial obstruction to fish passage across any waters of the state that are inhabited, or were historically inhabited, by native migratory fish (ORS 509.585) without obtaining approval for the artificial obstruction from the Oregon Department of Fish and Wildlife (ODFW). The permittee shall submit a proposal for fish passage to ODFW or apply for a fish passage waiver or exemption.

Approval of the proposed fish passage facility, waiver, or exemption shall be obtained prior to construction of any in-channel obstruction or prior to diversion of water that may create an artificial obstruction due to low flow.

The permittee shall submit proof to ODFW that fish passage has been implemented per the plan, waiver, or exemption prior to diversion of water. The permittee shall maintain adequate passage of native migratory fish at all times (ORS 509.610) as per the approved plan, waiver, or exemption. The permittee is hereby directed to schedule a consultation with an ODFW Fish Passage Coordinator.

Fish Screen/By-Pass:

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.

5. In-Water Work:

Any in-water work related to construction, development, or maintenance of the proposed use shall be conducted during the preferred work period of July 15 through September 30, unless an alternate time period is approved by Oregon Department of Fish and Wildlife.

6. Fish Stocking:

Per ORS 498.222 and OAR 635-007-0600, all persons transporting fish in Oregon need to have a fish transport permit issued by the Oregon Department of Fish and Wildlife (ODFW). The permittee shall not stock fish in the reservoir without a fish transport permit issued by ODFW. As part of the permitting process, the permittee must also screen the inlet and outlet of their pond to ensure that fish cannot escape into public waters and/or to keep wild fish from entering the pond.

7. Agricultural Water Quality Management Area Rules:

The permittee shall comply with basin-specific Agricultural Water Quality Management Area Rules described in Oregon Administrative Rule Chapter 603-095. The permittee shall protect riparian areas, allowing site capable vegetation to establish and grow along streams, while providing the following functions: shade (on perennial and some intermittent streams), bank stability, and infiltration or filtration of overland runoff.

8. Water Quality:

All water use under this permit shall comply with state and federal water quality laws. The permittee shall not violate any state and federal water quality standards, shall not cause pollution of any waters of the state, and shall not place or cause to be placed any wastes in a location where such wastes are likely to escape or be carried into the waters of the state by any means. The use may be restricted if the quality of source stream or downstream waters decrease to the point that those waters no longer meet existing state or federal water quality standards.

9. Riparian Area Restoration:

If the riparian area is disturbed in the process of developing a point of diversion, the permittee 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 635-415, shall be followed.

10. Off-Channel Stored Water Releases:

The permittee shall not release polluted water from this off-channel reservoir into waters of the state except when the release is directed by the State engineer to prevent dam failure.

DAM CONDITIONS

- Design work shall be completed by an Engineer registered in the State of Oregon. Written approval
 of the design, from the State Engineer, shall be obtained prior to the start of construction. No
 water shall be stored until the Department receives written certification from the engineer of
 record that construction has been completed in accordance with the approved plans and
 specifications.
- Failure to comply with any portion of Oregon Revised Statue 540.443 through 540.491 and Oregon Administrative Rules Chapter 690 Division 20 may result in action including, but not limited to, restrictions on use, civil penalties, or cancellation of the permit.

RESERVOIR CONDITIONS

- This permit allows an annual appropriation (not to exceed the specified volume). 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 to be used for out-of-reservoir
 purposes, a secondary water right is required. If any additional live flow is to be appropriated to
 maintain either the water level or a suitable freshwater condition, an additional water right is
 required.
- 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.

DEVELOPMENT AND COMPLETION TIMELINE REQUIREMENTS

- Construction work must be supervised by the Engineer of Record for the project. Construction
 of the water system shall begin within five years of the date of permit issuance. The deadline to
 begin construction may not be extended. This permit is subject to cancellation proceedings if
 the begin construction deadline is missed.
- The permitted volume of water shall be stored within five years of the date of permit issuance.
 If additional time is needed, the permittee may submit an application for extension of time,
 which may be approved based upon the merit of the application.

3. Within one year after storage 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 APR 0 1 2022

Dwight French

Water Right Services Division Administrator, for

Thomas M. Byler, Director

Oregon Water Resources Department

