

STATE OF OREGON

COUNTIES OF JEFFERSON, CROOK AND DESCHUTES

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

U.S. BUREAU OF RECLAMATION
1917 MARSH ROAD
YAKIMA, WA 98901-2058

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

APPLICATION FILE NUMBER: S-88402

SOURCE OF WATER: PRINEVILLE RESERVOIR, CONSTRUCTED UNDER PERMIT R-2223, A TRIBUTARY OF CROOKED RIVER

PURPOSE OR USE: FLOW AUGMENTATION FOR WILDLIFE AND FISH LIFE; AND TO ESTABLISH MITIGATION CREDITS UNDER THE DESCHUTES GROUND WATER MITIGATION PROGRAM FOR THE CITY OF PRINEVILLE

MAXIMUM VOLUME: 5100.0 ACRE-FEET EACH YEAR

PERIOD OF USE: YEAR-ROUND

DATE OF PRIORITY: MARCH 10, 2017

POINT OF DIVERSION LOCATION: BOWMAN DAM - SW ¼ NW ¼ SECTION 11, T17S, R16E, W.M.; 2350 FEET SOUTH AND 650 FEET EAST FROM NW CORNER, SECTION 11

THE PLACE OF USE IS LOCATED AS FOLLOWS:

IN THE CROOKED RIVER, FROM BOWMAN DAM DOWNSTREAM TO LAKE BILLY CHINOOK

Measurement Devices, and Recording/Reporting of Annual Water Conditions

- A. Before water use may begin under this permit, the permittee shall install a suitable measuring device 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.

Mitigation Credit Conditions:

1. Preliminary Award of Mitigation Credits: Preliminary award and use of mitigation credits under mitigation-credit project MP-222 shall be consistent with OAR 690-521-0400. If completed as described and conditioned herein, mitigation in the amount of up to 5100.0 credits may be awarded to MP-222 and assigned to the City of Prineville. Mitigation credits awarded may be used to satisfy a mitigation obligation of a groundwater permit or certificate held by the City of Prineville in the General and/or Crooked River Zones of Impact.
2. Mitigation credits awarded under mitigation-credit project MP-222 may be used only by the City of Prineville, and cannot be conveyed to any other person or mitigation bank.
3. By January 1 of each calendar year, BOR must provide notice to OWRD of how much water will be released from storage under this permit during the following year. In the event that an annual volume of less than 5100.0 AF will be released for mitigation use by the City of Prineville under this permit, the number of mitigation credits available that year will be reduced proportionally. The Department and the BOR may jointly agree to an alternate forecasting schedule.
4. The BOR shall, in writing, notify the watermaster of the dates and volumes that water will be released from storage under this water right.

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.

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.

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.

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 state or federal water quality standards due to reduced flows.

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.

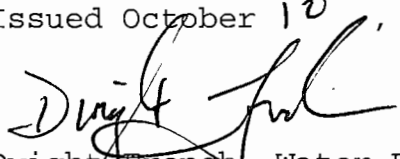
The use of water allowed herein may be made only at times when sufficient water is available to satisfy all prior rights, including prior rights for maintaining instream flows.

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.

Complete application of the water shall be made within five years of the date of permit issuance. If beneficial use of permitted water has not been made before this date, the permittee may submit an application for extension of time, which may be approved based upon the merit of the application.

Within one year after making beneficial use 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 October 10, 2017

A handwritten signature in cursive script, appearing to read "Dwight French".

Dwight French, Water Right Services Division Administrator
for Thomas M. Byler, Director