

G 14857

G 14857



Oregon

Tina Kotek, Governor

APP: G-14857

Water Resources Department

North Mall Office Building

725 Summer St NE, Suite A

Salem, OR 97301

Phone 503 986-0900

Fax 503 986-0904

January 7, 2025

Jorge Lopez
1325 N Grand Ave., Suite 100
Covina, CA 91724-4044

REFERENCE: Transfer Application T-13939

Enclosed is a copy of the final order approving your water right transfer application.

The time allowed to complete the transfer is specified in the final order. YOU SHOULD GIVE PARTICULAR ATTENTION TO THE TIME LIMIT. The water right for any portion of the authorized change in character of use or change in place of use NOT carried out within the time allowed will be lost.

An extension of the time limit can be allowed only upon a showing that diligent effort has been made to complete the actual change(s) within the time allowed.

You are required to hire a Certified Water Rights Examiner (CWRE) to complete a Claim of Beneficial Use report and map which must be submitted to this Department within one year of the date you complete the change(s) or within one year of the completion date authorized in the transfer final order, whichever occurs first.

If you have any questions related to the approval of this transfer, you may contact your caseworker, Scott Grew, by telephone at (503) 9860890 or by e-mail at Scott.a.grew@water.oregon.gov.

Sincerely,

Elyse D. Richman
Water Rights Services Support
Transfers and Conservation Section

cc: Jeremy T. Giffin, Watermaster Dist. # 11 (via email)
Niall Boggs, Agent
Deschutes County Planning Department, Local Government

Enclosure

**BEFORE THE WATER RESOURCES DEPARTMENT
OF THE
STATE OF OREGON**

In the Matter of Transfer Application) FINAL ORDER APPROVING AN
T-13939, Deschutes County) ADDITIONAL POINT OF APPROPRIATION

Authority

Oregon Revised Statutes (ORS) 537.705 and 540.505 to 540.580 establish the process in which a water right holder may submit a request to transfer the point of appropriation, place of use, or character of use authorized under an existing water right. Oregon Administrative Rules (OAR) Chapter 690, Division 380 implement the statutes and provides the Department’s procedures and criteria for evaluating transfer applications.

Applicant

OREGON WATER UTILITIES – CLINE BUTTE INC.
JORGE LOPEZ, PE
1325 N GRAND AVE, SUITE 100
COVINA, CA 91724-4044

Findings of Fact

1. On March 7, 2022, OREGON WATER UTILITIES – CLINE BUTTE INC. / JORGE LOPEZ, PE, filed an application for an additional point of appropriation under Certificate 85472. The Department assigned the application number T-13939.
2. Notice of the application for transfer was published on March 15, 2022, pursuant to OAR 690-380-4000. No comments were filed in response to the notice.
3. On August 30, 2024, the Department sent a copy of the draft Preliminary Determination proposing to approve Transfer Application T-13939 to the applicant. The draft Preliminary Determination cover letter set forth a deadline of September 29, 2024, for the applicant to respond. The applicant requested that the Department proceed with issuance of a Preliminary Determination and provided the necessary information to demonstrate that the applicant is authorized to pursue the transfer.

This final order is subject to judicial review by the Court of Appeals under ORS 183.482. Any petition for judicial review must be filed within the 60-day time period specified by ORS 183.482(1). Pursuant to ORS 536.075 and OAR 137-003-0675, you may petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied.

4. On September 19, 2024, the agent for the applicant requested a completion date of October 1, 2028, to match another water right transfer final order that added Well 10. The Department granted the longer time for completion per OAR 690-380-5140 (3).
5. On November 22, 2024, the Department issued a Preliminary Determination proposing to approve Transfer Application T-13939 and sent a copy to the applicant. Additionally, notice of the Preliminary Determination for the transfer application was published in the Department's weekly notice on November 26, 2024, pursuant to ORS 540.520 and OAR 690-380-4020. No protests were filed in response to the notice.
6. The right to be transferred is as follows:

Certificate: 85472 in the name of CLINE BUTTE UTILITY CO. (perfected under Permit G-13856)

Use: QUASI-MUNICIPAL USE

Priority Date: NOVEMBER 2, 1998

Rate: 3.34 CUBIC FEET PER SECOND, FURTHER LIMITED TO A MAXIMUM DIVERSION OF 252 ACRE-FEET EACH YEAR AND SHALL RESULT IN CONSUMPTION OF NO MORE THAN 115 ACRE-FEET EACH YEAR, ONCE SEWAGE CONTRIBUTION IS SUBTRACTED FROM THE AMOUNT DIVERTED, UNLESS THE MITIGATION PLAN IS MODIFIED AND APPROVED BY THE DEPARTMENT.

Period of Use: YEAR ROUND

Source: A WELL in the DESCHUTES RIVER BASIN

Authorized Point of Appropriation:

Twp	Rng	Mer	Sec	Q-Q	Measured Distances
15 S	12 E	WM	16	NE NE	WELL 9 - 204 FEET SOUTH AND 476 FEET WEST FROM THE NE CORNER OF SECTION 16

Authorized Place of Use:

Twp	Rng	Mer	Sec	Q-Q
15 S	12 E	WM	16	NE NE
15 S	12 E	WM	16	NW NE
15 S	12 E	WM	16	SW NE
15 S	12 E	WM	16	SE NE
15 S	12 E	WM	16	NE NW
15 S	12 E	WM	16	NW NW
15 S	12 E	WM	16	SW NW
15 S	12 E	WM	16	SE NW
15 S	12 E	WM	16	NE SW
15 S	12 E	WM	16	NW SW
15 S	12 E	WM	16	SW SW
15 S	12 E	WM	16	SE SW

7. Transfer Application T-13939 proposes an additional point of appropriation approximately 45 feet south from the existing point of appropriation to:

Twp	Rng	Mer	Sec	Q-Q	Measured Distances
15 S	12 E	WM	16	NE NE	WELL 10 - 247 FEET SOUTH AND 476 FEET WEST FROM THE NE CORNER OF SECTION 16

Transfer Review Criteria [OAR 690-380-0100(14), 690-380-4010(2) and OAR 690-380-2110(2)]

8. Water has been used within the last five years according to the terms and conditions of the right. There is no information in the record that would demonstrate that the right is subject to forfeiture under ORS 540.610.
9. A water delivery system sufficient to use the full amount of water allowed under the existing right was present within the five-year period prior to submittal of Transfer Application T-13939.
10. The water right is subject to transfer as defined in ORS 540.505(4) and OAR 690-380-0100(14).
11. The proposed point of appropriation develops groundwater from the same aquifer as the authorized point of appropriation, as required by OAR 690-380-2110(2).
12. The proposed change would not result in enlargement of the right.
13. The proposed change would not result in injury to other existing water rights.
14. All other application requirements are met.

7/28/11 1:11 PM

Conclusions of Law

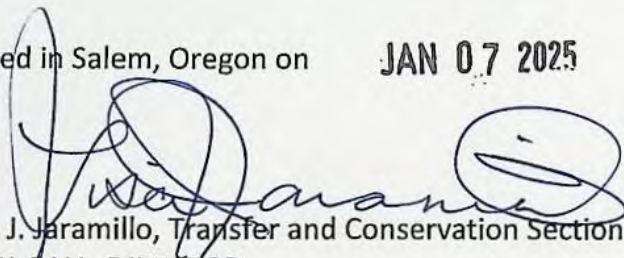
The additional point of appropriation proposed in Transfer Application T-13939 is consistent with the requirements of ORS 537.705 and 540.505 to 540.580 and OAR 690-380-5000.

Now, therefore, it is ORDERED:

1. The additional point of appropriation proposed in Transfer Application T-13939 is approved.
2. The right to the use of the water is restricted to beneficial use at the place of use described and is subject to all other conditions and limitations contained in Certificate 85472 and any related decree.
3. Approval of this transfer application does not constitute nor grant legal access onto or through another person's property for purposes of accessing the new point of appropriation.
4. Water right Certificate 85472 is cancelled.

5. The quantity of water diverted at the new additional point of appropriation (Well 10), together with that diverted at the original point of appropriation (Well 9), shall not exceed the quantity of water lawfully available at the original point of appropriation (Well 9).
6. Water shall be acquired from the same aquifer (water source) as the original point of appropriation.
7. Water use measurement conditions:
 - a. Before water use may begin under this order, the water user shall install a totalizing flow meter, or, with prior approval of the Director, another suitable measuring device, at each point of appropriation (new and existing).
 - b. The water user shall maintain the meters or measuring devices in good working order.
 - c. The water user shall allow the Watermaster access to the meters or measuring devices; provided however, where the meters or measuring devices are located within a private structure, the Watermaster shall request access upon reasonable notice.
8. Full beneficial use of the water shall be made, consistent with the terms of this order, on or before **October 1, 2028**. A Claim of Beneficial Use prepared by a Certified Water Right Examiner shall be submitted by the applicant to the Department within one year after the deadline for completion of the change and full beneficial use of the water.
9. After satisfactory proof of beneficial use is received, a new certificate confirming the right transferred will be issued.

Dated in Salem, Oregon on **JAN 07 2025**



Lisa J. Jaramillo, Transfer and Conservation Section Manager, for
IVAN GALL, DIRECTOR
Oregon Water Resources Department

Mailing date: **JAN 08 2025**



Oregon Water Resources Department
 725 Summer Street NE, Suite A
 Salem Oregon 97301-1266
 (503) 986-0900
 www.wrd.state.or.us

Certificate of Water Right Ownership Update

NOTICE TO SELLERS & BUYERS:

By law, all water belongs to the public (ORS 537.110). In almost every instance, a permit or water right certificate from the Water Resources Department is needed before using, diverting or storing water (ORS 537.130). However, most domestic wells do not require water rights. A certificate of water right stays with the land. In order to keep track of water right ownership, the Department requests that this form be submitted to the Department. *If for multiple rights, a separate form for each right will be required.*

Water that has been used for a long time in one place or that involves a water structure (like a dam) that already exists is no guarantee that there is a water right which would allow the water use to continue.

If you have any questions about this form or water right requirements, please contact your local watermaster or call the Water Resources Department at 503-986-0900.

Note: Please type or print legibly when filling in the following information. Use additional paper if necessary.

PROPERTY SELLER INFORMATION

Applicant(s): Cline Butte Utility Company
 Mailing Address: 1230 Golden Pheasant
Redmond OR 97756
 Phone: _____
 City State Zip
 Home Work Other

PROPERTY BUYER INFORMATION

Applicant(s): Oregon Water Utilities - Cline Butte, Inc.
 Mailing Address: 1230 Golden Pheasant
Redmond OR 97756
 Phone: _____
 City State Zip
 Home Work Other

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PROPERTY DESCRIPTION (attach additional pages if necessary):

County: Deschutes Township: 15 South Range: 12 East Section: 14,15,16,22,23
 Tax Lot Number(s): Multiple - Note this is a quasi-municipal right serving hundreds of properties.

Street address of water right property: Eagle Crest Resort

Water Right Information (attach copy of water right permit or certificate & final proof map):

Application #: G-14857 Permit #: G-13856 Certificate or Page #: 85472

Will all the lands associated with this water right be owned by the buyer? Yes No

Name of individual completing this form: Craig Gott Phone: 626-543-2554

Signature: _____ Date: 6/20/17

Please be sure to attach a copy of your property deed or legal description of the property.

98423AM

Return To:



Deschutes County Official Records **2017-021202**
D-D
Stn=0 PG **06/02/2017 01:15:00 PM**
\$11.00 \$25.00 \$6.00 \$21.00 \$10.00 **\$73.00**

I, Nancy Blankenship, County Clerk for Deschutes County, Oregon, certify that the instrument identified herein was recorded in the Clerk records.

Nancy Blankenship - County Clerk

After recording return to:

Oregon Water Utilities Cline Butte, Inc., an Oregon corporation
1325 N. Grand Avenue, Suite 100
Covina, CA 91724

Until a change is requested, all tax statements shall be sent to:

Oregon Water Utilities Cline Butte, Inc., an Oregon corporation
1325 N. Grand Avenue, Suite 100
Covina, CA 91724

This space reserved for recorder's use.

STATUTORY SPECIAL WARRANTY DEED

CLINE BUTTE WATER, LLC, a Delaware limited liability company, who acquired title as Cline Butte Utilities, LLC, a Delaware limited liability company ("Grantor"), conveys and specially warrants to OREGON WATER UTILITIES CLINE BUTTE, INC., an Oregon corporation ("Grantee"), the real property in Deschutes County, Oregon, more particularly described on Exhibit A attached hereto and by this reference incorporated herein, free of encumbrances created or suffered by the Grantor, except for those encumbrances set forth on Exhibit B, attached hereto and by this reference incorporated herein.

The true consideration for this conveyance in terms of dollars is \$100 and other good and valuable consideration.

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Signature(s) to follow on next page.

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BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

DATED: 5/31, 2017

CLINE BUTTE WATER, LLC, a Delaware limited liability company who acquired title as Cline Butte Utilities, LLC, a Delaware limited liability company

By: [Signature]
Name: Simon Hallgarten
Its: Authorized Signatory

STATE OF Connecticut)
COUNTY OF Sarisfield) ss.

The foregoing instrument was acknowledged before me this 31st day of May, 2017, by Simon Hallgarten, as Authorized Signatory of Cline Butte Water, LLC, a Delaware limited liability company.

[Signature]
Notary Public for _____
My commission expires: _____

Catherine Smoriglio
Notary Public - Connecticut
My commission expires 11/30, 2020

Catherine Smoriglio
Notary Public - Connecticut
My commission expires 11/30, 2020

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EXHIBIT A
Legal Description

PARCEL 2:

LOT 2, RIDGE AT EAGLE CREST 34, RECORDED JANUARY 17, 2003, IN CABINET F, PAGE(S) 372,
DESCHUTES COUNTY, OREGON.

PARCEL 3:

DEVELOPER'S LOT J, RIDGE AT EAGLE CREST 36, RECORDED FEBRUARY 4, 2002, IN CABINET F,
PAGE(S) 23, DESCHUTES COUNTY, OREGON.

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EXHIBIT B
Permitted Encumbrances

SPECIAL EXCEPTIONS FOR PARCEL 2:

14. Regulations, including levies, assessments, water and irrigation rights and easements for ditches and canals of Swalley Irrigation District.

(No inquiry has been made. If a search is requested, a charge of \$25.00 per account will be added)

15. Development Agreement, including the terms and provisions thereof,

Recorded: June 3, 1993

Instrument No.: 300-2855

16. All Lots are subject to the Deschutes County Solar Ordinance as shown on the official plat of said land.

17. Covenants, conditions and restrictions, but omitting any covenant or restriction based on race, color, religion, sex, sexual orientation, disability, handicap, familial status, marital status, ancestry, national origin or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Recorded: January 28, 2005

Instrument No.: 2005-05688

Said Covenants, Conditions and Restrictions set forth above contain, among other things, levies and assessments of The Ridge at Eagle Crest Owners Association.

Supplemental to Declaration of Protective Covenants, Conditions and Restrictions and Easements for The Ridge at Eagle Crest, including the terms and provisions thereof,

Recorded: November 15, 2002

Instrument No.: 2002-64072

Supplement to Amended and Restated Declarations of Protective Covenants, Conditions, Restrictions and Easements for the Ridge at Eagle Crest, including the terms and provisions thereof,

Recorded: November 8, 2005

Instrument No.: 2005-76834

Declaration of Annexation, including the terms and provisions thereof,

Recorded: May 16, 2017

Instrument No.: 2017-18755

18. Easement or easements, including the terms and provisions thereof, as contained in instrument,

Recorded: January 28, 2005

Instrument No.: 2005-05688

19. Bylaws, including the terms and provisions thereof and the right to levy certain charges and assessments against the subject property,

Recorded: January 28, 2005

Instrument No.: 2005-05689

20. Pumphouse and Pond Easement Agreement, including the terms and provisions thereof,

Recorded: October 12, 2016

Instrument No.: 2016-42077

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SPECIAL EXCEPTIONS FOR PARCEL 3:

22. Improvement Agreement, including the terms and provisions thereof,
Recorded: January 31, 2002
Instrument No.: 2002-6264
23. Utility easement as shown on the official plat of said land.
24. Restrictive Covenants regarding surface mining activities, including the terms and provisions thereof, and including among other things a waiver of right of remonstrance,
Recorded: February 4, 2002
Instrument No.: 2002-6684
25. Improvement Agreement, including the terms and provisions thereof,
Recorded: May 23, 2002
Instrument No.: 2002-28227
26. Easement or easements, including the terms and provisions thereof, as contained in instrument,
Recorded: January 28, 2005
Instrument No.: 2005-05688
28. Reciprocal Access Easement and Maintenance Agreement, including the terms and provisions thereof,
Recorded: March 15, 2017
Instrument No.: 2017-09962

Bike Path Easement Agreement to be recorded as of an even date with this deed.

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Return To:



2017-006024

Klamath County, Oregon

06/02/2017 01:39:00 PM

Fee: \$72.00

After recording return to:

Oregon Water Utilities Mountain Lakes, Inc., an Oregon corporation
1325 N. Grand Avenue, Suite 100
Covina, CA 91724

Until a change is requested, all tax statements shall be sent to:

Oregon Water Utilities Mountain Lakes, Inc., an Oregon corporation
1325 N. Grand Avenue, Suite 100
Covina, CA 91724

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STATUTORY SPECIAL WARRANTY DEED

RUNNING Y WATER, LLC, a Delaware limited liability company, and RUNNING Y WATER, LLC, a Delaware limited liability company, as successor by conversion to RUNNING Y UTILITIES, INC., an Oregon corporation, who took title as RUNNING Y UTILITY COMPANY, an Oregon corporation ("Grantor"), conveys and specially warrants to OREGON WATER UTILITIES MOUNTAIN LAKES, INC., an Oregon corporation ("Grantee"), the real property in Klamath County, Oregon, more particularly described on Exhibit A attached hereto and by this reference incorporated herein, free of encumbrances created or suffered by the Grantor, except for those encumbrances set forth on Exhibit B, attached hereto and by this reference incorporated herein.

The true consideration for this conveyance in terms of dollars is \$100 and other good and valuable consideration.

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Signature(s) to follow on next page.

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EXHIBIT A
Legal Description

PARCEL 15:

DEVELOPER LOT 816, RUNNING Y RESORT, PHASE 10, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK, KLAMATH COUNTY, OREGON.

PARCEL 17:

LOT 106 OF TRACT 1472, RIDGEWATER SUBDIVISION PHASE 1, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

PARCEL 18:

PARCEL 1 OF LAND PARTITION 47-01, LOCATED IN THE S1/2 OF SECTION 9, TOWNSHIP 38 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON.

PARCEL 19:

PARCEL 3 OF LAND PARTITION 33-07, BEING A REPLAT OF PARCEL 1 OF LAND PARTITION NO. 53-06 LOCATED IN THE S1/2 OF SECTION 9, TOWNSHIP 38 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON

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EXHIBIT B
Permitted Encumbrances

110. Taxes assessed under Code No. 183 Account No. R894648 Map No. R-3808-009C0-00201-000, including the current fiscal year, not assessed because of Property Well Exemption. If the exempt status is terminated an additional tax may be levied.
112. Taxes assessed under Code No. 074 Account No. R893233 Map No. R-3808-026DC-03000-000
The 2016-2017 Taxes: \$334.55
Balance Due: \$171.74, plus interest, unpaid.
113. Taxes assessed under Code No. 082 Account No. R888544 Map No. R-3808-009D0-00107-000
The 2016-2017 Taxes: \$309.93
Balance Due: \$159.09, plus interest, unpaid.
114. Special Assessment disclosed by the Klamath tax rolls:
For: Klamath Lake Timber Fire Patrol
115. Special Assessment disclosed by the Klamath tax rolls:
For: Klamath Lake Grazing Fire Patrol
116. Special Assessment disclosed by the Klamath tax rolls:
For: Running Y Utility Co.
117. Special Assessment disclosed by the Klamath tax rolls:
For: Wocus Drainage District
118. The rights of the public in and to that portion of the herein described property lying within the limits of public roads, streets or highways.
119. The provisions contained in Deed,
Recorded: August 30, 1917,
Volume: 47, page 264.
As follows: See deed for particulars.
120. The provisions contained in document,
Recorded: May 1, 1923,
Volume: 61, page 116.
As follows: See document for particulars.
121. The provisions contained in Water Right Agreement,
Recorded: August 13, 1924,
Volume: 64, page 376.
As follows: See agreement for particulars.
122. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:
Granted To: The California Oregon Power Company, a California corporation
Recorded: October 4, 1924
Volume: 64, page 489

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123. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:
Granted To: The California Oregon Power Company
Recorded: February 18, 1926
Volume: 69, page 298
124. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:
Granted To: The California Oregon Power Company, a California corporation
Recorded: February 18, 1926
Volume: 69, page 299
125. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:
Granted To: The California Oregon Power Company, a California corporation
Recorded: February 28, 1929
Volume: 85, page 412
126. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:
Granted To: The California Oregon Power Company, a California corporation
Recorded: May 1, 1923
Instrument No.: Volume 61, page 116, Deed Records
And Recorded: April 5, 1932
Volume: 97, page 211, 213, 215, 217, 219, 221, 223, 225, and 227
127. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:
Granted To: The California Oregon Power Company, a California corporation
Recorded: December 26, 1939
Volume: 126, page 192
128. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:
Granted To: Wocus Drainage District, a municipal corporation
Recorded: September 7, 1954
Volume: 269, page 163
129. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:
Recorded: September 30, 1960
Volume: 324, page 373, 379, and 382
130. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:
Granted To: The California Oregon Power Company, a California corporation
Recorded: August 31, 1943
Volume: 158, page 183
Modified by Agreement;
Recorded: August 6, 1948
Volume: 223, page 400

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131. The provisions contained in Deed,
Recorded: July 18, 1966,
Volume: M66, page 7241.
As follows: See deed for particulars.
132. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:
Granted To: Esther Cecilia Hunt
Recorded: June 12, 1972
Instrument No.: M72, page 6270, and M72, page 6274
133. Covenants, conditions, restrictions and easements as shown on the recorded plat of Land Partition 47-01.
135. Access easements as shown on the official plats of said land.
136. Utility and drainage easement as shown on the official plats of said land.
138. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:
Recorded: December 14, 2006
Instrument No.: 2006-024741
Affects Parcel 19.
139. Restrictions as shown on the official plat of Land Partition 33-07.
140. Well as delineated on the official plat of Land Partiton 33-07.
141. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:
Granted To: Running Y Water, LLC., a Delaware limited liability company; Running Y Environmental, LLC., a Delaware limited liability company
Recorded: April 12, 2016
Instrument No.: 2016-003730
142. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:
Granted To: The California Oregon Power Company
Recorded: September 9, 1925
Volume: 68, page 280
143. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:
Granted To: PacifiCorp, an Oregon Corporation, its successors and assigns
Recorded: April 1, 1998
Volume: M98, page 10632
144. Subdivision Development Agreement, including the terms and provisions thereof,
Recorded: August 31, 2006
Instrument No.: 2006-017543
Affects Parcel 17.
145. Restrictions as shown on the official plat of said land.

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146. Public Utility easement as shown on the official plat of said land.
147. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:
Granted To: CLV Properties, LLC
Recorded: April 25, 2017
Instrument No.: 2017-004337

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Oregon

Theodore R. Kulongoski, Governor

Water Resources Department

725 Summer Street NE, Suite A

Salem, OR 97301-1271

503-986-0900

FAX 503-986-0904

December 12, 2006

Tom Walker, P.E., C.W.R.E.
Vice President
W&H Pacific
920 SW Emkay, Suite C100
Bend, Oregon 97702-1041

Re: Ground Water Permit G-13856 for Cline Butte Utility Company

Dear Tom:

Thank you for your inquiry regarding the amount of water that may be diverted under the above referenced ground water permit.

On October 17, 2000, the Department issued permit G-13856 to Eagle Crest Inc. This permit was later assigned to Cline Butte Utility Company. Permit G-13856 is a superseding permit that was issued following a reconsideration request submitted to the Department after the issuance of a Final Order approving the application, denying a protest, and issuing permit G-13819.

In your letter of November 16, 2006, addressed to Laura Snedaker, you requested confirmation of the intent of the permit conditions addressing the quantity of water that may be used under the terms of the permit. In your letter you identify that it is the permit holders understanding that the amount of water, the volume, that may be diverted may also be adjusted by modifying the mitigation plan and amount of mitigation provided to reflect the quantities of water that are actually used.

I, along with Laura Snedaker, have reviewed the permit and application file. The permit identifies that the water user may divert up to 3.34 Cubic Feet per Second (CFS) further limited to a maximum annual volume of 252.0 Acre-Feet (AF). The permit also identifies that the consumptive portion of the authorized use is 115.0 AF. The Department agrees that the quantity of water provided to mitigate for the amount consumed may be adjusted by modifying the mitigation plan with approval from the Department. However, the Department does not agree that the maximum annual volume allowed by the permit may be enlarged. The condition in the permit addressing modifications to the mitigation plan does contemplate that additional mitigation may be provided to offset the amount of water actually consumed. However, the rate and maximum annual volume limits on the permit may not be exceeded.

This permit is consistent with other permits issued since the adoption of the Deschutes Ground Water Mitigation Rules and with other permits issued elsewhere in the state. Many permits are issued with a "shaped" water use, which may include a maximum volume that can be diverted monthly or annually. The extent to which a water use may be developed is based upon the maximum quantities (rate and volume in this case) allowed by the permit. A subsequent certificate would be limited to these amounts. In the Deschutes Basin, there is an extra element on the permits, being the mitigation obligation (the amount consumed). The amount identified as needed for mitigation purposes (consumptive use portion) is based on the maximum volume that may be diverted. However, under very limited circumstances, the amount provided for mitigation may be adjusted (up or down) after the permit is issued. For example, if the Department identifies that more mitigation is needed or if the permit holder identifies that less mitigation is needed because the full amount allowed by the permit was not developed and this is demonstrated at time of proof.

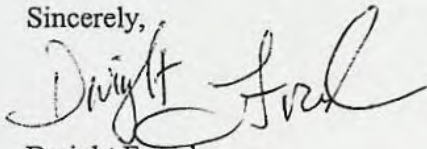
We have identified several possible options that may help meet the water needs of Cline Butte Utility. Options may include:

- Another permit for the additional quantity needed.
- A permit amendment (or transfer) to add well #9 as an additional well to an existing permit(s) and to add the Eagle Crest III area to another permit(s). Or even a permit amendment to add the Eagle Crest II area (and/or other areas) to permit G-13856. (I noticed when briefly looking at the Claim of Beneficial Use (CBU) for this permit that the area of use is larger than that on the original permit. While quasi-municipal water may be delivered to other areas without a permit amendment, if you would like this are recognized on any subsequent certificate, a permit amendment to include the Eagle Crest II area may be necessary.)
- Transfer of another existing use to quasi-municipal water use.

It's also possible, depending on how Cline Butte Utility decides to proceed, that they may need to file for an extension of time for permit G-13856. If you and/or Cline Butte Utility Company would like to meet with Department staff to discuss these potential options and what steps may need to be taken from here, let me know. Discussion could also include any questions you may have with regard to the current CBU for permit G-13856 and modifications to the mitigation plan within the constraints of permit G-13856. In your letter, you also requested that the Department review Allocation of Conserved Water CW-13 as mitigation for permit G-13856 and convert the applicant's portion of conserved water to an instream water right. Please let Laura Snedaker know by January 15, 2007, how you would like to proceed with CW-13. Laura Snedaker can be reached at (503) 986-0884.

Please do not hesitate to contact me if you have any questions. I can be reached at (503) 986-0819.

Sincerely,



Dwight French
Water Rights/Adjudications Div. Manager

cc: Jerol Andres, Cline Butte Utility Company
Alan VanVliet, Eagle Crest
Laura Snedaker, Sr. Water Resources Coordinator
Kyle Gorman, SCR Manager
Jeremy Giffin, District 11 Watermaster
File G-14857

G-14857

BEFORE THE WATER RESOURCES DEPARTMENT
OF THE
STATE OF OREGON

In the Matter of Permit Amendment)
Application T-10493, Deschutes County) FINAL ORDER WITHDRAWING
) AN APPLICATION FOR A WATER
) RIGHT PERMIT AMENDMENT

Authority

ORS 537.211 establishes the process in which a water right permit holder may submit a request to change the point of appropriation and/or place of use authorized under an existing water right permit.

Applicant

Cline Butte Utility Company
1230 Golden Pheasant Drive
Redmond, OR 97756

Agent

W & H Pacific
Attn: Niall Boggs
920 SW Emkay Drive, Suite C-100
Bend, OR 97702

Findings of Fact

1. Permit Amendment Application T-10493, in the name of Cline Butte Utility Company, was filed on November 29, 2007.
2. On March 3, 2010, Niall Boggs of W & H Pacific submitted a written request on behalf of the applicant asking that Permit Amendment Application T-10493 be withdrawn.

Now, therefore, it is ORDERED:

Permit Amendment Application T-10493, in the name of Cline Butte Utility Company, is withdrawn and of no further force or effect. Any unearned fees will be refunded.

Dated at Salem, Oregon this 5th day of March, 2010.

William E. Ferber
for Phillip C. Ward, Director

Mailing date: MAR 30 2010

This is a final order in other than a contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60-day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080, you may petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied.

STATE OF OREGON
 COUNTY OF DESCHUTES
 CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

CLINE BUTTE UTILITY CO.
 1230 GOLDEN PHEASANT DRIVE
 REDMOND OR 97756

confirms the right to use the waters of A WELL in the Deschutes River Basin for QUASI-MUNICIPAL USE.

This right was perfected under Permit G-13856. The date of priority is NOVEMBER 2, 1998. The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 3.34 CUBIC FEET PER SECOND, further limited to a maximum diversion of 252 acre-feet each year and shall result in consumption of no more than 115 ace-feet each year, once sewage contribution is subtracted from the amount diverted, unless the mitigation plan is modified and approved by the Department as described below.

If the reporting, as required below, demonstrates the mitigation plan is not sufficient to mitigate for the amount of water actually consumed, the use will be further restricted to limit the total consumed water to 115 acre-feet, or the Department may approve an additional and equivalent water right to be leased to instream use, to maintain an acre-foot for acre-foot balance between the amount of water consumed to the amount of water provided to instream use. An equivalent water right must, at a minimum, be from a water right with a diversion point at or near the diversion authorized by the lease of certificate 74145.

The period of allowed use is year round.

The well is located as follows:

Twp	Rng	Mer	Sec	Q-Q	GLot	DLC	Measured Distances
15 S	12 E	WM	16	NE NE			204 FEET SOUTH & 476 FEET WEST FROM NE CORNER, SECTION 16

A description of the place of use to which this right is appurtenant is as follows:

Twp	Rng	Mer	Sec	Q-Q	GLot	DLC
15 S	12 E	WM	16	NE NE		
15 S	12 E	WM	16	NW NE		
15 S	12 E	WM	16	SW NE		
15 S	12 E	WM	16	SE NE		
15 S	12 E	WM	16	NE NW		

NOTICE OF RIGHT TO PETITION FOR RECONSIDERATION OR JUDICIAL REVIEW

This is an order in other than a contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080, you may either petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied. In addition, under ORS 537.260 any person with an application, permit or water right certificate subsequent in priority may jointly or severally contest the issuance of the certificate at any time before it has issued, and after the time has expired for the completion of the appropriation under the permit, or within three months after issuance of the certificate.

Twp	Rng	Mer	Sec	Q-Q	GLot	DLC
15 S	12 E	WM	16	NW,NW		
15 S	12 E	WM	16	SW,NW		
15 S	12 E	WM	16	SE,NW		
15 S	12 E	WM	16	NE,SW		
15 S	12 E	WM	16	NW,SW		
15 S	12 E	WM	16	SW,SW		
15 S	12 E	WM	16	SE,SW		

Measurement, recording and reporting conditions:

- A. The water user shall maintain the meters or measuring devices in good working order, at both the diversion from the well and at a point where sewage, that is actually discharged to the ground may be measured. The water user shall keep a complete record of the amount of water used, 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 water user to report general water-use information, including the place and nature of use of water under the right.
- B. The water user shall allow the watermaster access to the meters or measuring devices; provided however, where the meters or measuring devices are located within a private structure, the watermaster shall request access upon reasonable notice.

The Department requires the water user to measure and report annual static water levels for each well on the right. Or, the water user can measure other wells in close proximity to the wells, if the Department's Groundwater Staff determines that the substitute observation wells will provide adequate data to assess the impacts from the wells. The static water level shall be measured in the month of March, using manual measurement equipment, such as an electric tape or steel tape. Reports shall be submitted to the Department within 30 days of measurement.

If substantial interference with a senior water right occurs due to withdrawal of water from any well listed on this right, then use of water from the well shall be discontinued or reduced and/or the schedule of withdrawal shall be regulated until or unless the Department approves or implements an alternative administrative action to mitigate the interference. The Department encourages junior and senior appropriators to jointly develop plans to mitigate interference.

Use of water under authority of this right may be regulated if analysis of data available after the right is issued discloses that the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right or as those quantities may be subsequently reduced.

The well shall be maintained in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. The works shall be equipped with a usable access port, and may also include an air line and pressure gauge adequate to determine water level elevation in the well at all times.

The Director may require water level or pump test results every ten years.

Failure to comply with any of the provisions of this right may result in action including, but not limited to, restrictions on the use, civil penalties, or cancellation of the right.

This right 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.

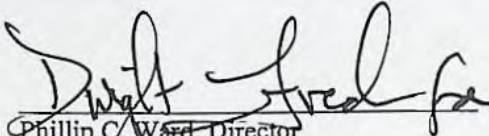
By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledge land-use plan.

The right to the use of the water for the above purpose is restricted to beneficial use on the lands or place of use described.

Water may be applied to lands which are not specifically described above, provided the holder of this right complies with ORS 540.510(3).

The use of water shall be limited when it interferes with any prior surface or ground water rights.

Issued MAY 08 2009


Phillip C. Ward, Director
Water Resources Department





Oregon

Theodore R. Kulongoski, Governor

Water Resources Department
North Mall Office Building
725 Summer Street NE, Suite A
Salem, OR 97301-1271
503-986-0900
FAX 503-986-0904

Date Mailed: May 8, 2009

NOTICE OF CERTIFICATE ISSUANCE

Attached are certificates that confirm water rights established under the terms of permits issued by this Department. The water rights are now appurtenant to the specific place where the use was established as described by the certificates. The water rights are limited to a specific amount of water, but not more than can be beneficially used for the purposes stated within the certificates.

This is a final order in other than a contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within **60 days of the mailing date stated above** as specified by ORS 183.484(2).

This statement of judicial review rights is required under ORS 536.075; it does not alter or add to existing review rights or create review rights that are not otherwise provided by law.

Under ORS 537.260 and 537.270, a water right certificate may be contested before the Water Resources Department within three (3) months of the date it is issued. If a certificate is contested, the qualifying contestant shall be offered an administrative hearing.

Oregon law does not allow the Director to reissue a certificate because of a change in the ownership of the appurtenant place of use. The water must be controlled and not wasted. To change the location of the point of diversion, the character of use, or the location of use requires the advance approval of the Water Resources Director.

If any portion of this water right is not used for five or more consecutive years, that portion of the right may be subject to forfeiture according to ORS 540.610. Land enrolled in a Federal Reserve Program is not subject to forfeiture during the period of enrollment. Other exceptions to forfeiture are explained in ORS 540.610.

If you have any questions please contact Gerry Clark at 503-986-0811

Mailing List for Certificate

Scheduled Mailing Date:

Application: G-14857

Permit: G-13856

Certificate: 85472

Permit/Certificate Holder:

CLINE BUTTE UTILITY CO.
1230 GOLDEN PHEASANT DRIVE
REDMOND OR 97756 ✓

<p>Copies Mailed</p> <p>by: <u>Connie Oane</u> (STAFF)</p> <p>on: <u>MAY 08 2009</u> (DATE)</p>
--

Copies of Final Certificate to be sent to:

1. Watermaster District 11, Jeremy T. Giffin ✓
2. Data Center (include copy of map) ✓
3. Water Availability ✓
4. Vault ✓
5. File

Other persons to receive copies: (include map):

1. Thomas W. Walker, CWRE ✓

Mailing List for Certificate

Scheduled Mailing Date:

Application: G-14857

Permit: G-13856

Certificate: *****

Permit/Certificate Holder:

CLINE BUTTE UTILITY CO. ✓
1230 GOLDEN PHEASANT DRIVE
REDMOND OR 97756

<p>Copies Mailed</p> <p>by: <u>Connie Jones</u> (STAFF)</p> <p>on: <u>FEB 06 2009</u> (DATE)</p>

Copies of Final Certificate to be sent to:

1. Watermaster District 11, Jeremy T. Giffin ✓
2. Data Center (include copy of map)
3. Water Availability
4. Vault
5. File ✓

Other persons to receive copies: (include map):

1. Thomas W. Walker, CWRE ✓



Oregon

Theodore R. Kulongoski, Governor

Water Resources Department
North Mall Office Building
725 Summer Street NE, Suite A
Salem, OR 97301-1271
503-986-0900
FAX 503-986-0904

MAILED: FEB 06 2009

NOTICE

Reference: Permit G-11762 Application G-12905
 Permit G-13856 Application G-14857

Enclosed are proposed certificates of water rights and maps which illustrates the location of the right. The maps and proposed certificates represent the extent water was used within the terms of the permits based upon the claims of beneficial use.

If you do not agree with the proposed certificate s, Oregon Administrative Rule 690-330-010 (2) allows the permittee or landowner 60 days from the mailing date of this notice to request the Department to reconsider the contents of the proposed certificate.

If you agree with the proposed certificates no response to this notice is required. Sometime after the 60 day period, the recorded certificates of water rights will be mailed to the permittee.

If you have any questions please contact Gerry Clark at 503-986-0811.

Sincerely,

Dwight French
Administrator
Water Rights Division

STATE OF OREGON
 COUNTY OF DESCHUTES
 CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

CLINE BUTTE UTILITY CO.
 1230 GOLDEN PHEASANT DRIVE
 REDMOND OR 97756

confirms the right to use the waters of A WELL in the Deschutes River Basin for QUASI-MUNICIPAL USE.

This right was perfected under Permit G-13856. The date of priority is NOVEMBER 2, 1998. The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 3.34 CUBIC FEET PER SECOND, further limited to a maximum diversion of 252 acre-feet each year and shall result in consumption of no more than 115 ace-feet each year, once sewage contribution is subtracted from the amount diverted, unless the mitigation plan is modified and approved by the Department as described below.

If the reporting, as required below, demonstrates the mitigation plan is not sufficient to mitigate for the amount of water actually consumed, the use will be further restricted to limit the total consumed water to 115 acre-feet, or the Department may approve an additional and equivalent water right to be leased to instream use, to maintain an acre-foot for acre-foot balance between the amount of water consumed to the amount of water provided to instream use. An equivalent water right must, at a minimum, be from a water right with a diversion point at or near the diversion authorized by the lease of certificate 74145.

The period of allowed use is year round.

The well is located as follows:

Twp	Rng	Mer	Sec	Q-Q	GLot	DLC	Measured Distances
15 S	12 E	WM	16	NE NE			204 FEET SOUTH & 476 FEET WEST FROM NE CORNER, SECTION 16

A description of the place of use to which this right is appurtenant is as follows:

Twp	Rng	Mer	Sec	Q-Q	GLot	DLC
15 S	12 E	WM	16	NE NE		
15 S	12 E	WM	16	NW NE		
15 S	12 E	WM	16	SW NE		
15 S	12 E	WM	16	SE NE		
15 S	12 E	WM	16	NE NW		

NOTICE OF RIGHT TO PETITION FOR RECONSIDERATION OR JUDICIAL REVIEW

This is an order in other than a contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080, you may either petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied. In addition, under ORS 537.260 any person with an application, permit or water right certificate subsequent to this order may jointly or severally contest the issuance of the certificate at any time before it has issued, and after the time specified for the completion of the appropriation under the permit, or within three months after issuance of the certificate.

PROPOSED

85472

Twp	Rng	Mer	Sec	Q-Q	GLot	DLC
15 S	12 E	WM	16	NW NW		
15 S	12 E	WM	16	SW NW		
15 S	12 E	WM	16	SE NW		
15 S	12 E	WM	16	NE SW		
15 S	12 E	WM	16	NW SW		
15 S	12 E	WM	16	SW SW		
15 S	12 E	WM	16	SE SW		

Measurement, recording and reporting conditions:

- A. The water user shall maintain the meters or measuring devices in good working order, at both the diversion from the well and at a point where sewage, that is actually discharged to the ground may be measured. The water user shall keep a complete record of the amount of water used, 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 water user to report general water-use information, including the place and nature of use of water under the right.
- B. The water user shall allow the watermaster access to the meters or measuring devices; provided however, where the meters or measuring devices are located within a private structure, the watermaster shall request access upon reasonable notice.

The Department requires the water user to measure and report annual static water levels for each well on the right. Or, the water user can measure other wells in close proximity to the wells, if the Department's Groundwater Staff determines that the substitute observation wells will provide adequate data to assess the impacts from the wells. The static water level shall be measured in the month of March, using manual measurement equipment, such as an electric tape or steel tape. Reports shall be submitted to the Department within 30 days of measurement.

If substantial interference with a senior water right occurs due to withdrawal of water from any well listed on this right, then use of water from the well shall be discontinued or reduced and/or the schedule of withdrawal shall be regulated until or unless the Department approves or implements an alternative administrative action to mitigate the interference. The Department encourages junior and senior appropriators to jointly develop plans to mitigate interference.

Use of water under authority of this right may be regulated if analysis of data available after the right is issued discloses that the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right or as those quantities may be subsequently reduced.

The well shall be maintained in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. The works shall be equipped with a usable access port, and may also include an air line and pressure gauge adequate to determine water level elevation in the well at all times.

The Director may require water level or pump test results every ten years.

Failure to comply with any of the provisions of this right may result in action including, but not limited to, restrictions on the use, civil penalties, or cancellation of the right.

This right 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 acknowledge land-use plan.

The right to the use of the water for the above purpose is restricted to beneficial use on the lands or place of use described.

Water may be applied to lands which are not specifically described above, provided the holder of this right complies with ORS 540.510(3).

The use of water shall be limited when it interferes with any prior surface or ground water rights.

Issued _____.

PROPOSED

Phillip C. Ward, Director
Water Resources Department

BEFORE THE OREGON WATER RESOURCES DEPARTMENT

RECEIVED
OCT 2 : 2000

W & H PACIFIC, INC.

In the Matter of Water Right)
Application G 14857 in the Name)
of William D. Lyche, for Eagle Crest)
Inc.,)
Applicant)

ORDER ON RECONSIDERATION

Appeal Rights

This is a final order in other than contested case. Pursuant to ORS 536.075 and OAR 137-004-080 and OAR 690-001-005 you may either petition the Director for reconsideration of this order or petition for judicial review of this order. As provided in ORS 536.075, this order is subject to judicial review under ORS 183.484. Any petition for judicial review of the order must be filed within the 60 day time period specified by ORS 183.484(2).

Background

On May 26, 2000, the Oregon Water Resources Department ("Department") through its Director, Martha Pagel, issued its Final Order Approving Application and Denying Protest for Application G 14857.

On September 19, 2000, the Department on its own motion issued an Order Allowing Reconsideration of its May 26, 2000 order.

Findings of Fact and Conclusions of Law

Under ORS 390.835 the "highest and best uses of the waters within scenic waterways are recreation, fish and wildlife uses," and the "free-flowing character of these waters shall be maintained in quantities necessary for recreation, fish and wildlife uses." Accordingly, no new water diversion may be constructed or used unless permitted by the Water Resources Commission upon a finding that such diversion is necessary to uses designated in ORS 536.310(12) and in a manner consistent with the policies set to preserve the free-flowing character of scenic waterways in quantities necessary for recreation, fish and wildlife uses. ORS 390.805 to 390.925.

Each water right permit and certificate for appropriation of ground water issued after July 19, 1995, for which a source of appropriation is within or above a scenic waterway must be conditioned to allow the regulation of the use if analysis of data available after the permit or

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JUL 25 2008

WATER RESOURCES DEPT
SALEM, OREGON

certificate is issued discloses that "the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right or as those quantities may be subsequently reduced." ORS 390.835(9)(g).

The priority date for this permit is November 2, 1998, thus the permit for this use must contain the following condition:

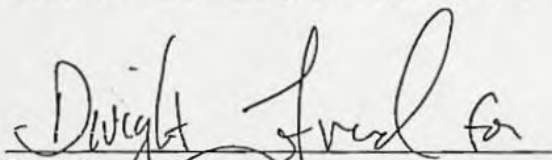
Use of water under authority of this permit may be regulated if analysis of data available after the permit is issued discloses that the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right or as those quantities may be subsequently reduced.

The use as conditioned under the amended permit for this application is consistent with the policies set forth under ORS 390.805 to 390.925 to preserve the free-flowing character of scenic waterways in quantities necessary for recreation, fish and wildlife uses.

Order

The Final Order Approving Application and Denying Protest is amended by this order. Permit G 13819 is superceded by Permit G13856 issued herein.

DATED this 17 day of October, 2000


Paul Cleary, Director

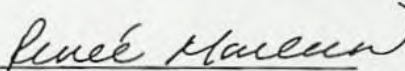
Oregon Water Resources Department

Service List

I certify that on October 19, 2000, a copy of this notice was served by first class mail, postage prepaid upon the persons listed below, by depositing same in the United States Post Office at Salem, Oregon.

W&H Pacific
920 S.W. Emkay Dr., Suite C-100
Bend, OR 97702

William D. Lyche
Eagle Crest Inc.
P.O. Box 1215
Redmond, OR 97756


Renee Moulun

RECEIVED

JUL 25 2008

WATER RESOURCES DEPT
SALEM, OREGON

RECEIVED

JUL 25 2008

STATE OF OREGON

WATER RESOURCES DEPT
SALEM, OREGON

COUNTY OF DESCHUTES

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

EAGLE CREST INC.
WILLIAM D. LYCHE
PO BOX 1215
REDMOND, OREGON 97756

The limits and conditions of the use are listed below.

SPECIFIC LIMITS AND CONDITIONS

APPLICATION FILE NUMBER: G-14857

SOURCE OF WATER: A WELL IN THE DESCHUTES RIVER BASIN

PURPOSE OR USE: QUASI-MUNICIPAL USE

MAXIMUM RATE: 3.34 CUBIC FEET PER SECOND, further limited to a maximum diversion of 252 acre-feet each year and shall result in consumption of no more than 115 acre-feet each year, once sewage contribution is subtracted from the amount diverted, unless the mitigation plan is modified and approved by the Department as described below.

If the reporting, as required below, demonstrates the mitigation plan is not sufficient to mitigate for the amount of water actually consumed, the use will be further restricted to limit the total consumed water to 115 acre-feet, or the Department may approve an additional and equivalent water right to be leased to instream use, to maintain an acre-foot balance between the amount of water consumed to the amount of water provided to instream use. An equivalent water right must, at a minimum, be from a water right with a diversion point at or near the diversion authorized by the lease of certificate 74145.

PERIOD OF USE: YEAR ROUND

DATE OF PRIORITY: NOVEMBER 2, 1998

POINT OF DIVERSION LOCATION: NE 1/4 NE 1/4, SECTION 16, T15S, R12E, W.M.; 150 FEET SOUTH AND 150 FEET WEST FORM THE NE CORNER, SECTION 16, T15S, R12E, W.M.

THE PLACE OF USE IS LOCATED AS FOLLOWS:

NE QUARTER ALL
 NW QUARTER ALL
 SW QUARTER ALL
 SECTION 16

TOWNSHIP 15 SOUTH, RANGE 12 EAST, W.M.

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 as approved by the Director, at both the diversion from the well and at a point where sewage, that is actually discharged to the ground, may be measured. 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.
- B. The permittee 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.

This permit will expire in 2 years from permit issuance unless the 2 year lease of the water right authorized under certificate 74145 to instream purposes is replaced by a permanent transfer of water right certificate 74145, filed as transfer application T 8519, or an equivalent water right as determined by the Department, to instream use.

Within one year 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 timeline to complete the required Water Management Conservation Plan.

If substantial interference with a senior water right occurs due to withdrawal of water from any well listed on this permit, then use of water from the well(s) shall be discontinued or reduced and/or the schedule of withdrawal shall be regulated until or unless the Department approves or implements an alternative administrative action to mitigate

JUL 25 2008

WATER RESOURCES DEPT
SALEM, OREGON

PAGE 3

the interference. The Department encourages junior and senior appropriators to jointly develop plans to mitigate interferences. Use of water under authority of this permit may be regulated if analysis of data available after the permit is issued discloses that the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right or as those quantities may be subsequently reduced.

Use of water under authority of this permit may be regulated if analysis of data available after the permit is issued discloses that the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right or as those quantities may be subsequently reduced.

STANDARD CONDITIONS

The wells shall be constructed in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. The works shall be equipped with a usable access port, and may also include an air line and pressure gauge adequate to determine water level elevation in the well at all times.

The use shall conform to such reasonable rotation system as may be ordered by the proper state officer.

Prior to receiving a certificate of water right, the permit holder shall submit the results of a pump test meeting the department's standards, to the Water Resources Department. The Director may require water level or pump test results every ten years thereafter.

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.

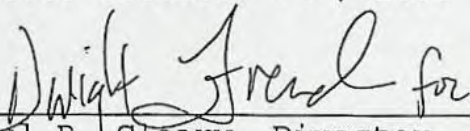
By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

The use of water shall be limited when it interferes with any prior surface or ground water rights.

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.

Actual construction of the well shall begin by May , 2001. Complete application of the water to the use shall be made on or before October 1, 2005. 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 October 17, 2000


Paul R. Cleary, Director
Water Resources Department

NOTE: 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.

Oregon Water Resources Department
Water Rights Division

Water Rights Application
Number G-14857

Final Order
Extension of Time for Permit Number G-13856

Appeal Rights

This is a final order in other than contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080 you may either petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied.

Application History

The Department issued Permit G-13856 on October 17, 2000. The permit called for complete application of water to the full beneficial use by October 1, 2005. On April 3, 2007, Cline Butte Utility Company submitted to the Department an Application for an Extension of Time for Permit G-13856. In accordance with OAR 690-315-0050(2), on September 4, 2007, the Department issued a Proposed Final Order proposing to extend the time to fully apply water to beneficial use to October 1, 2008. The protest period closed October 19, 2007, in accordance with OAR 690-315-0060(1). No protest was filed.

At time of issuance of the Proposed Final Order the Department concluded that, based on the factors demonstrated by the applicant, the permit may be extended subject to the following conditions:

CONDITIONS

1. **Static Water Level Measurement and Reporting Condition**

The Department requires the water user to measure and report annual static water levels for each well on the permit. Or, the water user can measure other wells in close proximity to the permitted wells, if the Department's Groundwater Staff determines that the substitute observation wells will provide adequate data to assess the impacts from the permitted wells. The static water level shall be measured in the month of March, beginning in the year **2008**, using manual measurement equipment, such as an electric tape or steel tape. Reports shall be submitted to the Department within 30 days of measurement.

The applicant has demonstrated good cause for the permit extension pursuant to ORS 537.630, 539.010(5) and OAR 690-315-0080(3).

Order

The extension of time for Application Number G-14857, Permit Number G-13856, therefore, is approved subject to conditions contained herein. The deadline for applying water to full beneficial use is extended to October 1, 2008.

DATED: November 1, 2007

Dwight French, Administrator of
Water Rights and Adjudications
for
Phillip C. Ward, Director

-
- If you have any questions about statements contained in this document, please contact Kim French at (503) 986-0813.
 - If you have other questions about the Department or any of its programs, please contact our Water Resources Customer Service Group at (503) 986-0900.
-

Mailing List for Extension FO Copies

Note: Include a copy of the "Important Notice" document along with the original copy of the Final Order being sent to the permit holder.

FO Date: November 1, 2007

Copies Mailed

Application #G-14857

By: _____

Permit #G-13856

On: _____

Original mailed to permit holder:

Cline Butte Utility Company
Attn: Todd Samples
1230 Golden Pheasant
Redmond, OR 97756

Copies sent to:

1. WRD - App. File #G-14857 / Permit #G-13856
2. WRD - Watermaster District: 11, Jeremy Giffin
3. WRD - Support Staff, Salem...*Permit record update*
4. Thomas A. Walker, P.E., CWRE, 920 SW Emkay, Suite C100 Bend, OR 97702-1041

CASEWORKER: KRF



Oregon

Theodore R. Kulongoski, Governor

Water Resources Department
North Mall Office Building
725 Summer Street NE, Suite A
Salem, OR 97301-1271
503-986-0900
FAX 503-986-0904

December 29, 2008

GW

CLINE BUTTE UTILITY CO
1230 GOLDEN PHEASANT DR
REDMOND OR 97756-7011

The Department has accepted the pump test results for the following permitted well(s):

Application	Permit	Permitted Well	Tested Well	Test Date	Test Status	Owner's Well Name	
G	14857	G 13856	DESC 54485	DESC 54485	11/20/2008	Approved	EAGLE CREST III WELL 9#

Please contact me if you have any questions.

Sincerely,

Emily Bray-Nash
Ground Water/Hydrology Section

cc: GW Pump Test File

Completion Checklist for CWRE Claims of Beneficial Use

Application # G 14857
 Permit # G 13856
 Transfer # _____
 Date _____
 Reviewer _____



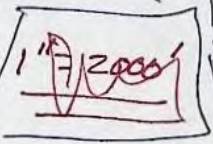
Date Received 9/15/2006
 CWRE Name Thomas Walker
 Claim Logged _____
 File Marked _____
 Oversized Map # _____
 Read and attach copy of permit or transfer _____

Permanent Features

Map needs to show location of required meters per permit. NA - limited to 1 AF per year.

Map Review:

- NO Map on polyester film *OK*
- Application & permit #; or transfer #
- NO Disclaimer *OK*
- North arrow
- CWRE stamp and signature
- NO Appropriate scale (1" = 1320', 1" = 400', or the original full-size scale of the county assessor map)
- Township, range, section, and tax lot numbers
- NA Source illustrated if surface water
- Point(s) of diversion or appropriation (illustrated)
- Point(s) of diversion or appropriation (coordinates)
- NO Conveyance structures illustrated (pump, pipelines, ditches, etc.)
- NO Description of the location, in relation to the point of diversion or appropriation, of any fish screens, by-pass devices, and measuring devices required
- Place of use (1/4 1/4, or projected 1/4 1/4 lines within DLCs, or Gov Lots; if irrigation, # of acres in each subdivision; if for domestic or human consumption, location of dwelling or spigot)
- Checked to legal description



Need number

NO PRE FI Reservoir NOT shown -

Report Review:

- On form or format provided by the Department
- Application & permit #; or transfer #
- County
- 7/25/06 Tax lot information *Should request a waiver see new report -*
- Date of survey
- Person interviewed
- Ownership information
- Source(s) of water
- 7/25/06 Point of diversion/appropriation location *only 1/4 1/4 - no distance & bearing OK*
- Use, period of use, and rate for use
- Place of use location
- Type of use
- Extent of use
- Rate and Duty
- Diversion rate for each use
- Description of conveyances system (from POD to POU)
- Diversion works description (pump make, serial model, capacity, and description)
- System capacity
 - Calculated capacity of system (required)
 - Measured amount of use (optional)
- Permit conditions
 - Time limits
 - Initial water level measurements
 - Annual static water level measurements
 - Measurement, recording, and reporting
 - Meter/measuring device
 - Water use reporting
 - Fish screening and/or by-pass
 - Pump test (ground water) *NEED APPROVAL see email from Ken Lyle*
 - Other conditions

See COBER amended 7-25-2006

only Sec 16 in permit - shows use in 15

What above the meter for measuring sewage discharge?

no description of reservoir

Only Sec 16 allowed in permit - see 15 in report. Can't only report permitted area
March static level - waiver by GW?
OK see ltr to GW Apr 14, 2006

CWRE stamp and signature
 Signature(s) of permittee of transfer holder

Certificate Issuance Processing Checklist

- Map and COBU reviewed
- Conflict check (include copy of plat card printout)
- Check current ownership

Any Conflicts? _____

Staff Recommendations:

_____ Proof to the Satisfaction has been established to the full extent as described in the permit or transfer order.

_____ Proof to the Satisfaction has been not been established to the full extent as described in the permit or transfer order and the right should be limited as follows: _____

_____ Proof to the Satisfaction has not been established for the following reasons: _____

Proposed Actions:

Send letter requesting the following items/information: _____

Send letter recommending extension to cure deficiencies: _____

Can certificate be processed further?

_____ Yes

If "Yes":

_____ Proposed
_____ Final

Certificate # _____

Mailing list:

Proposed:

Final:

Water Right Information Query Results

Contact Information	Documents View all scanned documents																																														
<p>▼ Current contact information</p> <p>OWNER: ▶ CLINE BUTTE UTILITY CO. 1140 NUTCRACKER REDMOND, OR 97756</p> <p>▼ Prior contact information</p> <p>OWNER: ▶ EAGLE CREST INC. WILLIAM LYCHE PO BOX 1215 REDMOND, OR 97756</p>	<p>▼ Application: G 14857 digital map</p> <p>▶ Received: 11/2/1998</p> <p>▼ Permit: G 13856 document, digital map</p> <p>▶ Signature: 10/17/2000</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th colspan="4" style="text-align: center;">Permit Workflow</th> </tr> <tr> <th>Action</th> <th>Date</th> <th>Result</th> <th>Completed By</th> </tr> </thead> <tbody> <tr> <td>Completion Date [C Date]</td> <td>10/1/2004</td> <td></td> <td>DWIGHTFRENCH</td> </tr> <tr> <td>CBU Received</td> <td>9/15/2006</td> <td></td> <td>THOMASWALKER</td> </tr> <tr> <td>▶ Extension Public Notice</td> <td>4/10/2007</td> <td></td> <td>BROOKGEFFEN</td> </tr> <tr> <td>▶ Extension Received</td> <td>7/3/2007</td> <td></td> <td>BROOKGEFFEN</td> </tr> <tr> <td>Extension PFO 315 Issued</td> <td>9/4/2007</td> <td></td> <td>KIMFRENCH</td> </tr> <tr> <td>Extension FO Issued</td> <td>11/1/2007</td> <td></td> <td>KIMFRENCH</td> </tr> <tr> <td>Extended Completion Date</td> <td>10/1/2008</td> <td></td> <td>KIMFRENCH</td> </tr> <tr> <td>Pump Test Received</td> <td>12/29/2008</td> <td>Approved</td> <td>CONNIEVANCE</td> </tr> </tbody> </table> <p>▼ Transfer(s)</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th>Transfer</th> <th>Transfer type</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>▶ T10493 (Changes this right)</td> <td>Permit Amendment</td> <td>Under Review</td> </tr> </tbody> </table> <p>▶ View right with New Web Mapping (beta)</p>	Permit Workflow				Action	Date	Result	Completed By	Completion Date [C Date]	10/1/2004		DWIGHTFRENCH	CBU Received	9/15/2006		THOMASWALKER	▶ Extension Public Notice	4/10/2007		BROOKGEFFEN	▶ Extension Received	7/3/2007		BROOKGEFFEN	Extension PFO 315 Issued	9/4/2007		KIMFRENCH	Extension FO Issued	11/1/2007		KIMFRENCH	Extended Completion Date	10/1/2008		KIMFRENCH	Pump Test Received	12/29/2008	Approved	CONNIEVANCE	Transfer	Transfer type	Status	▶ T10493 (Changes this right)	Permit Amendment	Under Review
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Point(s) of Diversion																																															
▶ POD 1 - A WELL > DESCHUTES RIVER																																															
Place(s) of Use Add TRS grouping																																															
▶ Use - QUASI-MUNICIPAL USES (Primary); Priority Date: 11/2/1998																																															
Water Right Genealogy																																															
<p>⊖ Permit:G 13819 CN</p> <p>└ Permit:G 13856 *</p>																																															

[View Water Rights in same Family](#)

[Help understanding and working with the Water Rights Information System](#)

[Report Errors with Water Right Data](#)

[Return to WRIS Query](#)

EAGLE CREST RESORT
CLAIM OF BENEFICIAL USE
QUASI - MUNICIPAL WATER RIGHTS
PERMIT G-13856
MAY, 2006
(UPDATED JULY, 2008)

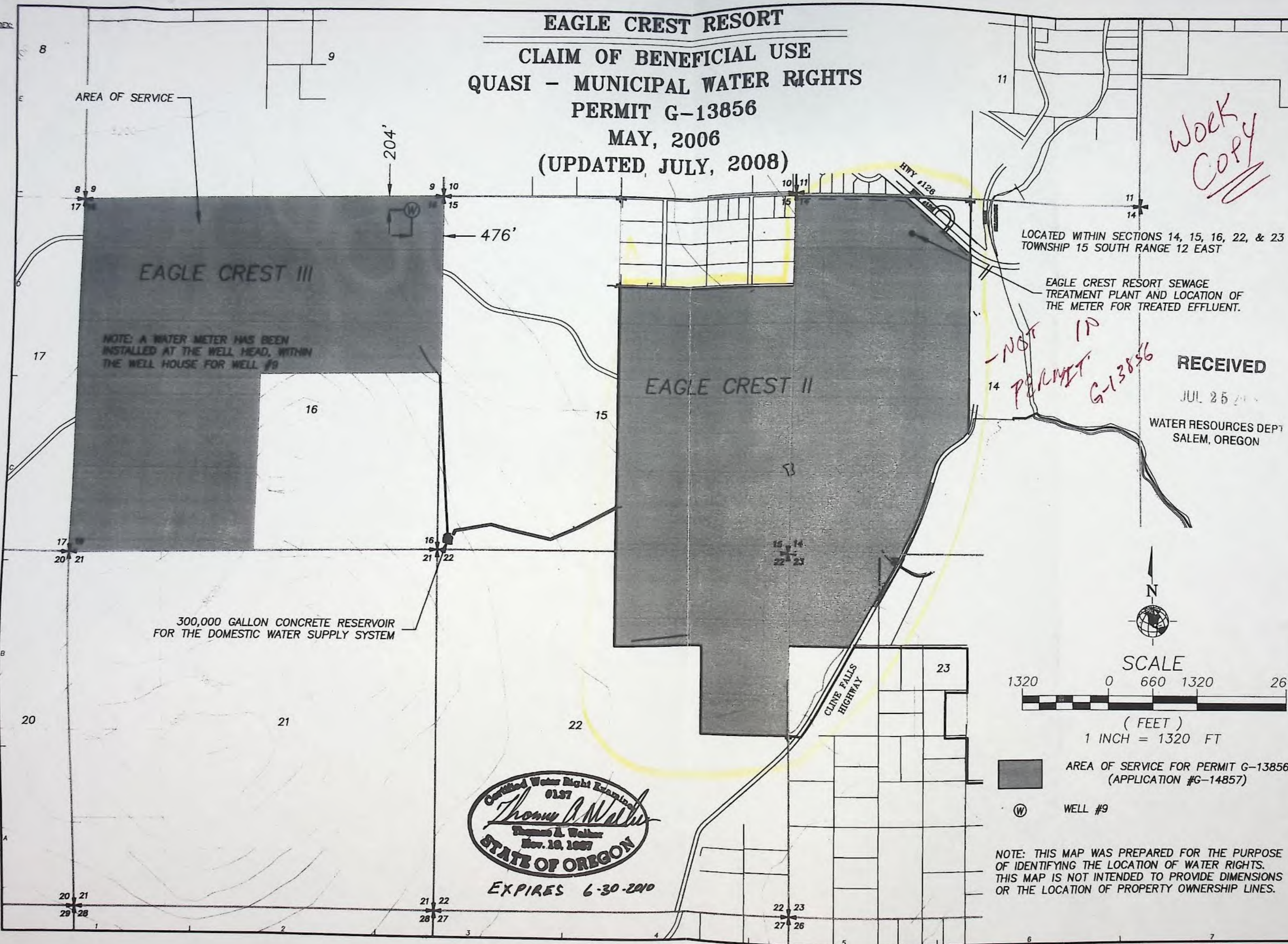
Work Copy

WHPacific
 920 SW Emley Dr
 Bend, OR 97702
 541-398-4255 Fax 541-398-4229
 www.whpacific.com

CLINE BUTTE UTILITY COMPANY
GROUNDWATER PERMIT AMENDMENT
APPLICATION MAP
 APPLICATION: G-13856
 APPLICATION: G-14857 PERMIT: G-13856
 PROJECT NO. 031250
 DRAWING FILE NAME: EAGLE CREST h2o RIGHTS.DWG
 OREGON
 SCALE: 1" = 2000'

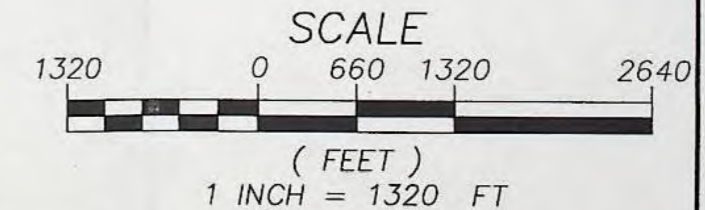
RECEIVED
 JUL 25 2008
 WATER RESOURCES DEPT
 SALEM, OREGON

-NOT IN PERMIT G-13856



NOTE: A WATER METER HAS BEEN INSTALLED AT THE WELL HEAD, WITHIN THE WELL HOUSE FOR WELL #9

300,000 GALLON CONCRETE RESERVOIR FOR THE DOMESTIC WATER SUPPLY SYSTEM

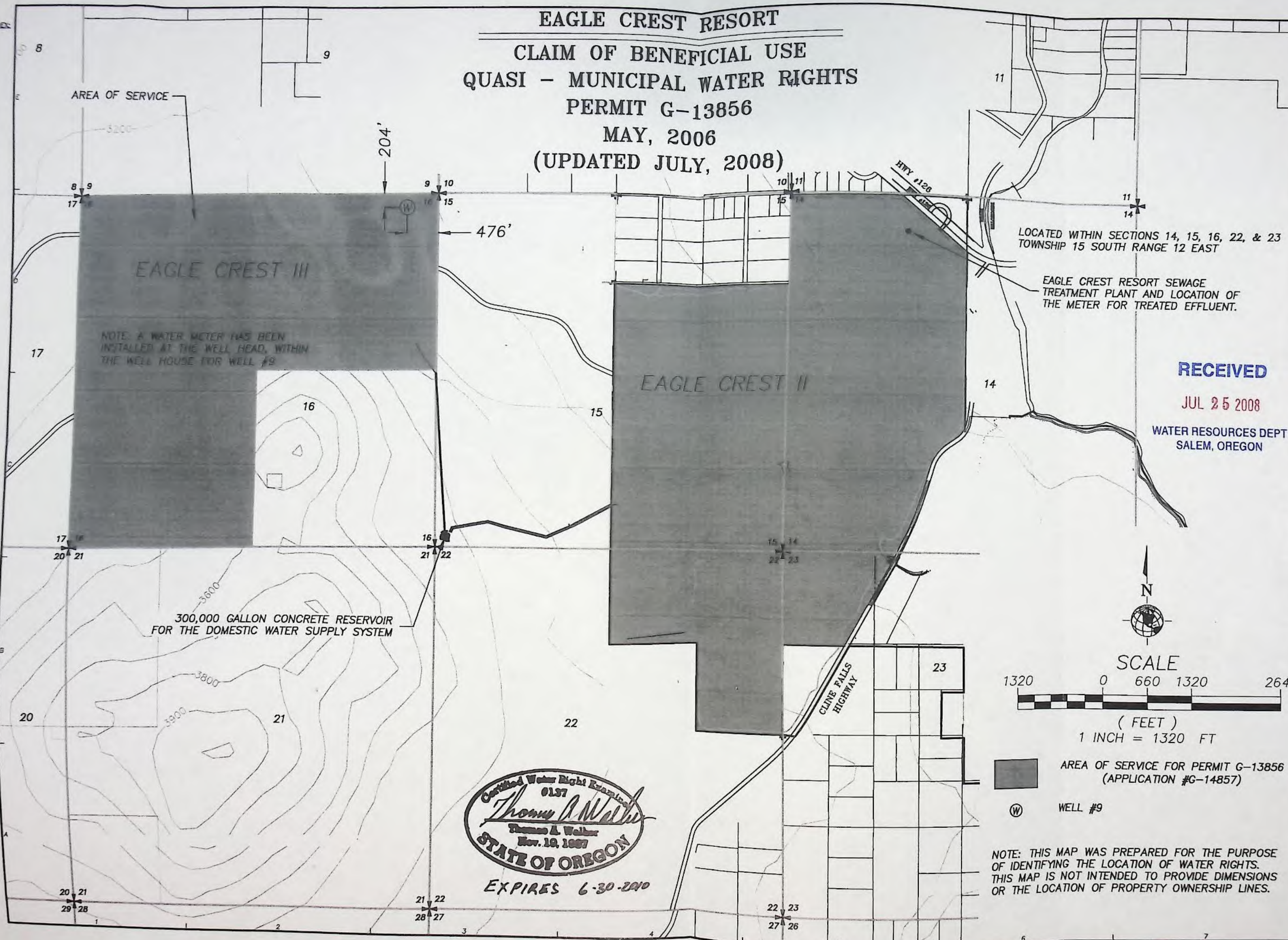


- AREA OF SERVICE FOR PERMIT G-13856 (APPLICATION #G-14857)
- WELL #9

NOTE: THIS MAP WAS PREPARED FOR THE PURPOSE OF IDENTIFYING THE LOCATION OF WATER RIGHTS. THIS MAP IS NOT INTENDED TO PROVIDE DIMENSIONS OR THE LOCATION OF PROPERTY OWNERSHIP LINES.

CHECKED BY:	SKS	APPROVED BY:	TW
DRAWN BY:	SKS	LAST EDIT:	5/22/2006 PLOT DATE: 05/22/06
DATE BY REV:		REVISION	CK'D/APPR

EAGLE CREST RESORT
CLAIM OF BENEFICIAL USE
QUASI - MUNICIPAL WATER RIGHTS
PERMIT G-13856
MAY, 2006
(UPDATED JULY, 2008)



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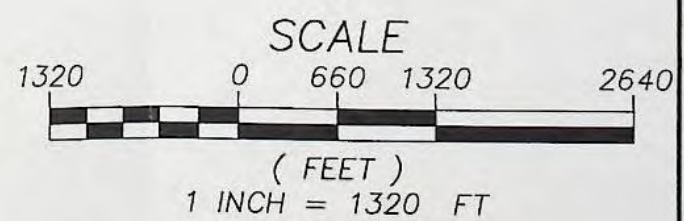
LOCATED WITHIN SECTIONS 14, 15, 16, 22, & 23 TOWNSHIP 15 SOUTH RANGE 12 EAST

EAGLE CREST RESORT SEWAGE TREATMENT PLANT AND LOCATION OF THE METER FOR TREATED EFFLUENT.

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JUL 25 2008

WATER RESOURCES DEPT
SALEM, OREGON



- AREA OF SERVICE FOR PERMIT G-13856 (APPLICATION #G-14857)
- W WELL #9

NOTE: THIS MAP WAS PREPARED FOR THE PURPOSE OF IDENTIFYING THE LOCATION OF WATER RIGHTS. THIS MAP IS NOT INTENDED TO PROVIDE DIMENSIONS OR THE LOCATION OF PROPERTY OWNERSHIP LINES.

Certified Water Right Examiner
 0137
Thomas A. Walker
 Thomas A. Walker
 Nov. 19, 1987
STATE OF OREGON
 EXPIRES 6-30-2010

WHPacific
 620 SW Emley Dr.
 Bend, OR 97702
 541-338-4235 Fax: 541-338-4228
 www.whpacific.com

CLINE BUTTE UTILITY COMPANY
GROUNDWATER PERMIT AMENDMENT
APPLICATION MAP
 APPLICATION: G-14857 PERMIT: G-13856
 PROJECT NO. 031250
 DRAWING FILE NAME: EAGLE_CREST_h2o_RIGHTS.DWG
 OREGON
 SCALE: 1" = 2000'

CHECKED BY:	APPROVED BY:	TW
SKS	5/22/2006	05/22/06
DATE	BY	REVISION
		CKD/APPR

This form is subject to revision. Begin each new claim by checking for a new version of this form and downloading a new one if necessary.

If you have questions regarding the completion of this form, contact:

Gerry Clark by e-mail at Gerald.E.CLARK@wrд.state.or.us or by phone at 503-986-0811,

Or Jerry Gainey by e-mail at Jerry.W.GAINEY@wrд.state.or.us or by phone at 503-986-0812.

The Department has a new program that allows a permit holder to pay the cost to have a private contractor review of the claim and, if appropriate, prepare a certificate. This new program means a certificate can be issued in about a month. The Department has a list of trained contractors that are selected on a rotating basis. For more information on this program see: <http://www.wrд.state.or.us/programs/index.shtml>.

**This box can be deleted

Oregon Water Resources Department
725 Summer St. NE, Suite A
Salem, OR 97301-1266

CLAIM OF BENEFICIAL USE

The completion of this form is required by OAR 690-014-0100(1) and 690-014-0110(4).

Please type or print in dark ink. If this form is found to contain errors or omissions, it may be returned to you. Every numbered item must have a response. If any requested information does not apply to the Claim, insert "n/a." Do not delete any section of this form unless directed by the form. The Department may require the submittal of additional information from any water user or authorized agent. A separate form shall be completed for each permit or transfer final order.

I. General Information

1. File Information

Application Number (G, R, S or T)	Permit Number (if applicable)
G-14857	G-13856 (G-13819)

2. Property owner (current owner information)

a. Individuals

Name	
Mailing Address	
City/State/Zip	
Phone #	
Fax #	
e-mail address	

b. Businesses/Organizations

Name	Cline Butte Utility Company
Contact Person and Title	Ric Kuss, Manager
Mailing Address	1140 Nutcracker
City/State/Zip	Redmond, OR 97756
Phone	
Fax	
e-mail	

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If the current property owner is not the permittee or transfer holder of record, it is recommended that an assignment be filed with the Department. The COBU must be signed by the permit/transfer holder of record.

3. Permittee / Transferee of record (this may, or may not, be the current property owner)

c. Individuals

	Individual 1	Individual 2
Name		
Mailing Address		
City/State/Zip		

d. Businesses/Organizations

Name	Eagle Crest, Inc.
Contact Person and Title	Jerol Andres, President
Mailing Address	P.O. Box 1215
City/State/Zip	Redmond, OR 97756

4. Date of Site Inspection: May 24, 2006

5. Person(s) interviewed and description of their association with the project:

Name	Date	Association with the project
Ric Kuss	5-24-2006	Manager

6. County:

7. Tax Lot Information:

Tax map number (Reference Attached Tax Lot Maps)	Tax lot number

8. If any property described in the place of use of the permit or transfer final order is excluded from this report, identify the owner of record for that property (ORS 537.230(3)):

**Mark "NA" if there are no owners of property not included in this claim

Name	
Contact Person and Title	
Mailing Address	
City/State/Zip	
Phone #	

Name	
Contact Person and Title	
Mailing Address	
City/State/Zip	
Phone #	

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II. Points of Diversion/Appropriation and Place of Use

For each point of diversion or appropriation, provide the following information. If the claim is for more than one point of diversion/appropriation, copy and complete this section for each point of diversion or appropriation.

1. Provide a general narrative description of the distribution works. This description must trace the water system from the point of diversion or appropriation to and include the place of use:

A 450 Horsepower pump in well number nine discharges to the domestic water distribution system, serving the Eagle Crest resort. The domestic water distribution system includes a 300,000 gallon reservoir and tens of miles of underground water mains extended throughout the development.

2. Point of diversion/appropriation name or number (correspond to map):

Point of diversion/appropriation name or number (correspond to map)	Well log ID # for all work performed on the well (if applicable)	Well tag # (if applicable)
Well #9	DESC 54485	L 50204

Attach each well log available for the well (include the log for the original well and any subsequent alterations, reconstructions, and deepenings)

3. Point of diversion/appropriation source and, if from surface water, the tributary:

Source	Tributary to
A well in the Deschutes River Basin	Deschutes River

4. Point of diversion/appropriation location:

(DLC, Government Lot, 1/4 1/4, Section, Township, Range)	Reference to a recognized public land survey corner by distance and bearing or by coordinates
NE 1/4 NE 1/4 Section 16, T 15 S, R 12 E	

5. Actual use(s), period of use, and rate for each use:

Uses	If irrigation, list crop type	When water is used	Rate for use
Quasi Municipal		Year Round	3.34 CFS

Total Quantity of Water 3.34 CFS

6. Place of use for the point of diversion or appropriation:

DLC	Gov lot	1/4 1/4	Section	Township	Range	Use	# of primary acres	# of supplemental acres
		NE-ALL	16	17 S	12 E	QM		
		NW-ALL	16	17 S	12 E	QM		
		SW-ALL	16	17 S	12 E	QM		
		E 1/2	15	17 S	12 E	QM		

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		NE-ALL	22	17 S	12 E	QM		
		W 1/2	14	17 S	12 E	QM		
		NW-ALL	23	17 S	12 E	QM		

Total Acres Irrigated _____

Groundwater Source Information (Well and Sump)

**If the appropriation is not from ground water (well or sump), this section, items 1-5, can be deleted.

1. Describe the access port (type and location) or other means to measure the water level in the well in the box below:

Two 1/4 inch air lines were installed on the pump column. A casing vent was also provided.

2. If well logs are not available, provide as much of the following information as possible:

Casing Diameter	Casing Depth	Total Depth	Completion Date of Original Well	Completion Dates of Alterations	Who the well was drilled for	Well drilled by

In addition to the information requested in item "2" above, provide any other information which may help the Department locate any well logs associated with this appropriation.

Reference the attached well log.

**If the appropriation is not from a sump, the following section, items 3-4, can be deleted. Construction standards for sumps can be found in OAR 690-210-0400.

Storage tank data

**If this system does not include a storage tank as part of the distribution system, this section, item 1, can be deleted.

1. If the system involved a storage tank, complete the table below:

Material (concrete, fiberglass, metal, etc.)	Capacity in gallons	Above ground or buried
Concrete	300,000	Above Ground

Gravity flow canal or ditch (The Department typically uses Manning's formula for canals and ditches)

**If this claim does not rely on a gravity flow canal or ditch to convey the water as part of the distribution system, this section, items 1-3, can be deleted.

System Information:

Provide the following information concerning the diversion and delivery system. Trace the flow of water from the point of diversion/appropriation to the place of use.

1. Pump information

Brand	Model	Serial Number	Type (centrifugal, turbine or submersible)	Intake size	Discharge size
Robbco	12CHE		Turbine	10" Column	10"/12"

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2. Motor information

Brand	Model	Horsepower	Max RPM	Voltage
US Motor		450	1800	460

3. Meter information (if required in permit or transfer final order)

Make	Serial #	Condition (working or not)	Current meter reading	Notes
Data Industrial		Working	211,391,891	Wall mounted remote readout.

4. Measurement device description

Device description	Condition (working or not)	Notes
Existing Flow Meter	Working	

5. Measured pump capacity (using meter if meter was present and system was operating)

Initial meter reading	Ending meter reading	Duration of time observed	Total pump output
211,394,559 Gallons	211,396,115 Gallons	60 seconds	1556 Gallons

6. Theoretical pump capacity

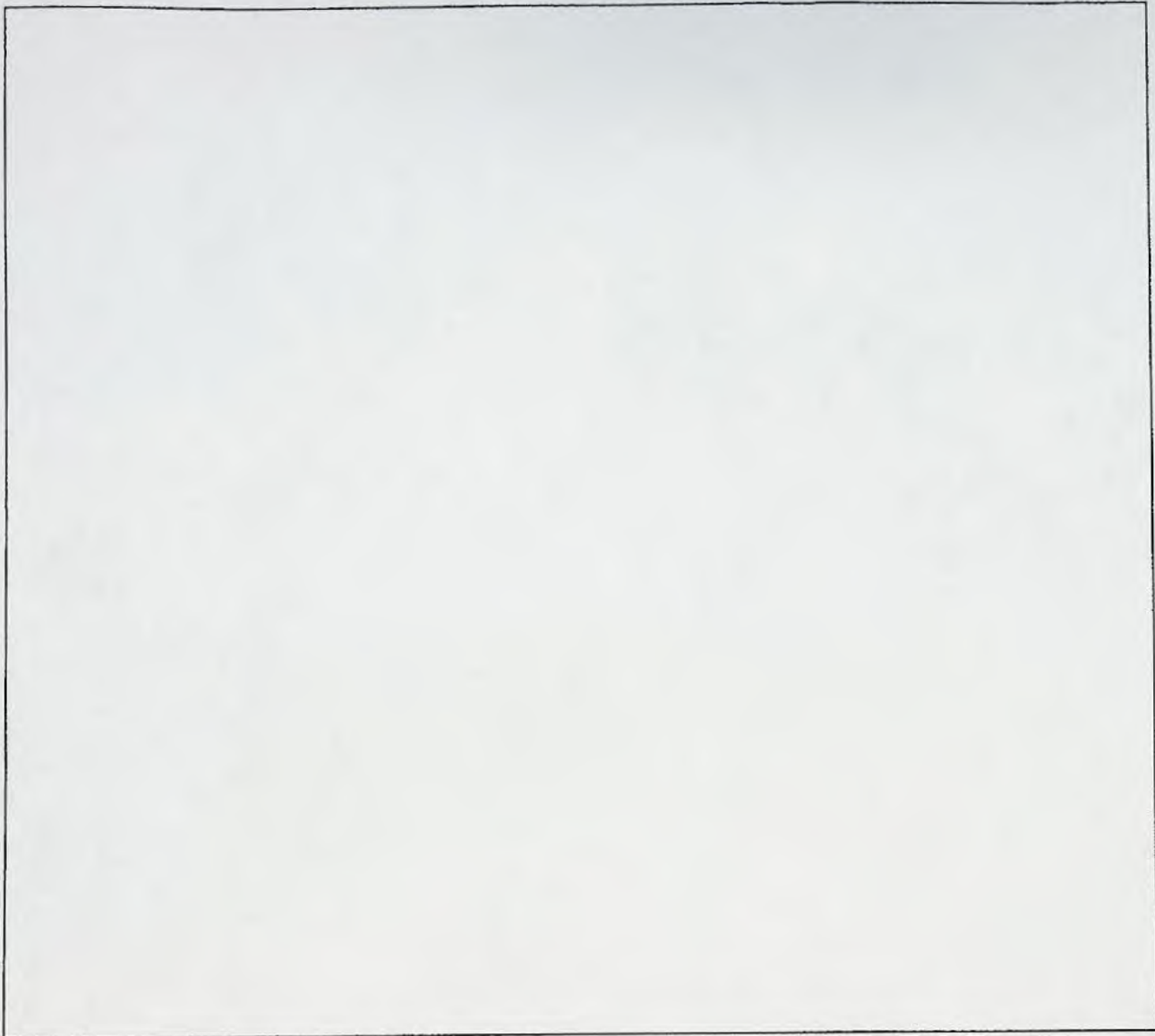
Horsepower	Operating psi	Lift from source to pump *If a well, the water level during pumping (see pump test results)	Lift from pump to place of use	Total pump output
450	100 psi	546'	827' TDH	1722 GPM

7. Provide pump calculations in the box below:

$TDH = 231' + 546' + 50' \text{ Friction Loss} = 827'$
 $Q = (HP) (550) (EFF) / (62.4) (TDH) = (450) (550) (.80) / (62.4) (827) = 3.84 \text{ CFS} = 1722 \text{ GPM}$

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8. Mainline information

Mainline size	Length	Type of pipe	Buried or above ground

9. Lateral or handline information

Lateral or handline size	Length	Type of pipe	Buried or above ground

10. Sprinkler information Make and model:

Make	Model	Size	Operating psi	Sprinkler output	Maximum number used	Total sprinkler output

Refer to the chart of sprinkler output at various pressures for most nozzle sizes attached to this document.

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$$Q_{\text{sprinklers}} = \frac{(\text{max \# heads})(\text{gpm/head})}{448.8 \text{ gpm/cfs}} = \text{cfs}$$

11. Additional notes or comments related to the system:

III. CONDITIONS

Please pay special attention to this section. All conditions contained in the permit or transfer final order shall be addressed. Reports that do not address all performance related conditions will be returned.

1. **Time Limits:**

a. Permits or transfer Final Orders contain any or all of the following dates; the date when the actual construction work was to begin, the date when the construction was to be completed, and the date when the complete application of water to the proposed use is to be completed by. These dates may be referred to as ABC dates. Describe how the water user has complied with each of the development timelines established in the permit or transfer final order:

	Dates from permit or transfer final order	Date accomplished	Description of actions taken by water user to comply with the time limits
Begin construction	May 2001	5-21-2001	Initiate Well Construction
Complete construction			
Complete application of water	October 1, 2005	October 2005	Construct Well Pump & Distribution System

2. **Initial Water Level Measurements:**

**If the Claim is for surface water or a reservoir, or if the water user was not required to submit static water level measurements, items b through e relating to this section can be deleted.

a. Was the water user required to submit an initial static water level measurement? NO

3. **Annual Static Water Level Measurements:**

**If the Claim is for surface water or a reservoir, or if the water user was not required to submit static water level measurements, items b through e relating to this section can be deleted.

a. Was the water user required to submit annual static water level measurements? NO

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4. Measurement, recording, and reporting conditions:

a. Does the permit or transfer final order require the installation of a meter or approved measuring device?
YES

If a meter or approved measuring device was required, the COBU map must indicate the location of the device in relation to the point of diversion or appropriation. The meter is located just outside the well house, and just downstream of the point of diversion.

**If "NO", items b through g relating to this section can be deleted.

b. Has a meter been installed? YES

c. Provide the date the meter was installed:

July 2003

d. If a meter has not been installed, has a suitable measuring device been installed and approved by the Department? YES NO

e. If "YES", provide a copy of the letter approving the device, if available. If the letter is not available provide the name and title of the Water Resources Department employee approving the measuring device, and the approximate date of the approval:

Name	Title	Approximate date

f. Is the water user required to report the water use to the Department? YES

g. Have the reports been submitted? YES

If the reports have not been submitted, attach a copy of the reports if available.

5. Fish Screening and/or By-pass Devices

a. Are any points of diversion required to be screened and/or have a by-pass device to prevent fish from entering the point of diversion? NO

If fish screening and/or by-pass devices were required, the COBU map must indicate their location in relation to the point of diversion.

**If "NO", items b through i relating to this section can be deleted

6. Pump Test (Required for ground permits prior to issuance of a certificate, but not a requirement of permit development)

a. Did the permit require the submittal of a pump test? YES

b. Has the pump test been previously submitted to the Department? NO

c. Has the pump test been approved by the Department? NO

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d. If no, is the pump test attached to this Claim? YES

- 7. **Other Permit Conditions** (examples: special well construct standards, water conservation plans, no obstructions to fish without a fishway, etc.; number as appropriate.)
- 8. **Diversion is limited to a maximum of 252 acre-feet each year, once sewage contribution is subtracted.**

IV. Variations, Attachments, Conclusions, Map and Signatures

Variations

Include a description of variations from the permit or transfer final order

Please reference the attached Claim of Beneficial Use and Site Report which justifies and describes the place of use differently from the original application due to operation of the water distribution system.

Attachments

If you are attaching any documents to this report, provide a list below:

Attachment name	Description
	Please reference the transmittal letter for a summary of all attachments.

Permit and Transfer Final Order Rates and System Rates Comparisons:

POD or POA name or #	Maximum rate allowed by permit or transfer final order	Calculated theoretical rate of water based on system	Actual amount of water measured (if measured)	Developed use	# of acres allowed by permit or transfer final order	# of acres developed
Well #9	3.34 CFS	3.84 CFS	3.47 CFS	3.34 CFS	NA	NA

Claim of Beneficial Use Map

The Claim of Beneficial Use Map must be submitted with this Claim. Claims submitted without the Claim of Beneficial Use map will be returned. The map shall be submitted on poly film at a scale of 1" = 1320', 1" = 400', or the original full-size scale of the county assessor map for the location.

In the following box, provide a general description of the survey method used to prepare the map. Examples of possible methods include, but are not limited to, a traverse survey, GPS, or the use of aerial photos. If the basis of the survey is an aerial photo, provide the source, date, series and the aerial photo identification number.

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CWRE Statement, Seal and Signature

The facts contained in this Claim of Beneficial Use are true and correct to the best of my knowledge.



Permit or Transfer Holders Signature or Acknowledgement

The facts contained in this Claim of Beneficial Use are true and correct to the best of my knowledge. I request that the Department issue a water right certificate.

Jerol E Andres Jerol E Andres 9-12-06
Signature Print or type name Date

Signature Print or type name Date

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JUL 25 2008

September 14, 2006
Updated July 24, 2008

WHPacific

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WATER RESOURCES DEPT
SALEM, OREGON

Mr. Dwight French
Mr. Jerry W. Gainey
Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, Oregon 97301-1266

Re: Claim of Beneficial Use
Application: G-14857
Permit: G-13856
WHP File No.: 31250.1005

Gentlemen:

On behalf of the Cline Butte Utility Company, I have compiled a claim of beneficial use for the referenced quasi-municipal groundwater appropriation utilized at the Eagle Crest Resort in Deschutes County. Your review and approval are respectfully requested.

The following documents and attachments are enclosed for your review and use:

- Executed Claim of Beneficial Use Forms
- Final Proof Survey Map
- Claim of Beneficial Use Site Report
- Final Order and Permit G-13856
- Final Order Approving the Cline Butte Utility Company Water Management and Conservation Plan
- Cline Butte Utility Company Assignment Approval
- Well Log
- ALSCO, Inc. Well Test Report
- Final Order Approving Transfer T-8519 for Instream Mitigation
- Transmittal for Additional Mitigation Utilizing Special Order Volume 61, Page 630

Permit G-13856 is critically important to the Eagle Crest destination resort. As noted in the attached Claim of Beneficial Use, the water right is considered to be fully perfected and its use compliant will all applicable conditions. Your review and confirmation are respectfully requested. Please carefully consider my comments and the multiple attachments, and never hesitate to contact me if you have questions or require additional information.

As the Eagle Crest Resort has been developed, thousands of tax lots have been created for individual residences and other resort uses. Cline Butte Utility Company respectfully requests a waiver from the standard requirement to list and map tax lots. We believe tax lot information would create a voluminous file with only limited value.



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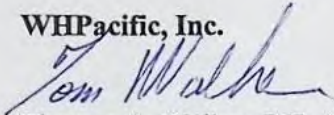
WATER RESOURCES DEPT
SALEM, OREGON

WHPacific, Inc.
September 14, 2006
Updated July 24, 2008
Page 2

Your consideration of our requests is appreciated.

Very truly yours,

WHPacific, Inc.



Thomas A. Walker, P.E., C.W.R.E.
Vice President

Cc: Alan VanVliet

**EAGLE CREST INC.
CLAIM OF BENEFICIAL USE
SITE REPORT
FOR GROUND WATER PERMIT G-13856
MAY 24, 2006**

UPDATED JULY, 2008

NARRATIVE:

Eagle Crest Inc. and the Cline Butte Utility Company have authorized this Claim of Beneficial use for perfection of its Ground Water permit G-13856. The ground water use is designated as quasi-municipal and is intended to support the existing Eagle Crest destination resort.

Cline Butte Utility Company is a subsidiary of Eagle Crest Inc. Cline Butte Utility Company is responsible for operation and maintenance of the utility systems at the Eagle Crest destination resort. Permit G-13856 was issued to Eagle Crest Inc. in October of 2000. Eagle Crest Inc. subsequently assigned the water right permit to Cline Butte Utility Company.

Eagle Crest is an existing destination resort, located approximately 1 mile south of the Sisters-Redmond Highway and approximately 4 miles westerly of Redmond, Oregon. Eagle Crest is located within Deschutes County.

The Eagle Crest destination resort was initiated in the mid 1980's on the original Eagle Crest I tract, located on the Deschutes River. The Eagle Crest II expansion area was subsequently developed and is located on the westerly side of the Cline Falls Highway and immediately adjacent to the Eagle Crest I development area. Following the successful development of Eagle Crest I and Eagle Crest II areas, Eagle Crest Inc. obtained additional lands located in section 16 and proceeded with the Eagle Crest III development. No expansion beyond Eagle Crest III is anticipated.

The development of Eagle Crest includes single family homes, condominiums, restaurants, retail outlets, recreational facilities, swimming pools, multiple golf courses, significant lawns and landscaping, lakes and ponds, sale offices, convention center, administrative offices, house keeping, stables, pastures, golf course maintenance facilities, golf course pro shop, utility maintenance, and similar facilities and appurtenances.

Permit G-13856 serves the domestic water supply system, which includes an extensive piping network extended throughout the resort project. Permit G-13856 authorizes use of well #9, located in the Eagle Crest III section of the destination resort. "Well #9" is the Applicant's designation for the well.

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Permit G-13856 was issued by the Oregon Water Resources Department (OWRD) in response to application file number G-14857. The final order approving the permit was originally issued May 26, 2000 and listed the permit number as G-13819. An order on reconsideration was issued October 17, 2000 by the OWRD and noted the permit number as G-13856, again referring to application G-14857. A copy of the final permit is attached.

WATER RIGHT PERFECTION:

Permit G-13856 allows a maximum diversion rate of 3.34 cubic feet per second for quasi-municipal use. Perfection of the water right requires beneficial use of the allowed diversion rate throughout the designated area of use.

The point of diversion for permit G-13856 is well #9 within the Eagle Crest III expansion area of the Eagle Crest destination resort. Well #9 has been fully developed including the installation of a 450 horse power deep-well turbine pump with the capacity to discharge the specified maximum diversion rate. In addition, an extensive underground water distribution system has been constructed throughout the Eagle Crest destination resort to deliver water to the numerous customers and uses described above.

WHPacific has provided engineering services to the Eagle Crest destination resort for many years and has a thorough working knowledge of the water distribution system and the level of development at the resort. Because the domestic water distribution system is substantially complete and because well #9 has consistently delivered the maximum diversion rate into the domestic water supply system, permit G-13856 is considered fully perfected, subject to the numerous permit conditions and related details.

To further evaluate beneficial use of water at well nine, WHPacific analyzed daily pumping records obtained from the Clatsop Butte Utility Company. The Department tests beneficial use by asking the water user to demonstrate four hours of beneficial use within an eight hour period. The following water use was recorded for well nine during the entire month of August 2007.

WELL #9 WATER USE FOR AUGUST 2007

Hour Meter:	354.71 hours
Water Meter:	32,030,888 Gallons

The hour and water meters are located at the well nine pump house. Hour meter readings document well operation at 11.4 hours per day on average at a diversion rate of 1505 gallons per minute, over the 31 day month of August 2007. Well nine discharges to the domestic water distribution system and the 300,000 gallon concrete storage reservoir. Water use over the entire month was beneficial and averaged the claimed diversion rate of 1500 gpm, essentially conforming to the Department's test.

AREA OF USE:

Defining the area of use for permit G-13856 requires a thorough analysis and understanding of the water distribution system.

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Permit G-13856 describes the place of use as the northeast quarter, the northwest quarter, and the southwest quarter of section 16, Township 15 south, Range 12 east. This area within section 16 is commonly referred to as the Eagle Crest III expansion area of the destination resort. Well #9 is located within the Eagle Crest III expansion area and discharges into the underground distribution system, extended throughout the Eagle Crest resort.

The extensive underground domestic distribution system serving Eagle Crest III is also interconnected and directly serves the Eagle Crest II area of development. Eagle Crest II and portions of Eagle Crest III are located within the same pressure level and water flows to the points of demand throughout the water distribution system, throughout Eagle Crest II and Eagle Crest III.

A domestic water storage reservoir is located on a high point of land adjacent to the Eagle Crest II and Eagle Crest III expansion areas. The storage reservoir "floats" on the system and effectively serves the Eagle Crest II and Eagle Crest III water distribution systems.

Multiple wells contribute to the Eagle Crest II and Eagle Crest III water distribution system and the common storage reservoir. Three wells (wells #6, #7, #8) are located within the Eagle Crest II expansion area of the resort. The water diversions from the Eagle Crest II wells are commingled with the diversion from well #9, located in Eagle Crest III.

In summary, multiple wells contribute to an interconnected extensive water distribution system that effectively serves all of the demands and uses within Eagle Crest II and Eagle Crest III.

The extensive water distribution system at the Eagle Crest resort is also interconnected to the original Eagle Crest I development area. The Eagle Crest I area, however, primarily receives its water supply from additional water rights and wells located within the Eagle Crest I area. The piping connection between Eagle Crest II/Eagle Crest III and the original Eagle Crest I area is primarily for emergency purposes. Water is not contributed on a regular basis to the Eagle Crest I area.

Because of the operation of the underground distribution system, the area of use for well #9 (permit G-13856) has been shown throughout Eagle Crest II and Eagle Crest III. The Eagle Crest I area has been omitted because of the infrequent contribution to Eagle Crest I. Even though the original permit limited the area of service to section 16, it is appropriate to expand the area of use because of the commingling that occurs in the water distribution system, because quasi-municipal rights have no appurtenancy, and because well #9 water has effectively been utilized throughout Eagle Crest II and Eagle Crest III.

Regardless of the area of service, the maximum diversion rate and duty for the quasi-municipal rights cannot be expanded outside of the stipulations of permit G-13856.

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SALEM, OREGON**

OTHER WATER RIGHTS:

Other water rights that serve the Eagle Crest destination resort are summarized in the following table:

Applicants source identification	Permit of certificate	Designation	General Area of Use
Well #1	G-10530	Quasi-municipal/irrigation	Eagle Crest I
Well #2	G-10530	Quasi-municipal/irrigation	Eagle Crest I
Well #3	G-10957	Quasi-municipal	Eagle Crest I
Wells #6, #7, #8	G-11313	Irrigation	Eagle Crest II
Well #6, #7, #8	G-11762	Quasi-municipal	Eagle Crest II & Eagle Crest III
Well #9	G-13856	Quasi-municipal	Eagle Crest II & Eagle Crest III

In addition, Eagle Crest Inc. and Cline Butte Utility Company utilize Swalley Irrigation District rights for irrigation within the Eagle Crest I development area.

PERMIT CONDITIONS:

Permit G-13856 is limited to a maximum rate of 3.34 cubic feet per second and further limited to a maximum diversion of 252 acre-feet each year and shall result in consumption of no more than 115 acre-feet each year, when sewage contribution is subtracted from the amount diverted, unless the mitigation plan is modified and approved by the Department. The Department may approve an additional and equivalent mitigation to maintain an acre-foot balance between the amount of water consumed and the amount of water provided to an in-stream use.

The Applicant provided additional in-stream mitigation to maintain the required balance between consumption and in-stream use, due to an excess annual volume diversion in the 2005 reporting period. The Applicant subsequently submitted the Department's special order volume 61, page 630 for conserved water to meet the additional mitigation obligation. The Applicant's share of the specified conserved right is 292 acre-feet per year. The additional conserved water rights together with the original mitigation, result in a total mitigation of 407 acre-feet each year.

Current Deschutes Basin Mitigation Rules specify a 40% consumptive use factor for quasi-municipal use. The 40% consumptive use factor applied to a total annual mitigation of 407 acre-feet results in an allowed maximum diversion of 1,018 acre-feet.

Eagle Crest, Inc. and the Cline Butte Utility Company have worked openly and cooperatively with the Oregon Water Resources Department on Permit G-13856. The Department questioned the ability of the Permittee to provide additional groundwater

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withdrawal mitigation. Cline Butte Utility Company subsequently engaged in multiple water right applications and procedures, with the cooperation of the Department. The additional groundwater withdrawal mitigation has remained in-place while the additional applications and water right processes are evaluated and completed.

Additional conditions require the permittee to install a meter or suitable measuring device for the groundwater diversion and for sewage effluent. The water meter is located within the #9 well house at the well head. The sewage effluent meter is located at the sewage treatment plant, as shown on the final water right survey map. Water use is recorded daily by the Cline Butte Utility Company and reported annually to the Department. Similarly, sewage effluent volumes are recorded daily and reported monthly to the Oregon Department of Environmental Quality.

Special conditions stipulate a permanent transfer of water right certificate 74145 to an in-stream use under transfer application T8519. A copy of the final order for the permanent transfer is attached, documenting compliance with the condition.

Permit conditions require the permittee to submit a water management and conservation plan. A final order approving the water management and conservation plan is attached, again documenting compliance with the condition.

Standard conditions require well construction in conformance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. The general standard was specified in the initial construction contract for well #9 and a reputable driller was utilized. Information on the attached well log provides some evidence of compliance with the general standards.

Well #9 was equipped with an access port and an air line for determining water level elevations. The air line was confirmed by WHPacific during the site inspection and prior inspections.

Conditions include the requirement for a pump test. A pump test was completed prior to the design of the well house improvements and a copy is enclosed.

Standard conditions stipulate the land use associated with the water use must be in compliance with state wide land use goals. Deschutes County approved a land use form at the time of the application. The Eagle Crest destination resort is located on lands authorized for destination resort development, complying with the land use standard.

General conditions also stipulate that construction of the wells shall begin by May of 2001. The attached well log demonstrates that construction did begin by May of 2001, confirming compliance with the condition.

Permit G-13856 stipulates complete application of the water to the use on or before October 1, 2005. Within one year of complete application of water to the proposed use, the permittee shall submit a claim for beneficial use, including a map and report prepared

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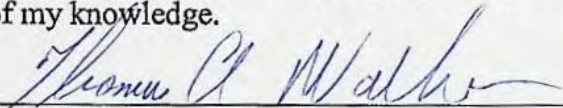
JUL 25 2008

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SALEM, OREGON

by a certified water rights examiner. Well #9 well house improvements, including the capacity to divert the full rate to the water distribution system were completed in 2003. The water distribution system was substantially complete by October 1, 2005. This report and the attached Claim of Beneficial Use comply with the permit condition on application of water to beneficial use.

In summary, Cline Butte Utility Company has demonstrated perfection of permit G-13856 authorizing a maximum rate of 3.34 cubic feet per second. The mitigation for ground water withdrawals includes the original 115 acre-feet each year, plus a supplemental permanent in-stream use of 292 acre-feet per year, for a total of 407 acre-feet each year. The maximum diversion from well #9 should not exceed 1018 acre-feet each year, unless the Applicant gains Department approval for additional equivalent in-stream mitigation, and maintains an acre-foot balance between the water consumed and the water provided in-stream.

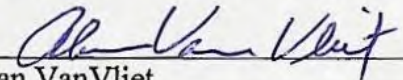
The final proof survey and inspection of use, as found to be complete under the terms and conditions of permit G-13856 was completed by me on May 24, 2006. Facts obtained in this report and the accompanying final proof map and application are correct to the best of my knowledge.



Thomas A. Walker, P.E., C.W.R.E.

7-24-08
Date

I, Alan VanVliet, agree to the findings of this C.W.R.E. and do submit this site report and Claim of Beneficial Use Application for the beneficial use of water under the terms and conditions of my permit G-13856.



Alan VanVliet

7/22/08
Date

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WATER RESOURCES DEPT
SALEM, OREGON

Memo

Oregon Water Resources Department Water Rights & Adjudication Division

To: Certificate Staff and Interested Persons
From: Dwight French, WRAD Administrator

DATE: February 1, 2007

RE: Determining Proof to the Satisfaction for Municipal and Quasi-Municipal Use Permits

This memo supersedes earlier memo's from me on this subject.

RATE AND BENEFICIAL USE

1. Minimum diversion point demonstration time is four hours. Alternatively, a municipal or quasi-municipal permit holder could establish its maximum rate by pumping at that rate (or greater) for not less than four hours during a maximum of an eight hour period. Example: During an eight hour period there are four hours where the minimum pumping rate was 10 CFS. Conclusion: Regarding the "rate" element of proof, the permittee has established a 10 CFS rate.
2. All of the water diverted during the demonstration period needs to be used beneficially (not wasted). The water does not need to be used during the rate demonstration period. Water providers divert water into in-system storage tanks and then consume the water over a longer period of time.
3. If there are multiple diversion points on the permit, the proposed or final certificate shall be limited to the rate that has been demonstrated for each diversion point. It is not necessary that each diversion point on a multiple diversion point permit have its demonstration period tested at the same time.

MULTIPLE RIGHTS AT THE SAME DIVERSION POINT

4. If the treatment capacity is shared with another water right that has a certificate, the second certificate should be limited such that the combined rates of the certificates do not exceed the capacity of the treatment facility.
5. If the diversion works are shared with another water right that has a certificate, the second certificate should be limited such that the combined rates of the certificates do not exceed the total capacity of the diversion works.
6. If the permit is for a back-up water supply system that would use the same treatment facility, wording can be used to describe that no more than X CFS

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SALEM OREGON

may be diverted at any one time from certificates Y and Z. "X" is the maximum capacity of the treatment facility during the demonstration period (see number one above).

7. When determining proof for a municipality, an inventory of all certificates issued for that particular municipality must be completed. The capacity, location, and use of all treatment plants and POD's in a water provider's control should be understood in order to determine proof. In addition, the certificates that involve nearby POD's from the same source and use also need to be checked since water providers can enter into agreements to share POD's and treatment facilities.
8. For the purpose of making proof, entities sharing POD's or treatment facilities should be considered as the same entity.

PARTIAL PERFECTION - RATE

9. A municipality may prove up on 25% or more of the maximum rate allowed on the permit at a time. After the first certificate is issued, future claims of proof must prove up on at least 25% of the rate originally allowed by the permit.

PLACE OF USE

10. The place of use for a municipality has been described historically by the Department in permits and transfer final orders in two different ways:
 - A. By quarter quarter
 - B. With language similar to " Within the service boundary of ..."

When issuing a proposed or final certificate for a municipality, care needs to be taken to describe the place of as described in the originating permit or transfer final order.

A municipality with a permit of transfer final order limited to a specific place of use, i.e. quarter quarter listing, is limited to those areas developed by the municipality prior to the date to completely apply water to beneficial use. Use outside of the boundary described in the permit or transfer final order should not be included in the certificate. The place of use should come from either the Final Proof Survey prepared by the Department of from the Claim of Beneficial Use prepared by a CWRE.

A municipality with a permit or transfer final order limited to " Within the service boundary of ..." is limited to an area of place of use within that defined boundary. If the boundary changes, the place of use is accommodated for as being within the service boundary.

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It is important to note that a municipality can apply water to beneficial use on lands to which the right is not appurtenant under certain circumstances. ORS 540.510 (3)(a), describes the process.

OTHER ISSUES AT PROOF

10. A determination of proof is subject to a review of all permit conditions and the extent to which they have been satisfied.
11. The Department determines "proof to the satisfaction" based upon the given facts in a specific case.

For reference:

540.510 (3)(a) Any water used under a permit or certificate issued to a municipality, or under rights conferred by ORS 538.410 to 538.450, or under the registration system set forth in ORS 537.132, may be applied to beneficial use on lands to which the right is not appurtenant if:

(A) The water is applied to lands which are acquired by annexation or through merger, consolidation or formation of a water authority, so long as the rate and use of water allowed in the original certificate is not exceeded;

(B) The use continues to be for municipal purposes and would not interfere with or impair prior vested water rights; or

(C) The use is authorized under a permit granted under ORS 468B.050 or 468B.053 and for which a reclaimed water registration form has been filed under ORS 537.132.

(b) As used in this subsection, "municipality" means a city, a port formed under ORS 777.005 to 777.725, 777.915 to 777.953 and 778.010, a domestic water supply district formed under ORS chapter 264, a water supplier



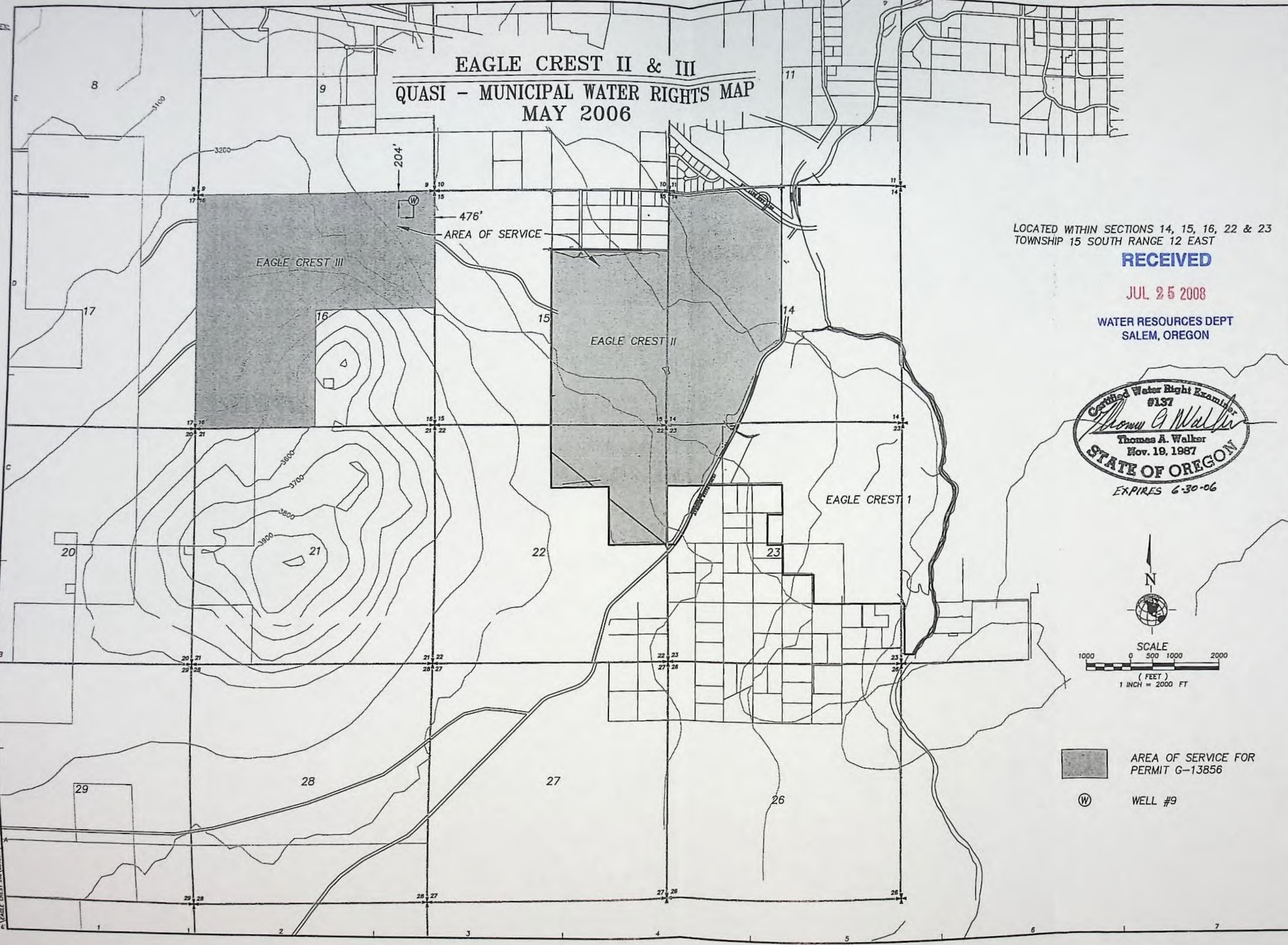
EXPIRES 6-30-2010

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EAGLE CREST II & III
 QUASI - MUNICIPAL WATER RIGHTS MAP
 MAY 2006

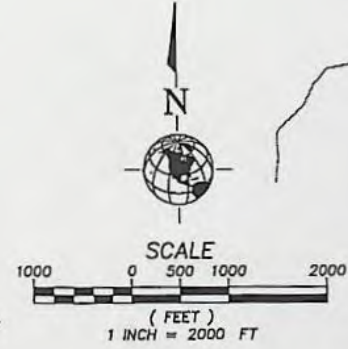
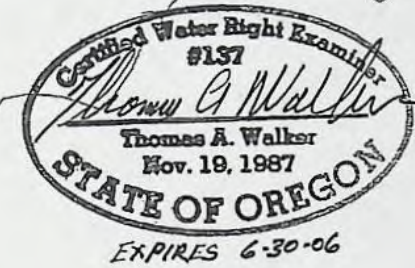


LOCATED WITHIN SECTIONS 14, 15, 16, 22 & 23
 TOWNSHIP 15 SOUTH RANGE 12 EAST

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- AREA OF SERVICE FOR PERMIT G-13856
- WELL #9

920 Emkey, Suite C-100
 Bend, Oregon 97702-1041
 (541)388-4255
 (541)388-4259 Fax
 w&hpacific.com

W&H PACIFIC

Planners • Engineers • Surveyors • Landscape Architects

CLINE BUTTE UTILITY COMPANY
 GROUNDWATER APPROPRIATION
 FINAL PROOF SURVEY MAP

APPLICATION: G-14857 PERMIT: G-13856

PROJECT NO. 031250

DRAWING FILE NAME: OREGON
 EAGLE CREST h2o RIGHTS.DWG

SCALE: 1" = 2000'

CHECKED BY:	SKS	APPROVED BY:	TW
DRAWN BY:	5/22/2006	PLOT DATE:	05/22/06
LAST EDIT:	BY REV#	REVISION	CKD/MPPR

A: VAGLE CREST AC(10121250) DESIGN DRAWINGS FOR VAGLE CREST H2O RIGHTS.DWG REV-DAT 05/23/06 13:22 PLOT DATE: May 23, 2006



Oregon

Theodore R. Kulongoski, Governor

Water Resources Department
North Mall Office Building
725 Summer Street NE, Suite A
Salem, OR 97301-1271
503-986-0900
FAX 503-986-0904

RECEIVED
FEB - 3 2005

W & H PACIFIC, INC.

February 1, 2005

Alan Van Vliet
Cline Butte Utility Company
P.O. Box 1215
Redmond, OR 97756

Subject: Water Management and Conservation Plan

Dear Alan,

Enclosed is the final order approving your water management and conservation plan. We did not receive any appeals of the proposed final order that we issued on December 27, 2004.

We appreciate your cooperation in this effort. Please do not hesitate to contact us if we can provide any guidance or information as you update your plan.

Sincerely,

Sarah Henderson

for
Bill Fujii
Field Services Division

Enclosure

cc Tom Walker

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JUL 25 2008

WATER RESOURCES DEPT
SALEM, OREGON

BEFORE THE WATER RESOURCES DEPARTMENT
OF THE
STATE OF OREGON

In the Matter of the Proposed Water)
Management and Conservation Plan for) FINAL ORDER APPROVING WATER
Cline Butte Utility Company, Deschutes) MANAGEMENT AND
County, Oregon) CONSERVATION PLAN

Authority

OAR Chapter 690, Division 086, establishes the process and criteria for approving water management and conservation plans required under the conditions of permits, permit extensions and other orders of the Department.

Findings of Fact

1. Cline Butte Utility Company submitted a Water Management and Conservation Plan to the Department on February 5, 2001 and a revised plan to the Department on December 23, 2004.
2. Public notice was published as required under OAR Chapter 690, Division 086. No comments were received.
3. The Department reviewed the draft plan and finds that the plan is generally consistent with the relevant requirements under OAR Chapter 690, Division 086 [1994].

Conclusion of Law

The water management and conservation plan submitted by Cline Butte Utility Company is consistent with the criteria in OAR Chapter 690, Division 086.

Now, therefore, it is ORDERED:

1. The Cline Butte Utility Company Water Management and Conservation Plan is approved and shall remain in effect until January 1, 2015, unless this approval is rescinded pursuant to OAR 690-086-0920.

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WATER RESOURCES DEPT
SALEM, OREGON

This is a final order in other than contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080 you may either petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied.



Oregon

John A. Kitzhaber, M.D., Governor

Water Resources Department

Commerce Building

158 12th Street NE

Salem, OR 97301-4172

(503) 378-3739

FAX (503) 378-8130

RECEIVED

MAY 14 2001

W & H PACIFIC, INC.

May 8, 2001

Cline Butt Utility Company
1140 Nutcracker
Redmond, OR 97756

REFERENCE: File G-14857

The assignment of Permit G-13856 from Jerol Andres, President Of Eagle Crest, Inc to you has been recorded in the records of the Water Resources Department.

Our records have been changed accordingly and the original is enclosed. Receipt number 43400 covering the recording fee of \$25 you submitted has already been sent to you.

Sincerely,

DALLAS S. MILLER
Water Rights Specialist

DSM:jh

Enclosure

cc: Watermaster # 11
Data Center, OWRD
Thomas Walker, CWRE
Jerol Andres, President of Eagle Creek, PO Box 1215, Redmond, OR 97756

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WATER RESOURCES DEPT
SALEM, OREGON



STATE OF OREGON
WATER SUPPLY WELL REPORT
(as required by ORS 537.765)
(1) OWNER:

Well Number: #9
Name: Eagle Crest Resort
Address: 920 SW Emkay DR Suite C-100
City: Redmond State: OR Zip: 97702

(2) TYPE OF WORK: (repair/
 New Well Deepening Alteration/recondition Abandonment

(3) DRILL METHOD:
 Rotary Air Rotary Mud Cable Auger
 Other:

(4) PROPOSED USE:
 Domestic Community Industrial Irrigation
 Thermal Injection Livestock Other

(5) BORE HOLE CONSTRUCTION:
Special Construction approval Yes No
Depth of Completed Well 735"
Explosives Used Yes No Type --- Amount ---

HOLE SEAL sacks or pounds

Diameter	From	To	Material	From	To	sacks or pounds
23	0	20	Cement	0	20	34 Sacks
17	20	736	---	---	---	---

How was seal placed: Method A B C D E
 Other
Backfill placed from ___ to ___ Material ___
Gravel placed from 635 to 736 Size of gravel #6-9 sand

(6) CASING/LINER:
CASING:

Diameter	From	To	Gauge	Steel	Plastic	Welded	Threaded
18"	+1	20	.375	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14"	20	630	.375	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

LINER:

8"	663	671		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8"	731	736	.250	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(7) PERFORATIONS/SCREENS:
 Perforations Method: ___
 Screen Type: ___ Material: SS
Slot Size: ___ Tele/pipe size: ___

From	To	Slot Size	No.	Diameter	Tele/pipe size	Casing	Liner
628	663	.20		8"	P	<input type="checkbox"/>	<input checked="" type="checkbox"/>
671	731	.20		8"	P	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(8) WELL TESTS: Minimum testing time is 1 hour
 Pump Bailer Air Flowing Artesian
Yield gpm Drawdown Drill Stem at Time

					1 hr.
500'			610		8

Temperature of water 51 Depth Artesian Flow Found ---
Was a water analysis done? --- By whom: ---
Did any strata contain water not suitable for intended use? (explain) ---
Depth of Strata: ---

(9) LOCATION OF WELL by legal description:
County: Deschutes Latitude: ___ Longitude: ___
Township: 15 S Range: 12E
Section: 16 NE 1/4 NE 1/4
Tax Lot: 4800 Lot: N/A Block: ___ Subdivision: ___
Street Address of Well (or nearest address) ___
Eagle Crest Dr

(10) STATIC WATER LEVEL:
508 Ft. below land surface Date 11/15/01
Artesian pressure ___ lb. per sq. in. Date ___

(11) WATER BEARING ZONES:
Depth at which water was first found

From	To	Est. Flow Rate	SWL
630	660	200+	508
671	730	500+	508

(12) WELL LOG: Ground Elevation: ___

Material	From	To	SWL
Top Soil	0	2	
Basalt Gray Vic	2	8	
Basalt Gray	8	34	
Cinders Black	34	40	
Cinders Loose Cir	40	62	
Basalt Gray	62	78	
Basalt Multi Color Loose Circulation	78	136	
Basalt Gray	136	148	
Basalt Brown with Red & Black Soft	148	242	
Gray Pumi with Multi Color Soft	242	267	
Brownish Gray Rock some Gray	267		
Pumi Soft		302	
Gray Rock Soft Med	302	324	
Multi Color Rock Most Brown	324	380	
Brownish Red Rock w/Pumi Med Soft	380	435	
Basalt Black & Gray Hard	435	540	
Multi Color Rock Red & Brown Mostly	540	602	
SandStone	602	626	508
Basalt Med-Hard Gray	626	671	
Cinders Red Green	671	736	508

RECEIVED
FEB 25 2002
WATER RESOURCES DEPT.
SALEM, OREGON
Date Started: 5/21/01 Completed: 11/15/01
(unbonded) Water Well Constructor Certification:
I certify that the work I performed on the construction, alteration,, or abandonment of this well is in compliance with Oregon water supply well construction standards. Materials used and information reported above are true to the best of my knowledge and belief.
Signed Don Donly WWC Number 1487 Date 11/20/01
(bonded) Water Well Constructor Certification:
I accept responsibility for the construction, alteration, or abandonment work performed on this well during the construction dates reported above. All work performed during this time is in compliance with Oregon water supply well construction standards. This report is true to the best of my knowledge and belief.
Signed _____ WWC Number 723 Date 11/20/01



FAX

To: Water Right Permit Section
 Company: Oregon Water Resources Department
 Address: 158 12th Street NE
 City/State: Salem, OR 97310
 Phone:
 Fax:

Date: June 5, 2001
 Project Number: 816567.009
 Project Name: Eagle Crest Inc
 Re: Water Right Permit G - 13819
 Application G - 14857

From: Thomas A. Walker, P.E., C.W.R.E.
 Phone: (541) 388-4255
 Fax: (541) 388-4229

Confidentiality Notice: This facsimile is intended only for the use of the individual and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that the unauthorized dissemination, distribution or copying of this communication, or the taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this facsimile in error, please notify us immediately by telephone (collect). Thank you.

We are sending:

- Attached
- Facsimile
- # Of Pages Including Cover

These Are Transmitted:

- For Your Info/File
- As Requested
- For Review & Comment

Copied To:

Alan VanVliet

Copies	Description
1	Executed Form A Notice of Beginning of Construction

Comments:

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JUL 25 2008

WATER RESOURCES DEPT
SALEM, OREGON

IMPORTANT—This form is a notice to the Water Resources Director that permittee is ready to make final proof to the extent to which the water has actually been applied to the intended use under the terms of the permit. Permittee is cautioned that Certificate of Water Right will be issued based on the extent of the quantity and use as determined by the final proof inspection and survey which will be made in response to the filing of this Form C.

NOTE: In the case of an irrigation permit, this Form C should not be mailed to the Water Resources Department until all of the land described in the permit, which it is intended to irrigate under this permit at any time, has actually been irrigated.

Fill out, detach and mail to the Water Resources Department, Salem, OR 97310, when all of the water has been applied.

Application No.

NOTICE OF COMPLETE APPLICATION OF WATER TO A BENEFICIAL USE

I,, the holder of Permit No.

to appropriate the public waters of the state of Oregon, completely applied the waters to a beneficial use in accordance with the terms of said permit, on the day of, 19.....

Remarks:

IN WITNESS WHEREOF, I have hereunto set my hand this day of, 19.....

(Signature of Applicant)

(Address)

Application No.

NOTICE OF COMPLETION OF CONSTRUCTION

I,, the holder of Permit No.

to appropriate the public waters of the state of Oregon, completed the construction of the works described herein on the day of, 19.....

Remarks:

If the works have less capacity than described in the permit, or you have definitely abandoned part of the proposed develop-

ment, you should so state in order that our records may not be unnecessarily encumbered.

IN WITNESS WHEREOF, I have hereunto set my hand this day of, 19.....

(Signature of Applicant)

(Address)

Fill out, detach and mail to the Water Resources Department, Salem, OR 97310, when construction work is completed.

Application No. G - 14857

NOTICE OF BEGINNING OF CONSTRUCTION

I, Eagle Crest Inc., the holder of Permit No. G-13819

to appropriate the public waters of the state of Oregon, began the actual construction of the works described therein on the 21st day of May, 192001

Remarks: Bore hole construction, surface casing installation, and

placement of a surface seal were initiated on May 21, 2001.

The appropriator must state the manner of beginning of construction, the amount of work completed and the type of equipment acquired for the water system up to the date of this statement, and any additional information which shows a substantial beginning of construction as

authorized by your permit.

IN WITNESS WHEREOF, I have hereunto set my hand this day of 19.....

(Signature of Applicant)

(Address)

Fill out, detach and mail to the Water Resources Department, Salem, OR 97310, when construction work is begun.

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JUL 25 2008

Well Recovery Measurements

Test No.	Period	Time	Well No. 2	Test No.	Period	Time	Well No. 1
1	0	0		1	0	0	
2	30 Sec.	0.5		2	2 Min.	2	
3	30 Sec.	1		3	2 Min.	4	
4	30 Sec.	1.5		4	2 Min.	6	
5	30 Sec.	2		5	2 Min.	8	
6	30 Sec.	2.5		6	2 Min.	10	
7	30 Sec.	3		7	2 Min.	12	
8	30 Sec.	3.5		8	2 Min.	14	
9	30 Sec.	4		9	2 Min.	16	
10	30 Sec.	4.5		10	2 Min.	18	
11	30 Sec.	5		11	2 Min.	20	
12	30 Sec.	5.5		12	2 Min.	22	
13	30 Sec.	6		13	2 Min.	24	
14	30 Sec.	6.5		14	2 Min.	26	
15	30 Sec.	7		15	2 Min.	28	
16	30 Sec.	7.5		16	2 Min.	30	
17	30 Sec.	8		17	2 Min.	32	
18	30 Sec.	8.5		18	2 Min.	34	
19	30 Sec.	9		19	2 Min.	36	
20	30 Sec.	9.5		20	2 Min.	38	
21	30 Sec.	10		21	2 Min.	40	
22	1 Min.	11	520	22	2 Min.	42	
23	1 Min.	12	520.5	23	2 Min.	44	
24	1 Min.	13	{	24	2 Min.	46	
25	1 Min.	14	{	25	2 Min.	48	
26	1 Min.	15	{	26	2 Min.	50	
27	5 Min.	20	520	27	2 Min.	52	
28	5 Min.	25	{	28	2 Min.	54	
29	5 Min.	30	{	29	2 Min.	56	
30	5 Min.	35	{	30	2 Min.	58	
31	5 Min.	40		31	2 Min.	60	
32	5 Min.	45		32	5 Min.	65	
33	5 Min.	50		33	5 Min.	70	
34	5 Min.	55		34	5 Min.	75	
35	5 Min.	60		35	5 Min.	80	
36	15 Min.	75		36	5 Min.	85	
37	15 Min.	90		37	5 Min.	90	
38	15 Min.	105		38	5 Min.	95	
39	15 Min.	120		39	5 Min.	100	
40	15 Min.	135		40	5 Min.	105	
41	15 Min.	150		41	5 Min.	110	
42	15 Min.	165		42	5 Min.	115	
43	15 Min.	180		43	5 Min.	120	
44	15 Min.	195		44	10 Min.	130	
45	15 Min.	210		45	10 Min.	140	

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WATER RESOURCES DEPT
SALEM, OREGON

WELL PUMPING- DRAWDOWN TEST

Test No.	Period	Time, Min.	Well No. 1	
1	0	0		
2	2 min.	2	544	
3	2 min.	4	}	
4	2 min.	6		
5	2 min.	8		
6	2 min.	10		
7	2 min.	12		
8	2 min.	14		
9	2 min.	16		
10	2 min.	18		
11	2 min.	20		
12	2 min.	22		
13	2 min.	24		
14	2 min.	26		
15	2 min.	28		
16	2 min.	30		
17	2 min.	32		544.6
18	2 min.	34		}
19	2 min.	36		
20	2 min.	38		
21	2 min.	40		
22	2 min.	42	544.8	
23	2 min.	44	}	
24	2 min.	46		
25	2 min.	48	545	
26	2 min.	50	}	
27	2 min.	52		
28	2 min.	54		
29	2 min.	56		
30	2 min.	58		
31	2 min.	60		
32	5 min.	65		
33	5 min.	70		
34	5 min.	75		
35	5 min.	80		
36	5 min.	85		
37	5 min.	90		
38	5 min.	95		

Test No.	Period	Time, Min.	Well No. 1	
39	5 min.	100	545	
40	5 min.	105	}	
41	5 min.	110		
42	5 min.	115		
43	5 min.	120		
44	10 min.	130		
45	10 min.	140		
46	10 min.	150		
47	10 min.	160		546
48	10 min.	170		}
49	10 min.	180		
50	10 min.	190		
51	10 min.	200		
52	10 min.	210		
53	10 min.	220		
54	10 min.	230		
55	10 min.	240		
56	30 min.	270		
57	30 min.	300		
58	30 min.	330		
59	30 min.	360		
60	1 hr.	420		
61	1 hr.	480		
62	1 hr.	540		
63	1 hr.	600		
64	1 hr.	660		
65	1 hr.	720	546	
66	1 hr.	780		
67	1 hr.	840		
68	1 hr.	900		
69	1 hr.	960		
70	1 hr.	1020		
71	1 hr.	1080		
72	1 hr.	1140		
73	1 hr.	1200		
74	1 hr.	1260		
75	1 hr.	1320		
76	1 hr.	1380		
77	1 hr.	1440		

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WATER RESOURCES DEPT
SALEM, OREGON



Oregon

John A. Kitzhaber, M.D., Governor

Water Resources Department

Commerce Building
158 12th Street NE
Salem, OR 97301-4172
(503) 378-3739
FAX (503) 378-8130

September 28, 2001

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OCT 03 2001

W & H PACIFIC, INC.

Swalley Irrigation District
P.O. Box 5126
Bend, Oregon 97708-5126

REFERENCE: File T-8519

Enclosed is a copy of the order approving your water right transfer application T-8519.

A time to complete the transfer is given in the order. YOU SHOULD GIVE PARTICULAR ATTENTION TO THE TIME LIMIT. The water right for any portion of the authorized change in use or change in place of use NOT carried out within the time allowed will be lost.

An extension of the time limit can be allowed only upon a showing that diligent effort has been made to complete the actual change within the time allowed.

You have the requirement to hire a Certified Water Right Examiner (CWRE) to complete a Claim of Beneficial Use report and map which must be submitted to this department within one year of the date you completed the change or within one year of the completion date authorized in the transfer, whichever occurs first.

Sincerely,

Sarah Henderson

for BERNADETTE WILLIAMS
Transfer Program Coordinator

BW:sh

Enclosures

cc: Kyle Gorman, Watermaster
Thomas A Walker, CWRE
Eagle Crest, Inc.

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JUL 25 2008

WATER RESOURCES DEPT
SALEM, OREGON



STATE OF OREGON
COUNTY OF DESCHUTES
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

STATE OF OREGON
WATER RESOURCES DEPARTMENT

confirms the right to use the waters of the DESCHUTES RIVER, a tributary of the COLUMBIA RIVER, to maintain instream flow for FISHERIES ENHANCEMENT.

This right was confirmed by decree of the Circuit Court of the State of Oregon for DESCHUTES County. The decree is of record at Salem, in the Order Record of the WATER RESOURCES DIRECTOR, in Volume 12, at Page 282 and Volume 16, at Pages 148 and 396. The date of priority is SEPTEMBER 1, 1899.

The amount of water to which this right is entitled is limited to an amount actually beneficially used and shall not exceed 0.144 CUBIC FOOT PER SECOND (CFS) from APRIL 1 TO MAY 1 AND OCTOBER 1 TO NOVEMBER 1; 0.193 CFS from MAY 1 TO MAY 15 AND SEPTEMBER 15 TO OCTOBER 1; and 0.358 CFS from MAY 15 TO SEPTEMBER 15, or its equivalent in case of rotation, measured at the point of diversion from the source.

The point of diversion is located as follows:

SE $\frac{1}{4}$ NE $\frac{1}{4}$, SECTION 29, T 17 S, R 12 E, W.M.; NORTH CANAL DAM - 985 FEET NORTH AND 617 FEET WEST FROM THE E $\frac{1}{4}$ CORNER, SECTION 29.

The amount of water diverted directly from the Deschutes River and not through the main Swalley Irrigation District canal shall be limited to the above diversion rates without the 43% transmission loss allowed by the March 24, 1933 decree, and shall not exceed 5.46 acre-feet for each acre irrigated during the irrigation season.

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JUL 25 2008

WATER RESOURCES DEPT
SALEM, OREGON

STATE OF OREGON

COUNTY OF DESCHUTES

ORDER APPROVING A CHANGE IN USE AND PLACE OF USE

Pursuant to ORS 537.348 and ORS 540.510 to 540.530, after notice was given and no objections were filed, and finding that no injury to existing water rights would result, this order approves, as conditioned or limited herein, TRANSFER 8519 submitted by

SWALLEY IRRIGATION DISTRICT
P.O. BOX 5126
BEND, OREGON 97708-5126.

The right to be modified was confirmed by decree of the Circuit Court of the State of Oregon for DESCHUTES County as evidenced by a PORTION of Certificate 74145. The decree is recorded in the Order Record of the Water Resources Director in Volume 12, at Page 282 and Volume 16, at Pages 148 and 396. The date of priority is SEPTEMBER 1, 1899.

The right allows the use of the DESCHUTES RIVER, a tributary of the COLUMBIA RIVER, for IRRIGATION OF 21.0 ACRES. The amount of water to which this right is entitled is limited to an amount actually beneficially used and shall not exceed 0.144 CUBIC FOOT PER SECOND (CFS) from APRIL 1 TO MAY 1 AND OCTOBER 1 TO

This is an order in other than a contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2).

Pursuant to ORS 536.075 and OAR 137-004-080 and OAR 690-01-005 you may either petition for judicial review or petition the Director for reconsideration of this order.

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JUL 25 2008

WATER RESOURCES DEPT
SALEM, OREGON

NOVEMBER 1; 0.193 CFS from MAY 1 TO MAY 15 AND SEPTEMBER 15 TO OCTOBER 1; and 0.358 CFS from MAY 15 TO SEPTEMBER 15, if available at the authorized point of diversion: SE $\frac{1}{4}$ NE $\frac{1}{4}$, SECTION 29, T 17 S, R 12 E, W.M.; NORTH CANAL DAM - 985 FEET NORTH AND 617 FEET WEST FROM THE E $\frac{1}{4}$ CORNER, SECTION 29, or its equivalent in case of rotation, measured at the point of diversion from the source.

The amount of water diverted directly from the Deschutes River and not through the main Swalley Irrigation District canal shall be limited to the above diversion rates without the 43% transmission loss allowed by the March 24, 1933 decree, and shall not exceed 5.46 acre-feet for each acre irrigated during the irrigation season.

The authorized place of use is located as follows:

SW $\frac{1}{4}$ SE $\frac{1}{4}$	0.1 ACRES (Taxlot 1000)
SE $\frac{1}{4}$ SE $\frac{1}{4}$	0.7 ACRES (Taxlot 0134)
SE $\frac{1}{4}$ SE $\frac{1}{4}$	0.1 ACRES (Taxlot 1000)
SE $\frac{1}{4}$ SE $\frac{1}{4}$	14.8 ACRES (Taxlot 1300)

SECTION 14

NE $\frac{1}{4}$ NE $\frac{1}{4}$	3.7 ACRES (Taxlot 0134)
NE $\frac{1}{4}$ NE $\frac{1}{4}$	0.7 ACRES (Taxlot 1000)
NE $\frac{1}{4}$ NE $\frac{1}{4}$	0.9 ACRES (Taxlot 1300)

SECTION 23

TOWNSHIP 15 SOUTH, RANGE 12 EAST, W.M.

The right to use water for the above purpose is restricted to beneficial use on the lands or place of use described and is subject to all other conditions and limitations contained in the decree.

The applicant proposes to change the USE and PLACE OF USE to INSTREAM USE for FISHERIES ENHANCEMENT in the DESCHUTES RIVER. The reach is from river mile 164.8 (North Canal Dam) downstream to river mile 120 (Lake Billy Chinook).

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JUL 25 2008

WATER RESOURCES DEPT
SALEM, OREGON

The Director finds, in accordance with OAR 690-77-075(2):

1. The amount and timing of the proposed instream flow is allowable within the limits and use of the original water right; and,
2. The proposed reaches are appropriate, considering;
 - a. The instream water right begins at the recorded point of diversion;
 - b. The location of confluences with other streams downstream of the point of diversion; and,
 - c. There are no known areas of natural loss of streamflow to the river bed.

IT IS HEREBY ORDERED THAT:

1. The proposed changes shall be effective upon the date of this order.
2. The former place of use shall no longer be irrigated as a part of this water right.
3. There shall be created an instream water right for fisheries enhancement in the Deschutes River for 0.144 cubic foot per second (cfs) from April 1 to May 1 and October 1 to November 1; 0.193 cfs from May 1 to May 15 and September 15 to October 1; and 0.358 cfs from May 15 to September 15 with a priority date of September 1, 1899. The reach is from the authorized diversion point located in SE $\frac{1}{4}$ NE $\frac{1}{4}$, SECTION 29, T 17 S, R 12 E, W.M.; NORTH CANAL DAM - 985 FEET NORTH AND 617 FEET WEST FROM THE E $\frac{1}{4}$ CORNER, SECTION 29 at river mile 164.8 (North Canal Dam) downstream to NE $\frac{1}{4}$ SW $\frac{1}{4}$, SECTION 29, T 12 S, R 12 E, W.M. at river mile 120 (Lake Billy Chinook).

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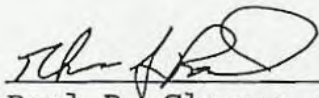
JUL 25 2008

WATER RESOURCES DEPT
SALEM, OREGON

The right evidenced by a portion of Certificate 74145 is modified as described herein. A new certificate confirming the instream water right will be issued.

WITNESS the signature of the Water Resources

Director, affixed SEP 21 2001.



For Paul R. Cleary, Director

RECEIVED

JUL 25 2008

WATER RESOURCES DEPT
SALEM, OREGON



Cline Butte Utility Co.

1230 GOLDEN PHEASANT DRIVE, REDMOND, OR 97756 ▲ 541-504-2305

May 16, 2006

Mr. Dwight French
Manager, Water Rights Section
Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, Oregon 97301-1271

**Re: Eagle Crest Inc. and Cline Butte Utility Company
Permit G-13856
Groundwater Withdrawal Mitigation
WHP File No.: 31250.1005**

Dear Dwight,

The attached permit G-13856 authorizes quasi-municipal groundwater use for the Eagle Crest Resort in Deschutes County. Water use under the permit exceeded the original expectation and I am soliciting your approval of an additional and equivalent in-stream water right for groundwater withdrawal mitigation, to maintain a balance between the water consumed and the water provided in-stream. Your review and approval are respectfully requested.

Permit G-13856 authorizes a maximum diversion rate of 3.34 cubic feet per second, limited to a maximum diversion of 252 acre-feet each year and a consumption of no more than 115 acre-feet each year, once sewage contributions are subtracted. Water use in the last reporting year exceeded the previously mitigated annual volume of water use. As allowed in the permit, we propose to supplement the withdrawal mitigation to maintain the required balance.

Permit G-13856 stipulates that "the Department may approve an additional and equivalent water right to be leased to in-stream use, to maintain an acre-foot balance between the amount of water consumed to the amount of water provided to in-stream use. An equivalent water right must, at a minimum, be from a water right with a diversion point at or near the diversion authorized for the lease of certificate 74145."

The original permit G-13856 was issued in the name of Eagle Crest Inc. and subsequently assigned to Cline Butte Utility Company. Cline Butte Utility Company is a subsidiary of Eagle Crest Inc. and is generally responsible for operation and maintenance of the utility systems at Eagle Crest. Mitigation of water use under permit G-13856 is expected to be beneficial to the Deschutes River through the enhanced in-stream use and also beneficial to utility operations at the resort.

Eagle Crest Inc. and Cline Butte Utility Company request your approval to dedicate the Applicant's Share of the conserved water under your special order volume 61, page 630 to mitigate an additional annual volume under permit G-13856. A copy of the final order approving the allocation of conserved water is attached. The Applicant's share of the conserved water is 292 acre-feet per year. The conserved water, in combination with the prior established mitigation of 115 acre-feet, provides a total of 407 acre-feet per year for groundwater withdrawal mitigation under our proposal.

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JUL 25 2008

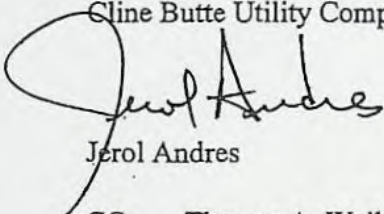
WATER RESOURCES DEPT
SALEM, OREGON

The current Deschutes Basin Mitigation Rules stipulate a 40% consumptive rate for quasi-municipal use. Following the current Deschutes Basin Mitigation Rules, the 407 acre-feet per year of proposed mitigation would support an annual volume of 1017.5 acre-feet each year.

Please consider our proposal to supplement mitigation under permit G-13856 with the in-stream conserved water authorized under your special order volume 61, page 630. I look forward to your review and response.

Very truly yours,

Cline Butte Utility Company



Jerol Andres

CC: Thomas A. Walker, P.E., C.W.R.E.
Alan VanVliet

Cc:

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JUL 25 2008

WATER RESOURCES DEPT
SALEM, OREGON

BEFORE THE OREGON WATER RESOURCES DEPARTMENT

RECEIVED
OCT 2 2000

W & H PACIFIC, INC.

In the Matter of Water Right)
Application G 14857 in the Name)
of William D. Lyche, for Eagle Crest)
Inc.,)
Applicant)

ORDER ON RECONSIDERATION

Appeal Rights

This is a final order in other than contested case. Pursuant to ORS 536.075 and OAR 137-004-080 and OAR 690-001-005 you may either petition the Director for reconsideration of this order or petition for judicial review of this order. As provided in ORS 536.075, this order is subject to judicial review under ORS 183.484. Any petition for judicial review of the order must be filed within the 60 day time period specified by ORS 183.484(2).

Background

On May 26, 2000, the Oregon Water Resources Department ("Department") through its Director, Martha Pagel, issued its Final Order Approving Application and Denying Protest for Application G 14857.

On September 19, 2000, the Department on its own motion issued an Order Allowing Reconsideration of its May 26, 2000 order.

Findings of Fact and Conclusions of Law

Under ORS 390.835 the "highest and best uses of the waters within scenic waterways are recreation, fish and wildlife uses," and the "free-flowing character of these waters shall be maintained in quantities necessary for recreation, fish and wildlife uses." Accordingly, no new water diversion may be constructed or used unless permitted by the Water Resources Commission upon a finding that such diversion is necessary to uses designated in ORS 536.310(12) and in a manner consistent with the policies set to preserve the free-flowing character of scenic waterways in quantities necessary for recreation, fish and wildlife uses. ORS 390.805 to 390.925.

Each water right permit and certificate for appropriation of ground water issued after July 19, 1995, for which a source of appropriation is within or above a scenic waterway must be conditioned to allow the regulation of the use if analysis of data available after the permit or

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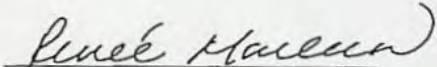
WATER RESOURCES DEPT
SALEM, OREGON

Service List

I certify that on October 19, 2000, a copy of this notice was served by first class mail, postage prepaid upon the persons listed below, by depositing same in the United States Post Office at Salem, Oregon.

W&H Pacific
920 S.W. Emkay Dr., Suite C-100
Bend, OR 97702

William D. Lyche
Eagle Crest Inc.
P.O. Box 1215
Redmond, OR 97756


Renee Moulun

RECEIVED

JUL 25 2008

STATE OF OREGON

WATER RESOURCES DEPT
SALEM, OREGON

COUNTY OF DESCHUTES

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

EAGLE CREST INC.
WILLIAM D. LYCHE
PO BOX 1215
REDMOND, OREGON 97756

The limits and conditions of the use are listed below.

SPECIFIC LIMITS AND CONDITIONS

APPLICATION FILE NUMBER: G-14857

SOURCE OF WATER: A WELL IN THE DESCHUTES RIVER BASIN

PURPOSE OR USE: QUASI-MUNICIPAL USE

MAXIMUM RATE: 3.34 CUBIC FEET PER SECOND, further limited to a maximum diversion of 252 acre-feet each year and shall result in consumption of no more than 115 acre-feet each year, once sewage contribution is subtracted from the amount diverted, unless the mitigation plan is modified and approved by the Department as described below.

If the reporting, as required below, demonstrates the mitigation plan is not sufficient to mitigate for the amount of water actually consumed, the use will be further restricted to limit the total consumed water to 115 acre-feet, or the Department may approve an additional and equivalent water right to be leased to instream use, to maintain an acre-foot balance between the amount of water consumed to the amount of water provided to instream use. An equivalent water right must, at a minimum, be from a water right with a diversion point at or near the diversion authorized by the lease of certificate 74145.

PERIOD OF USE: YEAR ROUND

DATE OF PRIORITY: NOVEMBER 2, 1998

POINT OF DIVERSION LOCATION: NE 1/4 NE 1/4, SECTION 16, T15S, R12E, W.M.; 150 FEET SOUTH AND 150 FEET WEST FORM THE NE CORNER, SECTION 16, T15S, R12E, W.M.

JUL 25 2008

WATER RESOURCES DEPT
SALEM, OREGON

PAGE 3

the interference. The Department encourages junior and senior appropriators to jointly develop plans to mitigate interferences. Use of water under authority of this permit may be regulated if analysis of data available after the permit is issued discloses that the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right or as those quantities may be subsequently reduced.

Use of water under authority of this permit may be regulated if analysis of data available after the permit is issued discloses that the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right or as those quantities may be subsequently reduced.

STANDARD CONDITIONS

The wells shall be constructed in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. The works shall be equipped with a usable access port, and may also include an air line and pressure gauge adequate to determine water level elevation in the well at all times.

The use shall conform to such reasonable rotation system as may be ordered by the proper state officer.

Prior to receiving a certificate of water right, the permit holder shall submit the results of a pump test meeting the department's standards, to the Water Resources Department. The Director may require water level or pump test results every ten years thereafter.

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.



Oregon

Theodore R. Kulongoski, Governor

Water Resources Department

North Mall Office Building

725 Summer Street NE, Suite A

Salem, OR 97301-1271

503-986-0900

FAX 503-986-0904

October 5, 2004

RECEIVED

OCT 11 2004

W & H PACIFIC, INC.

Eagle Crest, Inc.
Alan VanVliet
PO Box 1215
Redmond, Oregon 97756

RE: Allocation of Conserved Water C-13

Enclosed is a copy of the Special Order Volume 61, Page 630, approving your allocation of conserved water application. The order was signed on September 30, 2004.

If you have any questions regarding this order, please contact Doug Parrow at 503-986-0881.

Sincerely,

Sarah Henderson
Executive Support

Cc: Jeremy Giffin, Watermaster
Douglas MacDougal, Schwabe, Williamson & Wyatt
Tom Walker, W & H Pacific
Jan Lee, Swalley Irrigation District

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SALEM, OREGON

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WATER RESOURCES DEPT
SALEM, OREGON

BEFORE THE WATER RESOURCES DEPARTMENT
OF THE
STATE OF OREGON

In the Matter of the Proposed Allocation of)
Conserved Water by Eagle Crest, Inc for)
certificate 74145, Deschutes County,)
Oregon)

FINAL ORDER APPROVING
ALLOCATION OF CONSERVED
WATER

ORS 537.455 to 537.500; chapter 726, Oregon Laws 1997, as amended by chapter 394, Oregon Laws 1999; and OAR Chapter 690, Division 18, authorize and establish the process and criteria for allocations of conserved water.

Findings of Fact

1. Eagle Crest, Inc. filed an application for an allocation of conserved water. The Department assigned the application number C-13.
2. The application requests allocation of water conserved by a project involving lands with water rights confirmed under certificate 74145. Eagle Crest, Inc. is the owner of the lands affected by the proposed allocation and is a qualified applicant for allocation of conserved water. Swalley Irrigation District, in whose name the certificate was issued, approved the application.
3. The portion of the right affected by the proposed allocation of conserved water allows the use of water from the Deschutes River, a tributary of the Columbia River, for the irrigation of 169.4 acres in Sections 13, 14, 23 and 24, Township 15 South, Range 12 East, W.M. The priority date of the right is September 1, 1899.
4. Since issuance of the certificate in 1997, certificate 74145 has been modified by several water right transfers approved pursuant to ORS Chapter 540. The transfers did not involve the lands affected by the proposed allocation of conserved water.
5. Public notice was published as required under OAR 690-18-050.
6. The application includes a land use information form completed and signed by Deschutes County indicating that the required land use approvals have been obtained by the applicant.

This is a final order in other than contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-080 and OAR 690-01-005 you may either petition for judicial review or petition the Director for reconsideration of this order.

JUL 25 2008

WATER RESOURCES DEPT
SALEM, OREGON

Period	Conserved Water	Applicant's Share	State's Share
Apr. 1 to May 1 & Oct. 1 to Nov. 1	0.31 cfs	0.23 cfs	0.08 cfs
May 1 to May 15 & Sept. 15 to Oct. 1	0.42 cfs	0.31 cfs	0.11 cfs
May 15 to Sept. 15	0.77 cfs	0.58 cfs	0.19 cfs
Annual Duty	417 ac-ft	313 ac-ft	104 ac-ft

12. The applicant has agreed that, if conserved water is used out-of-stream, the conserved water will be allocated 70 percent to the applicant and 30 percent to the state. This yields the following allocation:

Period	Conserved Water	Applicant's Share	State's Share
Apr. 1 to May 1 & Oct. 1 to Nov. 1	0.31 cfs	0.22 cfs	0.09 cfs
May 1 to May 15 & Sept. 15 to Oct. 1	0.42 cfs	0.29 cfs	0.13 cfs
May 15 to Sept. 15	0.77 cfs	0.54 cfs	0.23 cfs
Annual Duty	417 ac-ft	292 ac-ft	125 ac-ft

13. The applicant has requested that the priority dates of the conserved water rights be the same as the priority date of the originating right.
14. The applicant's portion of the conserved water would be sufficient to irrigate 43.85 acres if applied at the same rate and duty as would be allowed under the applicant's existing right after the allocation of conserved water. This would result in a depletion of water in the Deschutes Basin of up to 71 ac-ft or a reduction in flow in the Deschutes River below Lake Billy Chinook of 0.10 cfs on a year around basis.
15. The applicant has not identified a use of the applicant's share of the conserved water and has requested that the water be reserved instream pursuant to ORS 537.470 and OAR 690-018-0080(2).
16. The only water rights calling on the Deschutes River that have been identified as potentially affected by the allocation of conserved water are the instream water rights. The allocation of conserved water would enhance flows in the middle Deschutes River during the irrigation season and would have no effect on flows during other portions of the year. The allocation of conserved water would enhance flows in the lower Deschutes River during the irrigation season and diminish flows during other periods of the year. On average, the allocation would result in a net improvement in flows in the lower Deschutes River.
17. Pursuant to OAR 690-18-050, in reviewing the application for allocation of conserved water the Department has determined the following:

JUL 25 2008

WATER RESOURCES DEPT
SALEM, OREGON

18. Certificate 74145 contains errors in the locations of the points of diversion that occurred at the time that the certificate was issued. The errors associated with POD #1, #4, and #11 were typographical. The error associated with POD #15 was as a result of using an incorrect final proof map. The errors are as follows:

Point of Diversion	Erroneous POD Location	Correct POD Location
1	SE ¼ NE ¼, Section 32, T. 17 S., R. 12 E., W.M.; 100 feet South and 50 feet East from the most Northerly corner of tax lot 4100.	SE ¼ NW ¼, Section 32, T. 17 S., R. 12 E., W.M.; 100 feet South and 50 feet East from the most Northerly corner of tax lot 4100.
4	NW ¼ SE ¼, Section 20, T. 17 S., R. 20 E., W.M.; 1980 feet North and 1980 feet West from the SE Corner of Section 20.	NW ¼ SE ¼, Section 20, T. 17 S., R. 12 E., W.M.; 1980 feet North and 1980 feet West from the SE Corner of Section 20.
11	SE ¼ SE ¼; Section 30, T. 16 S., R. 12 E., W.M.; 1248.59 feet North and 38 feet West from the SE corner of Section 30.	SE ¼ SE ¼; Section 30, T. 16 S., R. 12 E., W.M.; 1248.59 feet North and 138 feet West from the SE corner of Section 30.
15	Additional district diversion: NW ¼ SE ¼, Section 14, T. 15 S., R. 12 E., W.M.; 2170 feet North and 1350 feet West from the SE Corner of Section 14.	Additional district diversion: NE ¼ SE ¼, Section 14, T. 15 S., R. 12 E., W.M.; 2065.82 feet North and 1401.41 feet East from the S Quarter Corner of Section 14.

Conclusion of Law

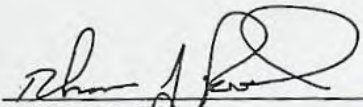
The project described in the application for allocation of conserved water is consistent with the criteria in ORS 537.455 to 537.500; chapter 726, Oregon Laws 1997, as amended by chapter 394, Oregon Laws 1999; and OAR Chapter 690, Division 18. Water will be conserved that can be allocated without harming other water rights.

Now, therefore, it is ORDERED:

1. Certificate 74145 is cancelled.
2. The Department shall issue a new certificate confirming the reduction in the rate of diversion for the lands affected by the allocation of conserved water, incorporating any water right transfers completed pursuant to ORS Chapter 540, and correcting errors in the descriptions of the locations of PODs 1, 3, 11, and 15 that occurred on issuance of certificate 74145.
3. The applicant's portion of the conserved water shall be reserved instream pending notification to the Department of the applicant's intent to use the water. The quantity of water reserved instream shall be 0.23 cfs for the periods April 1 to May 1 and October 1 to

use of 0.23 cfs for the periods April 1 to May 1 and October 1 to November 1, 0.31 cfs for the periods May 1 to May 15 and September 15 to October 1, and 0.58 cfs for the period May 15 to September 15 for the support of aquatic life.

Dated at Salem, Oregon this 30th day of September, 2004.


for Phillip C. Ward
Acting Director

Mailing date:
 OCT 0 6 2004

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WATER RESOURCES DEPT
SALEM, OREGON

BEFORE THE OREGON WATER RESOURCES DEPARTMENT

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OCT 2 2000

W & H PACIFIC, INC.

In the Matter of Water Right)
Application G 14857 in the Name)
of William D. Lyche, for Eagle Crest)
Inc.,)
Applicant)

ORDER ON RECONSIDERATION

Appeal Rights

This is a final order in other than contested case. Pursuant to ORS 536.075 and OAR 137-004-080 and OAR 690-001-005 you may either petition the Director for reconsideration of this order or petition for judicial review of this order. As provided in ORS 536.075, this order is subject to judicial review under ORS 183.484. Any petition for judicial review of the order must be filed within the 60 day time period specified by ORS 183.484(2).

Background

On May 26, 2000, the Oregon Water Resources Department ("Department") through its Director, Martha Pagel, issued its Final Order Approving Application and Denying Protest for Application G 14857.

On September 19, 2000, the Department on its own motion issued an Order Allowing Reconsideration of its May 26, 2000 order.

Findings of Fact and Conclusions of Law

Under ORS 390.835 the "highest and best uses of the waters within scenic waterways are recreation, fish and wildlife uses," and the "free-flowing character of these waters shall be maintained in quantities necessary for recreation, fish and wildlife uses." Accordingly, no new water diversion may be constructed or used unless permitted by the Water Resources Commission upon a finding that such diversion is necessary to uses designated in ORS 536.310(12) and in a manner consistent with the policies set to preserve the free-flowing character of scenic waterways in quantities necessary for recreation, fish and wildlife uses. ORS 390.805 to 390.925.

Each water right permit and certificate for appropriation of ground water issued after July 19, 1995, for which a source of appropriation is within or above a scenic waterway must be conditioned to allow the regulation of the use if analysis of data available after the permit or

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SEP 15 2006

WATER RESOURCES DEPT
SALEM OREGON

certificate is issued discloses that "the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right or as those quantities may be subsequently reduced." ORS 390.835(9)(g).

The priority date for this permit is November 2, 1998, thus the permit for this use must contain the following condition:

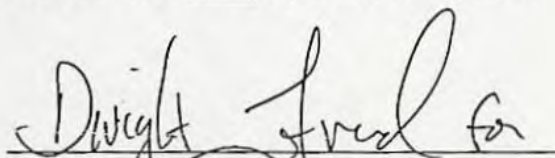
Use of water under authority of this permit may be regulated if analysis of data available after the permit is issued discloses that the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right or as those quantities may be subsequently reduced.

The use as conditioned under the amended permit for this application is consistent with the policies set forth under ORS 390.805 to 390.925 to preserve the free-flowing character of scenic waterways in quantities necessary for recreation, fish and wildlife uses.

Order

The Final Order Approving Application and Denying Protest is amended by this order. Permit G 13819 is superceded by Permit G13856 issued herein.

DATED this 17 day of October, 2000



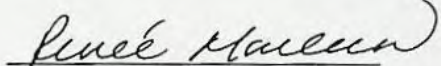
Paul Cleary, Director
Oregon Water Resources Department

Service List

I certify that on October 19, 2000, a copy of this notice was served by first class mail, postage prepaid upon the persons listed below, by depositing same in the United States Post Office at Salem, Oregon.

W&H Pacific
920 S.W. Emkay Dr., Suite C-100
Bend, OR 97702

William D. Lyche
Eagle Crest Inc.
P.O. Box 1215
Redmond, OR 97756


Renee Moulun

STATE OF OREGON

COUNTY OF DESCHUTES

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

EAGLE CREST INC.
WILLIAM D. LYCHE
PO BOX 1215
REDMOND, OREGON 97756

The limits and conditions of the use are listed below.

SPECIFIC LIMITS AND CONDITIONS

APPLICATION FILE NUMBER: G-14857

SOURCE OF WATER: A WELL IN THE DESCHUTES RIVER BASIN

PURPOSE OR USE: QUASI-MUNICIPAL USE

MAXIMUM RATE: 3.34 CUBIC FEET PER SECOND, further limited to a maximum diversion of 252 acre-feet each year and shall result in consumption of no more than 115 acre-feet each year, once sewage contribution is subtracted from the amount diverted, unless the mitigation plan is modified and approved by the Department as described below.

If the reporting, as required below, demonstrates the mitigation plan is not sufficient to mitigate for the amount of water actually consumed, the use will be further restricted to limit the total consumed water to 115 acre-feet, or the Department may approve an additional and equivalent water right to be leased to instream use, to maintain an acre-foot balance between the amount of water consumed to the amount of water provided to instream use. An equivalent water right must, at a minimum, be from a water right with a diversion point at or near the diversion authorized by the lease of certificate 74145.

PERIOD OF USE: YEAR ROUND

DATE OF PRIORITY: NOVEMBER 2, 1998

POINT OF DIVERSION LOCATION: NE 1/4 NE 1/4, SECTION 16, T15S, R12E, W.M.; 150 FEET SOUTH AND 150 FEET WEST FORM THE NE CORNER, SECTION 16, T15S, R12E, W.M.

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SEP 15 2006

Application G-14857 Water Resources Department PERMIT G-13856
WATER RESOURCES DEPT
SALEM, OREGON

THE PLACE OF USE IS LOCATED AS FOLLOWS:

NE QUARTER ALL

NW QUARTER ALL

SW QUARTER ALL

SECTION 16

TOWNSHIP 15 SOUTH, RANGE 12 EAST, W.M.

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 as approved by the Director, at both the diversion from the well and at a point where sewage, that is actually discharged to the ground, may be measured. 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.
- B. The permittee 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.

This permit will expire in 2 years from permit issuance unless the 2 year lease of the water right authorized under certificate 74145 to instream purposes is replaced by a permanent transfer of water right certificate 74145, filed as transfer application T 8519, or an equivalent water right as determined by the Department, to instream use.

Within one year 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 timeline to complete the required Water Management Conservation Plan.

If substantial interference with a senior water right occurs due to withdrawal of water from any well listed on this permit, then use of water from the well(s) shall be discontinued or reduced and/or the schedule of withdrawal shall be regulated until or unless the Department approves or implements an alternative administrative action to mitigate

the interference. The Department encourages junior and senior appropriators to jointly develop plans to mitigate interferences. Use of water under authority of this permit may be regulated if analysis of data available after the permit is issued discloses that the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right or as those quantities may be subsequently reduced.

Use of water under authority of this permit may be regulated if analysis of data available after the permit is issued discloses that the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right or as those quantities may be subsequently reduced.

STANDARD CONDITIONS

The wells shall be constructed in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. The works shall be equipped with a usable access port, and may also include an air line and pressure gauge adequate to determine water level elevation in the well at all times.

The use shall conform to such reasonable rotation system as may be ordered by the proper state officer.

Prior to receiving a certificate of water right, the permit holder shall submit the results of a pump test meeting the department's standards, to the Water Resources Department. The Director may require water level or pump test results every ten years thereafter.

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.

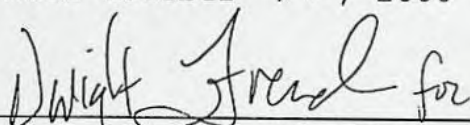
By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

The use of water shall be limited when it interferes with any prior surface or ground water rights.

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.

Actual construction of the well shall begin by May , 2001. Complete application of the water to the use shall be made on or before October 1, 2005. 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 October 17, 2000


Paul R. Cleary, Director
Water Resources Department

NOTE: 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.

STATE OF OREGON
COUNTY OF DESCHUTES

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

EAGLE CREST INC.
WILLIAM D. LYCHE
PO BOX 1215
REDMOND, OREGON 97756

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

APPLICATION FILE NUMBER: G-14857

SOURCE OF WATER: A WELL IN DESCHUTES RIVER BASIN

PURPOSE OR USE: QUASI-MUNICIPAL USE

MAXIMUM RATE: 3.34 CUBIC FOOT PER SECOND, further limited to a maximum diversion of 252 acre-feet each year and shall result in consumption of no more than 115 acre-feet each year, once sewage contribution is subtracted from the amount diverted, unless the mitigation plan is modified and approved by the department as described below.

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PERIOD OF USE: YEAR ROUND

DATE OF PRIORITY: NOVEMBER 2, 1998

POINT OF DIVERSION LOCATION: NE 1/4 NE 1/4, SECTION 16, T15S, R12E, W.M.; 150 FEET SOUTH AND 150 FEET WEST FROM THE NE CORNER SECTION 16
THE PLACE OF USE IS LOCATED AS FOLLOWS:

NE 1/4
NW 1/4
SW 1/4
SECTION 16
TOWNSHIP 15 SOUTH, RANGE 12 EAST, W.M.

Application G-14857 Water Resources Department

PERMIT G-13819

*S/S bag
G-13556*

Measurement, recording and reporting conditions:

- A. Before water use may begin under this permit, the permittee shall install meters, or other suitable measuring devices as approved by the Director, *at both the diversion from the well and at a point where sewage, that is actually discharged to the ground, may be measured.* The permittee shall maintain the meters or measuring devices in good working order, shall keep a complete record of the amount of water used and discharged 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.
- B. The permittee shall allow the watermaster access to the meters or measuring devices; provided however, where the meters or measuring devices are located within a private structure, the watermaster shall request access upon reasonable notice.

This permit will expire in 2 years from permit issuance unless the 2 year lease of the water right authorized under certificate 74145 to instream purposes is replaced by a permanent transfer of water right certificate 74145, or an equivalent water right as determined by the Department, to instream use.

Within 1 year 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 timeline to complete the required Water Management Conservation Plan.

If substantial interference with a senior water right occurs due to withdrawal of water from any well listed on this permit, then use of water from the well(s) shall be discontinued or reduced and/or the schedule of withdrawal shall be regulated until or unless the Department approves or implements an alternative administrative action to mitigate the interference. The Department encourages junior and senior appropriators to jointly develop plans to mitigate interferences.

STANDARD CONDITIONS

The wells shall be constructed in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. The works shall be equipped with a usable access port, and may also include an air line and pressure gauge adequate to determine water level elevation in the well at all times.

The use shall conform to such reasonable rotation system as may be ordered by the proper state officer.

Prior to receiving a certificate of water right, the permit holder shall submit the results of a pump test meeting the department's standards, to the Water Resources Department. The Director may require water level or pump test results every ten years thereafter.

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.

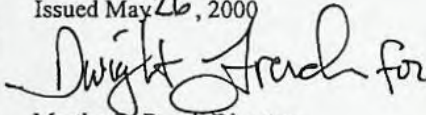
By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

The use of water shall be limited when it interferes with any prior surface or ground water rights.

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.

Actual construction of the well shall begin by May²⁶, 2001. Complete application of the water to the use shall be made on or before October 1, 2004. 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 May²⁶, 2000



Martha O. Pagel, Director
Water Resources Department

NOTE: 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.

Application G-14857
Basin 5

Water Resources Department
Volume 1 DESCHUTES R MISC
MGMT. CODE 7BG 7BR 7JG 7JR

PERMIT G-13819
District 11



920 SW Emkay, Suite C100
Bend, Oregon 97702-1041
541.388.4255
Fax 541.388.4229

September 14, 2006

Mr. Gerald E. Clark
Mr. Jerry W. Gainey
Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, Oregon 97301-1266

**Re: Claim of Beneficial Use
Application: G-14857
Permit: G-13856
WHP File No.: 31250.1005**

Gentlemen:

On behalf of the Cline Butte Utility Company, I have compiled a claim of beneficial use for the referenced quasi-municipal groundwater appropriation utilized at the Eagle Crest Resort in Deschutes County. Your review and approval are respectfully requested.

The following documents and attachments are enclosed for your review and use:

- Executed Claim of Beneficial Use Forms
- Final Proof Survey Map
- Claim of Beneficial Use Site Report
- Final Order and Permit G-13856
- Final Order Approving the Cline Butte Utility Company Water Management and Conservation Plan
- Cline Butte Utility Company Assignment Approval
- Well Log
- ALSCO, Inc. Well Test Report
- Final Order Approving Transfer T-8519 for Instream Mitigation
- Transmittal for Additional Mitigation Utilizing Special Order Volume 61, Page 630

Permit G-13856 is critically important to the Eagle Crest destination resort. As noted in the attached claim of beneficial use, we consider the water right fully perfected and its use compliant with all applicable conditions. Your review and confirmation are respectfully requested. Please carefully consider my comments and the multiple attachments, and never hesitate to contact me if you have questions or require additional information.

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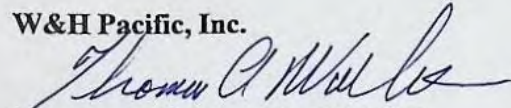
**WATER RESOURCES DEPT
SALEM OREGON**

W&H Pacific, Inc.
September 14, 2006
Page 2

We greatly appreciate your assistance and look forward to your review.

Very truly yours,

W&H Pacific, Inc.



Thomas A. Walker, P.E., C.W.R.E.
Vice President

Cc: Alan VanVliet
Ric Kuss

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SALEM, OREGON

**EAGLE CREST INC.
CLAIM OF BENEFICIAL USE
SITE REPORT
FOR GROUND WATER PERMIT G-13856
MAY 24, 2006**

NARRATIVE:

Eagle Crest Inc. and the Cline Butte Utility Company have authorized this Claim of Beneficial use for perfection of its Ground Water permit G-13856. The ground water use is designated as quasi-municipal and is intended to support the existing Eagle Crest destination resort.

Cline Butte Utility Company is a subsidiary of Eagle Crest Inc. Cline Butte Utility Company is responsible for operation and maintenance of the utility systems at the Eagle Crest destination resort. Permit G-13856 was issued to Eagle Crest Inc. in October of 2000. Eagle Crest Inc. subsequently assigned the water right permit to Cline Butte Utility Company.

Eagle Crest is an existing destination resort, located approximately 1 mile south of the Sisters-Redmond Highway and approximately 4 miles westerly of Redmond, Oregon. Eagle Crest is located within Deschutes County.

The Eagle Crest destination resort was initiated in the mid 1980's on the original Eagle Crest I tract, located on the Deschutes River. The Eagle Crest II expansion area was subsequently developed and is located on the westerly side of the Cline Falls Highway and immediately adjacent to the Eagle Crest I development area. Following the successful development of Eagle Crest I and Eagle Crest II areas, Eagle Crest Inc. obtained additional lands located in section 16 and proceeded with the Eagle Crest III development. No expansion beyond Eagle Crest III is anticipated.

The development of Eagle Crest includes single family homes, condominiums, restaurants, retail outlets, recreational facilities, swimming pools, multiple golf courses, significant lawns and landscaping, lakes and ponds, sale offices, convention center, administrative offices, house keeping, stables, pastures, golf course maintenance facilities, golf course pro shop, utility maintenance, and similar facilities and appurtenances.

Permit G-13856 serves the domestic water supply system, which includes an extensive piping network extended throughout the resort project. Permit G-13856 authorizes use of well #9, located in the Eagle Crest III section of the destination resort. "Well #9" is the Applicant's designation for the well.

Permit G-13856 was issued by the Oregon Water Resources Department (OWRD) in response to application file number G-14857. The final order approving the permit was originally issued May 26, 2000 and listed the permit number as G-13819. An order on

reconsideration was issued October 17, 2000 by the OWRD and noted the permit number as G-13856, again referring to application G-14857. A copy of the final permit is attached.

WATER RIGHT PERFECTION:

Permit G-13856 allows a maximum diversion rate of 3.34 cubic feet per second for quasi-municipal use. Perfection of the water right requires beneficial use of the allowed diversion rate throughout the designated area of use.

The point of diversion for permit G-13856 is well #9 within the Eagle Crest III expansion area of the Eagle Crest destination resort. Well #9 has been fully developed including the installation of a 450 horse power deep-well turbine pump with the capacity to discharge the specified maximum diversion rate. In addition, an extensive underground water distribution system has been constructed throughout the Eagle Crest destination resort to deliver water to the numerous customers and uses described above.

W&H Pacific has provided engineering services to the Eagle Crest destination resort for many years and has a thorough working knowledge of the water distribution system and the level of development at the resort. Because the domestic water distribution system is substantially complete and because well #9 has consistently delivered the maximum diversion rate into the domestic water supply system, permit G-13856 is considered fully perfected, subject to the numerous permit conditions and related details.

AREA OF USE:

Defining the area of use for permit G-13856 requires a thorough analysis and understanding of the water distribution system.

Permit G-13856 describes the place of use as the northeast quarter, the northwest quarter, and the southwest quarter of section 16, Township 15 south, Range 12 east. This area within section 16 is commonly referred to as the Eagle Crest III expansion area of the destination resort. Well #9 is located within the Eagle Crest III expansion area and discharges into the underground distribution system, extended throughout the Eagle Crest resort.

The extensive underground domestic distribution system serving Eagle Crest III is also interconnected and directly serves the Eagle Crest II area of development. Eagle Crest II and portions of Eagle Crest III are located within the same pressure level and water flows to the points of demand throughout the water distribution system, throughout Eagle Crest II and Eagle Crest III.

A domestic water storage reservoir is located on a high point of land adjacent to the Eagle Crest II and Eagle Crest III expansion areas. The storage reservoir "floats" on the system and effectively serves the Eagle Crest II and Eagle Crest III water distribution systems.

Multiple wells contribute to the Eagle Crest II and Eagle Crest III water distribution system and the common storage reservoir. Three wells (wells #6, #7, #8) are located

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within the Eagle Crest II expansion area of the resort. The water diversions from the Eagle Crest II wells are commingled with the diversion from well #9, located in Eagle Crest III.

In summary, multiple wells contribute to an interconnected extensive water distribution system that effectively serves all of the demands and uses within Eagle Crest II and Eagle Crest III.

The extensive water distribution system at the Eagle Crest resort is also interconnected to the original Eagle Crest I development area. The Eagle Crest I area, however, primarily receives its water supply from additional water rights and wells located within the Eagle Crest I area. The piping connection between Eagle Crest II/Eagle Crest III and the original Eagle Crest I area is primarily for emergency purposes. Water is not contributed on a regular basis to the Eagle Crest I area.

Because of the operation of the underground distribution system, the area of use for well #9 (permit G-13856) has been shown throughout Eagle Crest II and Eagle Crest III. The Eagle Crest I area has been omitted because of the infrequent contribution to Eagle Crest I. Even though the original permit limited the area of service to section 16, it is appropriate to expand the area of use because of the commingling that occurs in the water distribution system, because quasi-municipal rights have no appurtenancy, and because well #9 water has effectively been utilized throughout Eagle Crest II and Eagle Crest III.

Regardless of the area of service, the maximum diversion rate and duty for the quasi-municipal rights cannot be expanded outside of the stipulations of permit G-13856.

OTHER WATER RIGHTS:

Other water rights that serve the Eagle Crest destination resort are summarized in the following table:

Applicants source identification	Permit of certificate	Designation	General Area of Use
Well #1	G-10530	Quasi-municipal/irrigation	Eagle Crest I
Well #2	G-10530	Quasi-municipal/irrigation	Eagle Crest I
Well #3	G-10957	Quasi-municipal	Eagle Crest I
Wells #6, #7, #8	G-11313	Irrigation	Eagle Crest II
Well #6, #7, #8	G-11762	Quasi-municipal	Eagle Crest II & Eagle Crest III
Well #9	G-13856	Quasi-municipal	Eagle Crest II & Eagle Crest III

In addition, Eagle Crest Inc. and Cline Butte Utility Company utilize Swalley Irrigation District rights for irrigation within the Eagle Crest I development area.

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PERMIT CONDITIONS:

Permit G-13856 is limited to a maximum rate of 3.34 cubic feet per second and further limited to a maximum diversion of 252 acre-feet each year and shall result in consumption of no more than 115 acre-feet each year, when sewage contribution is subtracted from the amount diverted, unless the mitigation plan is modified and approved by the Department. The Department may approve an additional and equivalent mitigation to maintain an acre-foot balance between the amount of water consumed and the amount of water provided to an in-stream use.

The maximum diversion of 252 acre-feet was exceeded in the 2005 reporting period. The Applicant requested Department approval of additional in-stream mitigation to maintain the required balance between consumption and in-stream use. The Applicant subsequently submitted the Department's special order volume 61, page 630 for conserved water to meet the additional mitigation obligation. The Applicant's share of the specified conserved right is 292 acre-feet per year. The additional conserved water rights together with the original mitigation, result in a total mitigation of 407 acre-feet each year.

Current Deschutes Basin Mitigation Rules specify a 40% consumptive use factor for quasi-municipal use. The 40% consumptive use factor applied to a total annual mitigation of 407 acre-feet results in an allowed maximum diversion of 1,018 acre-feet.

Additional conditions require the permittee to install a meter or suitable measuring device. W&H Pacific confirmed the installation of a meter.

Special conditions stipulate a permanent transfer of water right certificate 74145 to an in-stream use under transfer application T8519. A copy of the final order for the permanent transfer is attached, documenting compliance with the condition.

Permit conditions require the permittee to submit a water management and conservation plan. A final order approving the water management and conservation plan is attached, again documenting compliance with the condition.

Standard conditions require well construction in conformance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. The general standard was specified in the initial construction contract for well #9 and a reputable driller was utilized. Information on the attached well log provides some evidence of compliance with the general standards.

Well #9 was equipped with an access port and an air line for determining water level elevations. The air line was confirmed by W&H Pacific during the site inspection and prior inspections.

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Conditions include the requirement for a pump test. A pump test was completed prior to the design of the well house improvements and a copy is enclosed.

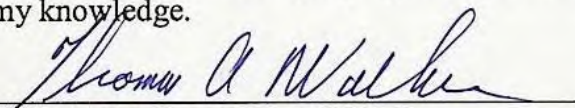
Standard conditions stipulate the land use associated with the water use must be in compliance with state wide land use goals. Deschutes County approved a land use form at the time of the application. The Eagle Crest destination resort is located on lands authorized for destination resort development, complying with the land use standard.

General conditions also stipulate that construction of the wells shall begin by May of 2001. The attached well log demonstrates that construction did begin by May of 2001, confirming compliance with the condition.

Permit G-13856 stipulates complete application of the water to the use on or before October 1, 2005. Within one year of complete application of water to the proposed use, the permittee shall submit a claim for beneficial use, including a map and report prepared by a certified water rights examiner. Well #9 well house improvements, including the capacity to divert the full rate to the water distribution system were completed in 2003. The water distribution system was substantially complete by October 1, 2005. This report and the attached Claim of Beneficial Use comply with the permit condition on application of water to beneficial use.

In summary, Cline Butte Utility Company has demonstrated perfection of permit G-13856 authorizing a maximum rate of 3.34 cubic feet per second. The mitigation for ground water withdrawals includes the original 115 acre-feet each year, plus a supplemental permanent in-stream use of 292 acre-feet per year, for a total of 407 acre-feet each year. The maximum diversion from well #9 should not exceed 1018 acre-feet each year, unless the Applicant gains Department approval for additional equivalent in-stream mitigation, and maintains an acre-foot balance between the water consumed and the water provided in-stream.

The final proof survey and inspection of use, as found to be complete under the terms and conditions of permit G-13856 was completed by me on May 24, 2006. Facts obtained in this report and the accompanying final proof map and application are correct to the best of my knowledge.




Thomas A. Walker, P.E., C.W.R.E.

9-14-2006

Date

I, Alan VanVliet, agree to the findings of this C.W.R.E. and do submit this site report and Claim of Beneficial Use Application for the beneficial use of water under the terms and conditions of my permit G-13856.



Alan VanVliet

9/12/06

Date

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WATER RESOURCES DEPT
SALEM, OREGON



FAX

To: Water Right Permit Section
 Company: Oregon Water Resources Department
 Address: 158 12th Street NE
 City/State: Salem, OR 97310
 Phone:
 Fax:

Date: June 5, 2001
 Project Number: 816567.009
 Project Name: Eagle Crest Inc
 Re: Water Right Permit G - 13819
 Application G - 14857

From: Thomas A. Walker, P.E., C.W.R.E.
 Phone: (541) 388-4255
 Fax: (541) 388-4229

Confidentiality Notice: This facsimile is intended only for the use of the individual and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that the unauthorized dissemination, distribution or copying of this communication, or the taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this facsimile in error, please notify us immediately by telephone (collect). Thank you.

We are sending:

- Attached
- Facsimile
- # Of Pages Including Cover

These Are Transmitted:

- For Your Info/File
- As Requested
- For Review & Comment

Copied To:

Alan VanVliet

Copies	Description
1	Executed Form A Notice of Beginning of Construction

Comments:

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SALEM, OREGON**

Form C (690-9-77)

IMPORTANT—This form is a notice to the Water Resources Director that permittee is ready to make final proof to the extent to which the water has actually been applied to the intended use under the terms of the permit. Permittee is cautioned that Certificate of Water Right will be issued based on the extent of the quantity and use as determined by the final proof inspection and survey which will be made in response to the filing of this Form C.

NOTE: In the case of an irrigation permit, this Form C should not be mailed to the Water Resources Department until all of the land described in the permit, which it is intended to irrigate under this permit at any time, has actually been irrigated.

Fill out, detach and mail to the Water Resources Department, Salem, OR 97310, when all of the water has been applied.

Application No.

NOTICE OF COMPLETE APPLICATION OF WATER TO A BENEFICIAL USE

I,, the holder of Permit No.

to appropriate the public waters of the state of Oregon, completely applied the waters to a beneficial use in accordance with the terms of said permit, on the day of, 19.....

Remarks:

IN WITNESS WHEREOF, I have hereunto set my hand this day of, 19.....

(Signature of Applicant)

(Address)

Form B (690-9-77)

Application No.

NOTICE OF COMPLETION OF CONSTRUCTION

I,, the holder of Permit No.

to appropriate the public waters of the state of Oregon, completed the construction of the works described herein on the day of, 19.....

Remarks:

If the works have less capacity than described in the permit, or you have definitely abandoned part of the proposed develop-

ment, you should so state in order that our records may not be unnecessarily encumbered.

IN WITNESS WHEREOF, I have hereunto set my hand this day of, 19.....

(Signature of Applicant)

(Address)

Fill out, detach and mail to the Water Resources Department, Salem, OR 97310, when construction work is completed.

Form A (690-9-77)

Application No. G-14857

NOTICE OF BEGINNING OF CONSTRUCTION

I, Eagle Crest Inc., the holder of Permit No. G-13819

to appropriate the public waters of the state of Oregon, began the actual construction of the works described therein on the 21st day of May, 19 2001

Remarks: Bore hole construction, surface casing installation, and

The appropriator must state the manner of beginning of construction, the amount of work completed and the type of equipment placement of a surface seal were initiated on May 21, 2001.

acquired for the water system up to the date of this statement, and any additional information which shows a substantial beginning of construction as authorized by your permit.

IN WITNESS WHEREOF, I have hereunto set my hand this day of, 19.....

(Signature of Applicant)

(Address)

Fill out, detach and mail to the Water Resources Department, Salem, OR 97310, when construction work is begun

SP*35567-690

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WATER RESOURCES DEPT SALEM OREGON



Oregon

Theodore R. Kulongoski, Governor

Water Resources Department
North Mall Office Building
725 Summer Street NE, Suite A
Salem, OR 97301-1271
503-986-0900
FAX 503-986-0904

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FEB - 3 2005

W & H PACIFIC, INC.

February 1, 2005

Alan Van Vliet
Cline Butte Utility Company
P.O. Box 1215
Redmond, OR 97756

Subject: Water Management and Conservation Plan

Dear Alan,

Enclosed is the final order approving your water management and conservation plan. We did not receive any appeals of the proposed final order that we issued on December 27, 2004.

We appreciate your cooperation in this effort. Please do not hesitate to contact us if we can provide any guidance or information as you update your plan.

Sincerely,

Snah Henderson

for

Bill Fujii
Field Services Division

Enclosure

cc Tom Walker

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WATER RESOURCES DEPT
SALEM OREGON

**BEFORE THE WATER RESOURCES DEPARTMENT
OF THE
STATE OF OREGON**

In the Matter of the Proposed Water)	FINAL ORDER APPROVING WATER
Management and Conservation Plan for)	MANAGEMENT AND
Cline Butte Utility Company, Deschutes)	CONSERVATION PLAN
County, Oregon)	

Authority

OAR Chapter 690, Division 086, establishes the process and criteria for approving water management and conservation plans required under the conditions of permits, permit extensions and other orders of the Department.

Findings of Fact

1. Cline Butte Utility Company submitted a Water Management and Conservation Plan to the Department on February 5, 2001 and a revised plan to the Department on December 23, 2004.
2. Public notice was published as required under OAR Chapter 690, Division 086. No comments were received.
3. The Department reviewed the draft plan and finds that the plan is generally consistent with the relevant requirements under OAR Chapter 690, Division 086 [1994].

Conclusion of Law

The water management and conservation plan submitted by Cline Butte Utility Company is consistent with the criteria in OAR Chapter 690, Division 086.

Now, therefore, it is ORDERED:

1. The Cline Butte Utility Company Water Management and Conservation Plan is approved and shall remain in effect until January 1, 2015, unless this approval is rescinded pursuant to OAR 690-086-0920.

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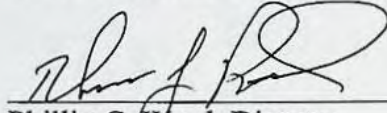
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SALEM, OREGON

This is a final order in other than contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080 you may either petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied.

2. The Cline Butte Utility Company shall submit an updated plan meeting the requirements of OAR Chapter 690, Division 86 (effective November 1, 2002) within 10 years and no later than January 1, 2015.

Dated at Salem, Oregon this 1st day of February, 2005.



Phillip C. Ward, Director

fn

Mailing date: FEB 01 2005

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U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



Oregon

John A. Kitzhaber, M.D., Governor

Water Resources Department

Commerce Building

158 12th Street NE

Salem, OR 97301-4172

(503) 378-3739

FAX (503) 378-8130

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MAY 14 2001

W & H PACIFIC, INC.

May 8, 2001

Cline Butt Utility Company
1140 Nutcracker
Redmond, OR 97756

REFERENCE: File G-14857

The assignment of Permit G-13856 from Jerol Andres, President Of Eagle Crest, Inc to you has been recorded in the records of the Water Resources Department.

Our records have been changed accordingly and the original is enclosed. Receipt number 43400 covering the recording fee of \$25 you submitted has already been sent to you.

Sincerely,

DALLAS S. MILLER
Water Rights Specialist

DSM:jh

Enclosure

cc: Watermaster # 11
Data Center, OWRD
Thomas Walker, CWRE
Jerol Andres, President of Eagle Creek, PO Box 1215, Redmond, OR 97756

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WATER RESOURCES DEPT.
SALEM, OREGON

This form is subject to revision. Begin each new claim by checking for a new version of this form and downloading a new one if necessary.

If you have questions regarding the completion of this form, contact:

Gerry Clark by e-mail at Gerald.E.CLARK@wrд.state.or.us or by phone at 503-986-0811,

Or Jerry Gainey by e-mail at Jerry.W.GAINEY@wrд.state.or.us or by phone at 503-986-0812.

The Department has a new program that allows a permit holder to pay the cost to have a private contractor review of the claim and, if appropriate, prepare a certificate. This new program means a certificate can be issued in about a month. The Department has a list of trained contractors that are selected on a rotating basis. For more information on this program see: <http://www.wrd.state.or.us/programs/index.shtml>.

**This box can be deleted

Oregon Water Resources Department
725 Summer St. NE, Suite A
Salem, OR 97301-1266

CLAIM OF BENEFICIAL USE

The completion of this form is required by OAR 690-014-0100(1) and 690-014-0110(4).

Please type or print in dark ink. If this form is found to contain errors or omissions, it may be returned to you. Every numbered item must have a response. If any requested information does not apply to the Claim, insert "n/a." Do not delete any section of this form unless directed by the form. The Department may require the submittal of additional information from any water user or authorized agent. A separate form shall be completed for each permit or transfer final order.

I. General Information

1. File Information

Application Number (G, R, S or T)	Permit Number (if applicable)
G-14857	G-13856 (G-13819)

2. Property owner (current owner information)

a. Individuals

Name		
Mailing Address		
City/State/Zip		
Phone #		
Fax #		
e-mail address		

b. Businesses/Organizations

Name	Cline Butte Utility Company
Contact Person and Title	Ric Kuss, Manager
Mailing Address	1140 Nutcracker
City/State/Zip	Redmond, OR 97756
Phone	
Fax	
e-mail	

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If the current property owner is not the permittee or transfer holder of record, it is recommended that an assignment be filed with the Department. The COBU must be signed by the permit/transfer holder of record.

3. Permittee / Transferee of record (this may, or may not, be the current property owner)

c. Individuals

	Individual 1	Individual 2
Name		
Mailing Address		
City/State/Zip		

d. Businesses/Organizations

Name	Eagle Crest, Inc.
Contact Person and Title	Jerol Andres, President
Mailing Address	P.O. Box 1215
City/State/Zip	Redmond, OR 97756

4. Date of Site Inspection: May 24, 2006

5. Person(s) interviewed and description of their association with the project:

Name	Date	Association with the project
Ric Kuss	5-24-2006	Manager

6. County:

7. Tax Lot Information:

Tax map number (Reference Attached Tax Lot Maps)	Tax lot number

8. If any property described in the place of use of the permit or transfer final order is excluded from this report, identify the owner of record for that property (ORS 537.230(3)):

**Mark "NA" if there are no owners of property not included in this claim

Name	
Contact Person and Title	
Mailing Address	
City/State/Zip	
Phone #	

Name	
Contact Person and Title	
Mailing Address	
City/State/Zip	
Phone #	

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II. Points of Diversion/Appropriation and Place of Use

For each point of diversion or appropriation, provide the following information. If the claim is for more than one point of diversion/appropriation, copy and complete this section for each point of diversion or appropriation.

1. Provide a general narrative description of the distribution works. This description must trace the water system from the point of diversion or appropriation to and include the place of use:

A 450 Horsepower pump in well number nine discharges to the domestic water distribution system, serving the Eagle Crest resort. The domestic water distribution system includes a 300,000 gallon reservoir and tens of miles of underground water mains extended throughout the development.

2. Point of diversion/appropriation name or number (correspond to map):

Point of diversion/appropriation name or number (correspond to map)	Well log ID # for all work performed on the well (if applicable)	Well tag # (if applicable)
Well #9	DESC 54485	L 50204

Attach each well log available for the well (include the log for the original well and any subsequent alterations, reconstructions, and deepening)

3. Point of diversion/appropriation source and, if from surface water, the tributary:

Source	Tributary to
A well in the Deschutes River Basin	Deschutes River

4. Point of diversion/appropriation location:

(DLC, Government Lot, 1/4 1/4, Section, Township, Range)	Reference to a recognized public land survey corner by distance and bearing or by coordinates
NE 1/4 NE 1/4 Section 16, T 15 S, R 12 E	

5. Actual use(s), period of use, and rate for each use:

Uses	If irrigation, list crop type	When water is used	Rate for use
Quasi Municipal		Year Round	3.34 CFS

Total Quantity of Water 3.34 CFS

6. Place of use for the point of diversion or appropriation:

DLC	Gov lot	1/4 1/4	Section	Township	Range	Use	# of primary acres	# of supplemental acres
		NE- ALL	16	17 S	12 E	QM		
		NW- ALL	16	17 S	12 E	QM		
		SW- ALL	16	17 S	12 E	QM		
		E 1/2	15	17 S	12 E	QM		

	NE-ALL	22	17 S	12 E	QM		
	W ½	14	17 S	12 E	QM		
	NW-ALL	23	17 S	12 E	QM		

Total Acres Irrigated _____

Groundwater Source Information (Well and Sump)

**If the appropriation is not from ground water (well or sump), this section, items 1-5, can be deleted.

1. Describe the access port (type and location) or other means to measure the water level in the well in the box below:

Two ¼ inch air lines were installed on the pump column. A casing vent was also provided.

2. If well logs are not available, provide as much of the following information as possible:

Casing Diameter	Casing Depth	Total Depth	Completion Date of Original Well	Completion Dates of Alterations	Who the well was drilled for	Well drilled by

In addition to the information requested in item "2" above, provide any other information which may help the Department locate any well logs associated with this appropriation.

Reference the attached well log.

**If the appropriation is not from a sump, the following section, items 3-4, can be deleted. Construction standards for sumps can be found in OAR 690-210-0400.

Storage tank data

**If this system does not include a storage tank as part of the distribution system, this section, item 1, can be deleted.

1. If the system involved a storage tank, complete the table below:

Material (concrete, fiberglass, metal, etc.)	Capacity in gallons	Above ground or buried
Concrete	300,000	Above Ground

Gravity flow canal or ditch (The Department typically uses Manning's formula for canals and ditches)

**If this claim does not rely on a gravity flow canal or ditch to convey the water as part of the distribution system, this section, items 1-3, can be deleted.

System Information:

Provide the following information concerning the diversion and delivery system. Trace the flow of water from the point of diversion/appropriation to the place of use.

1. Pump information

Brand	Model	Serial Number	Type (centrifugal, turbine or submersible)	Intake size	Discharge size
Robbco	12CHE		Turbine	10" Column	10"/12"

2. Motor information

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Brand	Model	Horsepower	Max RPM	Voltage
US Motor		450	1800	460

3. Meter information (if required in permit or transfer final order)

Make	Serial #	Condition (working or not)	Current meter reading	Notes
Data Industrial		Working	211,391,891	Wall mounted remote readout.

4. Measurement device description

Device description	Condition (working or not)	Notes
Existing Flow Meter	Working	

5. Measured pump capacity (using meter if meter was present and system was operating)

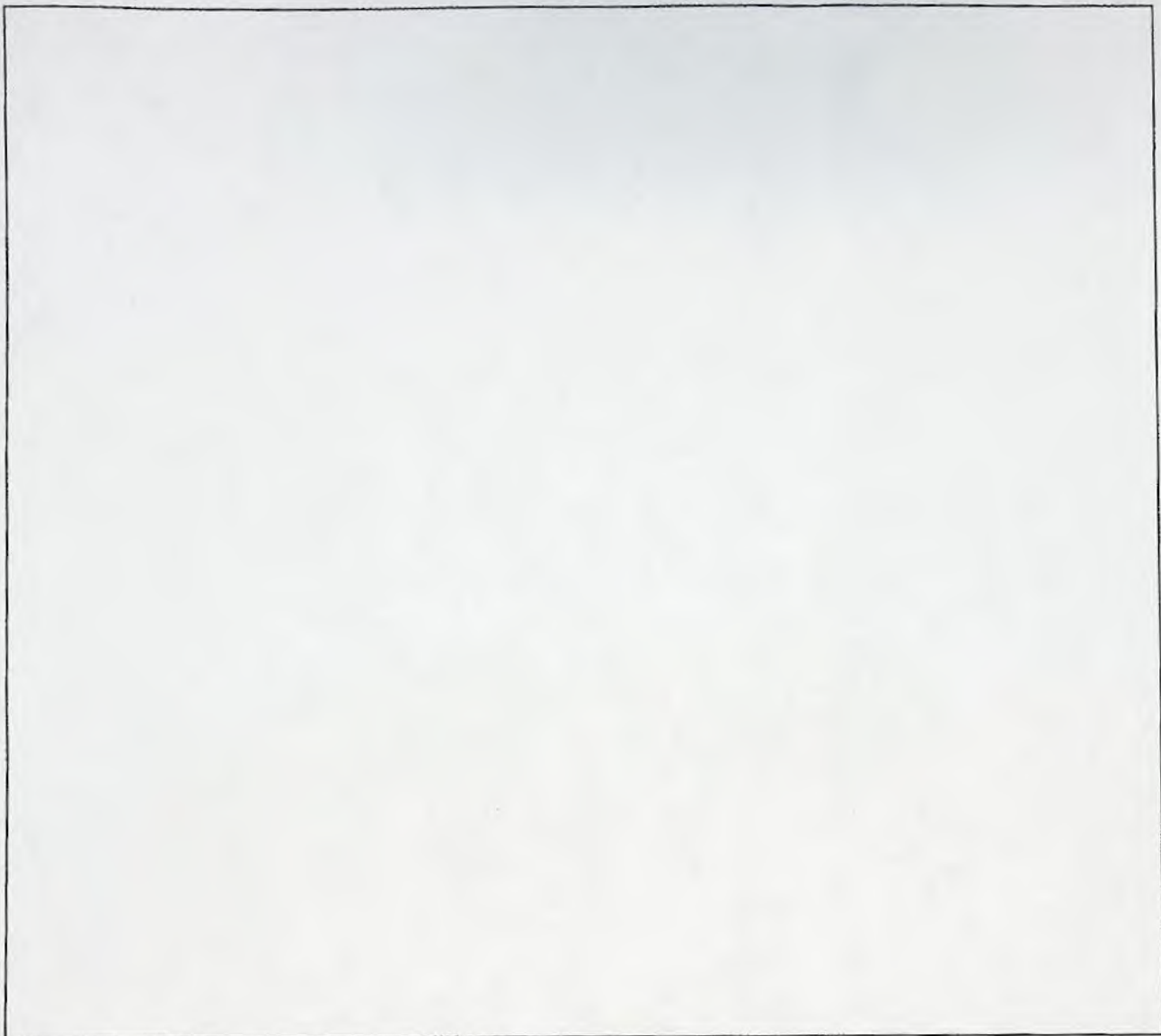
Initial meter reading	Ending meter reading	Duration of time observed	Total pump output
211,394,559 Gallons	211,396,115 Gallons	60 seconds	1556 Gallons

6. Theoretical pump capacity

Horsepower	Operating psi	Lift from source to pump *If a well, the water level during pumping (see pump test results)	Lift from pump to place of use	Total pump output
450	100 psi	546'	827' TDH	1722 GPM

7. Provide pump calculations in the box below:

$TDH = 231' + 546' + 50' \text{ Friction Loss} = 827'$
 $Q = (HP) (550) (EFF) / (62.4) (TDH) = (450) (550) (.80) / (62.4) (827) = 3.84 \text{ CFS} = 1722 \text{ GPM}$



8. Mainline information

Mainline size	Length	Type of pipe	Buried or above ground

9. Lateral or handline information

Lateral or handline size	Length	Type of pipe	Buried or above ground

10. Sprinkler information Make and model:

Make	Model	Size	Operating psi	Sprinkler output	Maximum number used	Total sprinkler output

Refer to the chart of sprinkler output at various pressures for most nozzle sizes attached to this document.

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$$Q_{\text{sprinklers}} = \frac{(\text{max \# heads})(\text{gpm/head})}{448.8 \text{ gpm/cfs}} = \text{cfs}$$

11. Additional notes or comments related to the system:

III. CONDITIONS

Please pay special attention to this section. All conditions contained in the permit or transfer final order shall be addressed. Reports that do not address all performance related conditions will be returned.

1. Time Limits:

a. Permits or transfer Final Orders contain any or all of the following dates; the date when the actual construction work was to begin, the date when the construction was to be completed, and the date when the complete application of water to the proposed use is to be completed by. These dates may be referred to as ABC dates. Describe how the water user has complied with each of the development timelines established in the permit or transfer final order:

	Dates from permit or transfer final order	Date accomplished	Description of actions taken by water user to comply with the time limits
Begin construction	May 2001	5-21-2001	Initiate Well Construction
Complete construction			
Complete application of water	October 1, 2005	October 2005	Construct Well Pump & Distribution System

2. Initial Water Level Measurements:

**If the Claim is for surface water or a reservoir, or if the water user was not required to submit static water level measurements, items b through e relating to this section can be deleted.

a. Was the water user required to submit an initial static water level measurement? NO

3. Annual Static Water Level Measurements:

**If the Claim is for surface water or a reservoir, or if the water user was not required to submit static water level measurements, items b through e relating to this section can be deleted.

a. Was the water user required to submit annual static water level measurements?

NO
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4. **Measurement, recording, and reporting conditions:**

- a. Does the permit or transfer final order require the installation of a meter or approved measuring device?
YES

If a meter or approved measuring device was required, the COBU map must indicate the location of the device in relation to the point of diversion or appropriation. The meter is located just outside the well house, and just downstream of the point of diversion.

**If "NO", items b through g relating to this section can be deleted.

- b. Has a meter been installed? YES

- c. Provide the date the meter was installed:

July 2003

- d. If a meter has not been installed, has a suitable measuring device been installed and approved by the Department? YES NO

- e. If "YES", provide a copy of the letter approving the device, if available. If the letter is not available provide the name and title of the Water Resources Department employee approving the measuring device, and the approximate date of the approval:

Name	Title	Approximate date

- f. Is the water user required to report the water use to the Department? YES

- g. Have the reports been submitted? YES

If the reports have not been submitted, attach a copy of the reports if available.

5. **Fish Screening and/or By-pass Devices**

- a. Are any points of diversion required to be screened and/or have a by-pass device to prevent fish from entering the point of diversion? NO

If fish screening and/or by-pass devices were required, the COBU map must indicate their location in relation to the point of diversion.

**If "NO", items b through i relating to this section can be deleted

6. **Pump Test** (Required for ground permits prior to issuance of a certificate, but not a requirement of permit development)

- a. Did the permit require the submittal of a pump test? YES
- b. Has the pump test been previously submitted to the Department? NO
- c. Has the pump test been approved by the Department? NO

d. If no, is the pump test attached to this Claim? YES

- 7. **Other Permit Conditions** (examples: special well construct standards, water conservation plans, no obstructions to fish without a fishway, etc.; number as appropriate.)
- 8. **Diversion is limited to a maximum of 252 acre-feet each year, once sewage contribution is subtracted.**

IV. Variations, Attachments, Conclusions, Map and Signatures

Variations

Include a description of variations from the permit or transfer final order

Please reference the attached Claim of Beneficial Use and Site Report which justifies and describes the place of use differently from the original application due to operation of the water distribution system.

Attachments

If you are attaching any documents to this report, provide a list below:

Attachment name	Description
	Please reference the transmittal letter for a summary of all attachments.

Permit and Transfer Final Order Rates and System Rates Comparisons:

POD or POA name or #	Maximum rate allowed by permit or transfer final order	Calculated theoretical rate of water based on system	Actual amount of water measured (if measured)	Developed use	# of acres allowed by permit or transfer final order	# of acres developed
Well #9	3.34 CFS	3.84 CFS	3.47 CFS	3.34 CFS	NA	NA

Claim of Beneficial Use Map

The Claim of Beneficial Use Map must be submitted with this Claim. Claims submitted without the Claim of Beneficial Use map will be returned. The map shall be submitted on poly film at a scale of 1" = 1320', 1" = 400', or the original full-size scale of the county assessor map for the location.

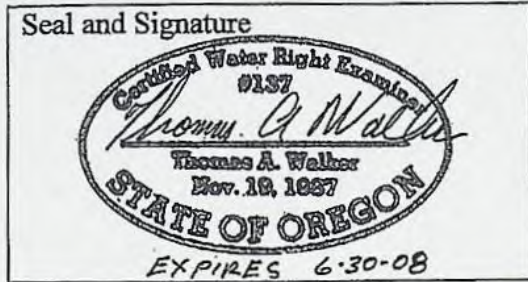
In the following box, provide a general description of the survey method used to prepare the map. Examples of possible methods include, but are not limited to, a traverse survey, GPS, or the use of aerial photos. If the basis of the survey is an aerial photo, provide the source, date, series and the aerial photo identification number.

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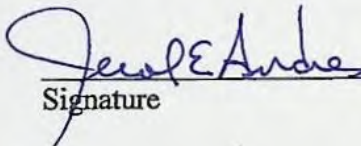
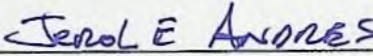
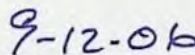
CWRE Statement, Seal and Signature

The facts contained in this Claim of Beneficial Use are true and correct to the best of my knowledge.



Permit or Transfer Holders Signature or Acknowledgement

The facts contained in this Claim of Beneficial Use are true and correct to the best of my knowledge. I request that the Department issue a water right certificate.

		
Signature	Print or type name	Date
<hr/>		
Signature	Print or type name	Date



920 SW Emkay, Suite C100
Bend, Oregon 97702-1041
541.388.4255
Fax 541.388.4229

September 14, 2006

Mr. Gerald E. Clark
Mr. Jerry W. Gainey
Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, Oregon 97301-1266

**Re: Claim of Beneficial Use
Application: G-14857
Permit: G-13856
WHP File No.: 31250.1005**

Gentlemen:

On behalf of the Cline Butte Utility Company, I have compiled a claim of beneficial use for the referenced quasi-municipal groundwater appropriation utilized at the Eagle Crest Resort in Deschutes County. Your review and approval are respectfully requested.

The following documents and attachments are enclosed for your review and use:

- Executed Claim of Beneficial Use Forms
- Final Proof Survey Map
- Claim of Beneficial Use Site Report
- Final Order and Permit G-13856
- Final Order Approving the Cline Butte Utility Company Water Management and Conservation Plan
- Cline Butte Utility Company Assignment Approval
- Well Log
- ALSCO, Inc. Well Test Report
- Final Order Approving Transfer T-8519 for Instream Mitigation
- Transmittal for Additional Mitigation Utilizing Special Order Volume 61, Page 630

Permit G-13856 is critically important to the Eagle Crest destination resort. As noted in the attached claim of beneficial use, we consider the water right fully perfected and its use compliant will all applicable conditions. Your review and confirmation are respectfully requested. Please carefully consider my comments and the multiple attachments, and never hesitate to contact me if you have questions or require additional information.

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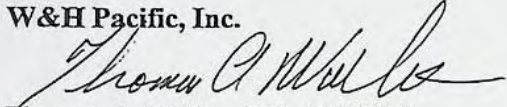
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W&H Pacific, Inc.
September 14, 2006
Page 2

We greatly appreciate your assistance and look forward to your review.

Very truly yours,

W&H Pacific, Inc.



Thomas A. Walker, P.E., C.W.R.E.
Vice President

Cc: Alan VanVliet
Ric Kuss

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WATER RESOURCES DEPT
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**EAGLE CREST INC.
CLAIM OF BENEFICIAL USE
SITE REPORT
FOR GROUND WATER PERMIT G-13856
MAY 24, 2006**

NARRATIVE:

Eagle Crest Inc. and the Cline Butte Utility Company have authorized this Claim of Beneficial use for perfection of its Ground Water permit G-13856. The ground water use is designated as quasi-municipal and is intended to support the existing Eagle Crest destination resort.

Cline Butte Utility Company is a subsidiary of Eagle Crest Inc. Cline Butte Utility Company is responsible for operation and maintenance of the utility systems at the Eagle Crest destination resort. Permit G-13856 was issued to Eagle Crest Inc. in October of 2000. Eagle Crest Inc. subsequently assigned the water right permit to Cline Butte Utility Company.

Eagle Crest is an existing destination resort, located approximately 1 mile south of the Sisters-Redmond Highway and approximately 4 miles westerly of Redmond, Oregon. Eagle Crest is located within Deschutes County.

The Eagle Crest destination resort was initiated in the mid 1980's on the original Eagle Crest I tract, located on the Deschutes River. The Eagle Crest II expansion area was subsequently developed and is located on the westerly side of the Cline Falls Highway and immediately adjacent to the Eagle Crest I development area. Following the successful development of Eagle Crest I and Eagle Crest II areas, Eagle Crest Inc. obtained additional lands located in section 16 and proceeded with the Eagle Crest III development. No expansion beyond Eagle Crest III is anticipated.

The development of Eagle Crest includes single family homes, condominiums, restaurants, retail outlets, recreational facilities, swimming pools, multiple golf courses, significant lawns and landscaping, lakes and ponds, sale offices, convention center, administrative offices, house keeping, stables, pastures, golf course maintenance facilities, golf course pro shop, utility maintenance, and similar facilities and appurtenances.

Permit G-13856 serves the domestic water supply system, which includes an extensive piping network extended throughout the resort project. Permit G-13856 authorizes use of well #9, located in the Eagle Crest III section of the destination resort. "Well #9" is the Applicant's designation for the well.

Permit G-13856 was issued by the Oregon Water Resources Department (OWRD) in response to application file number G-14857. The final order approving the permit was originally issued May 26, 2000 and listed the permit number as G-13819. An order on

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reconsideration was issued October 17, 2000 by the OWRD and noted the permit number as G-13856, again referring to application G-14857. A copy of the final permit is attached.

WATER RIGHT PERFECTION:

Permit G-13856 allows a maximum diversion rate of 3.34 cubic feet per second for quasi-municipal use. Perfection of the water right requires beneficial use of the allowed diversion rate throughout the designated area of use.

The point of diversion for permit G-13856 is well #9 within the Eagle Crest III expansion area of the Eagle Crest destination resort. Well #9 has been fully developed including the installation of a 450 horse power deep-well turbine pump with the capacity to discharge the specified maximum diversion rate. In addition, an extensive underground water distribution system has been constructed throughout the Eagle Crest destination resort to deliver water to the numerous customers and uses described above.

W&H Pacific has provided engineering services to the Eagle Crest destination resort for many years and has a thorough working knowledge of the water distribution system and the level of development at the resort. Because the domestic water distribution system is substantially complete and because well #9 has consistently delivered the maximum diversion rate into the domestic water supply system, permit G-13856 is considered fully perfected, subject to the numerous permit conditions and related details.

AREA OF USE:

Defining the area of use for permit G-13856 requires a thorough analysis and understanding of the water distribution system.

Permit G-13856 describes the place of use as the northeast quarter, the northwest quarter, and the southwest quarter of section 16, Township 15 south, Range 12 east. This area within section 16 is commonly referred to as the Eagle Crest III expansion area of the destination resort. Well #9 is located within the Eagle Crest III expansion area and discharges into the underground distribution system, extended throughout the Eagle Crest resort.

The extensive underground domestic distribution system serving Eagle Crest III is also interconnected and directly serves the Eagle Crest II area of development. Eagle Crest II and portions of Eagle Crest III are located within the same pressure level and water flows to the points of demand throughout the water distribution system, throughout Eagle Crest II and Eagle Crest III.

A domestic water storage reservoir is located on a high point of land adjacent to the Eagle Crest II and Eagle Crest III expansion areas. The storage reservoir "floats" on the system and effectively serves the Eagle Crest II and Eagle Crest III water distribution systems.

Multiple wells contribute to the Eagle Crest II and Eagle Crest III water distribution system and the common storage reservoir. Three wells (wells #6, #7, #8) are located

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within the Eagle Crest II expansion area of the resort. The water diversions from the Eagle Crest II wells are commingled with the diversion from well #9, located in Eagle Crest III.

In summary, multiple wells contribute to an interconnected extensive water distribution system that effectively serves all of the demands and uses within Eagle Crest II and Eagle Crest III.

The extensive water distribution system at the Eagle Crest resort is also interconnected to the original Eagle Crest I development area. The Eagle Crest I area, however, primarily receives its water supply from additional water rights and wells located within the Eagle Crest I area. The piping connection between Eagle Crest II/Eagle Crest III and the original Eagle Crest I area is primarily for emergency purposes. Water is not contributed on a regular basis to the Eagle Crest I area.

Because of the operation of the underground distribution system, the area of use for well #9 (permit G-13856) has been shown throughout Eagle Crest II and Eagle Crest III. The Eagle Crest I area has been omitted because of the infrequent contribution to Eagle Crest I. Even though the original permit limited the area of service to section 16, it is appropriate to expand the area of use because of the commingling that occurs in the water distribution system, because quasi-municipal rights have no appurtenancy, and because well #9 water has effectively been utilized throughout Eagle Crest II and Eagle Crest III.

Regardless of the area of service, the maximum diversion rate and duty for the quasi-municipal rights cannot be expanded outside of the stipulations of permit G-13856.

OTHER WATER RIGHTS:

Other water rights that serve the Eagle Crest destination resort are summarized in the following table:

Applicants source identification	Permit of certificate	Designation	General Area of Use
Well #1	G-10530	Quasi-municipal/irrigation	Eagle Crest I
Well #2	G-10530	Quasi-municipal/irrigation	Eagle Crest I
Well #3	G-10957	Quasi-municipal	Eagle Crest I
Wells #6, #7, #8	G-11313	Irrigation	Eagle Crest II
Well #6, #7, #8	G-11762	Quasi-municipal	Eagle Crest II & Eagle Crest III
Well #9	G-13856	Quasi-municipal	Eagle Crest II & Eagle Crest III

In addition, Eagle Crest Inc. and Cline Butte Utility Company utilize Swalley Irrigation District rights for irrigation within the Eagle Crest I development area.

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PERMIT CONDITIONS:

Permit G-13856 is limited to a maximum rate of 3.34 cubic feet per second and further limited to a maximum diversion of 252 acre-feet each year and shall result in consumption of no more than 115 acre-feet each year, when sewage contribution is subtracted from the amount diverted, unless the mitigation plan is modified and approved by the Department. The Department may approve an additional and equivalent mitigation to maintain an acre-foot balance between the amount of water consumed and the amount of water provided to an in-stream use.

The maximum diversion of 252 acre-feet was exceeded in the 2005 reporting period. The Applicant requested Department approval of additional in-stream mitigation to maintain the required balance between consumption and in-stream use. The Applicant subsequently submitted the Department's special order volume 61, page 630 for conserved water to meet the additional mitigation obligation. The Applicant's share of the specified conserved right is 292 acre-feet per year. The additional conserved water rights together with the original mitigation, result in a total mitigation of 407 acre-feet each year.

Current Deschutes Basin Mitigation Rules specify a 40% consumptive use factor for quasi-municipal use. The 40% consumptive use factor applied to a total annual mitigation of 407 acre-feet results in an allowed maximum diversion of 1,018 acre-feet.

Additional conditions require the permittee to install a meter or suitable measuring device. W&H Pacific confirmed the installation of a meter.

Special conditions stipulate a permanent transfer of water right certificate 74145 to an in-stream use under transfer application T8519. A copy of the final order for the permanent transfer is attached, documenting compliance with the condition.

Permit conditions require the permittee to submit a water management and conservation plan. A final order approving the water management and conservation plan is attached, again documenting compliance with the condition.

Standard conditions require well construction in conformance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. The general standard was specified in the initial construction contract for well #9 and a reputable driller was utilized. Information on the attached well log provides some evidence of compliance with the general standards.

Well #9 was equipped with an access port and an air line for determining water level elevations. The air line was confirmed by W&H Pacific during the site inspection and prior inspections.

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Conditions include the requirement for a pump test. A pump test was completed prior to the design of the well house improvements and a copy is enclosed.

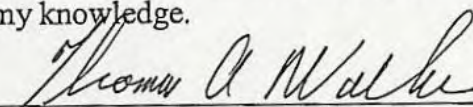
Standard conditions stipulate the land use associated with the water use must be in compliance with state wide land use goals. Deschutes County approved a land use form at the time of the application. The Eagle Crest destination resort is located on lands authorized for destination resort development, complying with the land use standard.

General conditions also stipulate that construction of the wells shall begin by May of 2001. The attached well log demonstrates that construction did begin by May of 2001, confirming compliance with the condition.

Permit G-13856 stipulates complete application of the water to the use on or before October 1, 2005. Within one year of complete application of water to the proposed use, the permittee shall submit a claim for beneficial use, including a map and report prepared by a certified water rights examiner. Well #9 well house improvements, including the capacity to divert the full rate to the water distribution system were completed in 2003. The water distribution system was substantially complete by October 1, 2005. This report and the attached Claim of Beneficial Use comply with the permit condition on application of water to beneficial use.

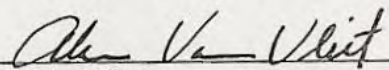
In summary, Cline Butte Utility Company has demonstrated perfection of permit G-13856 authorizing a maximum rate of 3.34 cubic feet per second. The mitigation for ground water withdrawals includes the original 115 acre-feet each year, plus a supplemental permanent in-stream use of 292 acre-feet per year, for a total of 407 acre-feet each year. The maximum diversion from well #9 should not exceed 1018 acre-feet each year, unless the Applicant gains Department approval for additional equivalent in-stream mitigation, and maintains an acre-foot balance between the water consumed and the water provided in-stream.

The final proof survey and inspection of use, as found to be complete under the terms and conditions of permit G-13856 was completed by me on May 24, 2006. Facts obtained in this report and the accompanying final proof map and application are correct to the best of my knowledge.


Thomas A. Walker, P.E., C.W.R.E.

9-14-2006
Date

I, Alan VanVliet, agree to the findings of this C.W.R.E. and do submit this site report and Claim of Beneficial Use Application for the beneficial use of water under the terms and conditions of my permit G-13856.


Alan VanVliet

9/12/06
Date

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Jerry Gainey

From: Jerry Gainey
Sent: Thursday, September 25, 2008 8:48 AM
To: Ken Lite
Subject: RE: Pump Test for Permit G-13856

Ken,

We have been working with Thomas Walker at WHPacific. Address:
Thomas A. Walker
WHPacific
920 SW Emkay Drive, Suite C-100
Bend, OR 97702
Phone Number: 541-388-4255

PERMITTEE ADDRESS:

Cline Butte Utility Co.
1140 Nutcracker Rd
Redmond, OR 97756

Thanks
Jerry

-----Original Message-----

From: Ken Lite
Sent: Wednesday, September 24, 2008 3:58 PM
To: Jerry Gainey
Subject: RE: Pump Test for Permit G-13856

Jerry,

I have now had a chance to research the Eagle Crest pump test submittal. The good news...I think they submitted for the correct well, although some of the well description is incorrect. The bad news...The information submitted is inadequate (per 690-217). I have drafted a rejection letter but I'm not sure where to send it. Would you please give me a mailing address (and name). Of course, I will also send a copy to you (via e-mail). Thanks.

Ken

-----Original Message-----

From: Jerry Gainey
Sent: Wednesday, September 24, 2008 9:53 AM
To: Ken Lite
Subject: Pump Test for Permit G-13856

Ken,

Gerry Clark and I are working on Eagle Crest/Cline Butte Permit G-13856 and may have had a senior moment about the pump test. Did you review the pump test and determined that it didn't meet requirements and was a letter sent to Eagle Crest/Cline Butte Utility Company informing them of rejection. We can not find information in the file. Any information will greatly be appreciated.

Thanks
The Cert Team

Jerry Gainey
Water Rights Specialist/Certificates
775 Summer St NE, Ste A
Salem OR 97303

PHONE: (503) 986-0812

FAX: (503) 986-0901

*

Please Note: under Oregon Law, messages to and from this e-mail address may be available to the public.

*

Jerry Gainey

From: Ken Lite
Sent: Wednesday, September 24, 2008 10:18 AM
To: Jerry Gainey
Subject: RE: Pump Test for Permit G-13856

Cert Team,

I too had a senior moment on this one... I owe you an e-mail. But, as I recall: 1. The information for the test does not meet our rules, however, the test data itself may have some redeeming value. 2. Unfortunately, the well identified on the test does not appear to match the well on the permit - I need to do a little more research. I'll get back to you - really.

Ken

-----Original Message-----

From: Jerry Gainey
Sent: Wednesday, September 24, 2008 9:53 AM
To: Ken Lite
Subject: Pump Test for Permit G-13856

Ken,

Gerry Clark and I are working on Eagle Crest/Cline Butte Permit G-13856 and may have had a senior moment about the pump test. Did you review the pump test and determined that it didn't meet requirements and was a letter sent to Eagle Crest/Cline Butte Utility Company informing them of rejection. We can not find information in the file. Any information will greatly be appreciated.

Thanks
The Cert Team

Jerry Gainey
Water Rights Specialist/Certificates
775 Summer St NE, Ste A
Salem OR 97303

PHONE: (503) 986-0812
FAX: (503) 986-0901

*
Please Note: under Oregon Law, messages to and from this e-mail address may be available to the public.

*

MEMORANDUM

TO: DOUG WOODCOCK, GROUND WATER SECTION MANAGER
FROM: JERRY GAINNEY, CERTIFICATE SECTION
SUBJECT: PUMP TEST – APPLICATION G-14857, PERMIT G-13856
DATE: JULY 7, 2008

The attached pump test is being forwarded for your review. Could you please semi expedite the review of the pump test?

When completed with the review, return to Jerry Gainney.

Well Recovery Measurements

Test No.	Period	Time	Well No. 2	Test No.	Period	Time	Well No. 1
1	0	0		1	0	0	
2	30 Sec.	0.5		2	2 Min.	2	
3	30 Sec.	1		3	2 Min.	4	
4	30 Sec.	1.5		4	2 Min.	6	
5	30 Sec.	2		5	2 Min.	8	
6	30 Sec.	2.5		6	2 Min.	10	
7	30 Sec.	3		7	2 Min.	12	
8	30 Sec.	3.5		8	2 Min.	14	
9	30 Sec.	4		9	2 Min.	16	
10	30 Sec.	4.5		10	2 Min.	18	
11	30 Sec.	5		11	2 Min.	20	
12	30 Sec.	5.5		12	2 Min.	22	
13	30 Sec.	6		13	2 Min.	24	
14	30 Sec.	6.5		14	2 Min.	26	
15	30 Sec.	7		15	2 Min.	28	
16	30 Sec.	7.5		16	2 Min.	30	
17	30 Sec.	8		17	2 Min.	32	
18	30 Sec.	8.5		18	2 Min.	34	
19	30 Sec.	9		19	2 Min.	36	
20	30 Sec.	9.5		20	2 Min.	38	
21	30 Sec.	10		21	2 Min.	40	
22	1 Min.	11	520	22	2 Min.	42	
23	1 Min.	12	520.5	23	2 Min.	44	
24	1 Min.	13	}	24	2 Min.	46	
25	1 Min.	14	}	25	2 Min.	48	
26	1 Min.	15	}	26	2 Min.	50	
27	5 Min.	20	520	27	2 Min.	52	
28	5 Min.	25	}	28	2 Min.	54	
29	5 Min.	30	}	29	2 Min.	56	
30	5 Min.	35	}	30	2 Min.	58	
31	5 Min.	40		31	2 Min.	60	
32	5 Min.	45		32	5 Min.	65	
33	5 Min.	50		33	5 Min.	70	
34	5 Min.	55		34	5 Min.	75	
35	5 Min.	60		35	5 Min.	80	
36	15 Min.	75		36	5 Min.	85	
37	15 Min.	90		37	5 Min.	90	
38	15 Min.	105		38	5 Min.	95	
39	15 Min.	120		39	5 Min.	100	
40	15 Min.	135		40	5 Min.	105	
41	15 Min.	150		41	5 Min.	110	
42	15 Min.	165		42	5 Min.	115	
43	15 Min.	180		43	5 Min.	120	
44	15 Min.	195		44	10 Min.	130	
45	15 Min.	210		45	10 Min.	140	

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 SEP 15 2006
 WATER RESOURCES DEPT
 SALEM, OREGON

WELL PUMPING- DRAWDOWN TEST

Test No.	Period	Time, Min.	Well No. 1
1	0	0	
2	2 min.	2	544
3	2 min.	4	
4	2 min.	6	
5	2 min.	8	
6	2 min.	10	
7	2 min.	12	
8	2 min.	14	
9	2 min.	16	
10	2 min.	18	
11	2 min.	20	
12	2 min.	22	
13	2 min.	24	
14	2 min.	26	
15	2 min.	28	
16	2 min.	30	
17	2 min.	32	544.6
18	2 min.	34	
19	2 min.	36	
20	2 min.	38	
21	2 min.	40	
22	2 min.	42	544.8
23	2 min.	44	
24	2 min.	46	
25	2 min.	48	545
26	2 min.	50	
27	2 min.	52	
28	2 min.	54	
29	2 min.	56	
30	2 min.	58	
31	2 min.	60	
32	5 min.	65	
33	5 min.	70	
34	5 min.	75	
35	5 min.	80	
36	5 min.	85	
37	5 min.	90	
38	5 min.	95	

Test No.	Period	Time, Min.	Well No. 1
39	5 min.	100	545
40	5 min.	105	
41	5 min.	110	
42	5 min.	115	
43	5 min.	120	
44	10 min.	130	
45	10 min.	140	
46	10 min.	150	
47	10 min.	160	546
48	10 min.	170	
49	10 min.	180	
50	10 min.	190	
51	10 min.	200	
52	10 min.	210	
53	10 min.	220	
54	10 min.	230	
55	10 min.	240	
56	30 min.	270	
57	30 min.	300	
58	30 min.	330	
59	30 min.	360	
60	1 hr.	420	
61	1 hr.	480	
62	1 hr.	540	
63	1 hr.	600	
64	1 hr.	660	
65	1 hr.	720	546
66	1 hr.	780	
67	1 hr.	840	
68	1 hr.	900	
70	1 hr.	1020	
71	1 hr.	1080	
72	1 hr.	1140	
73	1 hr.	1200	
74	1 hr.	1260	
75	1 hr.	1320	
76	1 hr.	1380	
77	1 hr.	1440	

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 SALEM, OREGON

MEMORANDUM

TO: DWIGHT FRENCH, ADMINISTRATOR, WATER RIGHTS & ADJUDICATION
FROM: JERRY GAINNEY, CERTIFICATE SECTION
SUBJECT: COBU FOR CLINE BUTTE UTILITY COMPANY (EAGLE CREST)
DATE: JULY 10, 2008

APPLICATION G-12905, PERMIT G-11762:

ISSUES:

MAP:

NOT ON MYLAR OR LINEN (REF: OAR 690-014-0170(1) & 690-310-0050)

NO PERMANENT FEATURES SHOWN, TO INCLUDE THE RESERVOIR (REF: OAR 690-014-0100(4))

REPORT:

NO DEMONSTRATION OF THE 4 HOUR IN 8 HOUR PUMPING TEST TO DEMONSTRATE BENEFICIAL USE.

APPLICATION G-14857, PERMIT G-13856:

MAP:

NOT ON MYLAR OR LINEN (REF: OAR 690-014-0170(1) & 690-310-0050)

NO PERMANENT FEATURES SHOWN, TO INCLUDE THE RESERVOIR (REF: OAR 690-014-0100(4))

MAP NEEDS TO SHOW LOCATION OF THE METERS (REF: OAR 690-014-0170(4))

SCALE OF MAP NOT WITHIN GUIDELINES (REF: OAR 690-014-0170(1) & OAR 690-310-0050)

REPORT:

TAX LOTS NOT LISTED (REF: OAR 690-310-0050(4)) OR REQUEST A WAIVER PER 690-014-0170(7))

CAN NOT DETERMINE IF BOTH METERS, AS REQUIRED BY THE PERMIT, WERE INSTALLED.

STATE OF OREGON

COUNTY OF DESCHUTES

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

EAGLE CREST INC.
WILLIAM D. LYCHE
PO BOX 1215
REDMOND, OREGON 97756

The limits and conditions of the use are listed below.

SPECIFIC LIMITS AND CONDITIONS

APPLICATION FILE NUMBER: G-14857

SOURCE OF WATER: A WELL IN THE DESCHUTES RIVER BASIN

PURPOSE OR USE: QUASI-MUNICIPAL USE

MAXIMUM RATE: 3.34 CUBIC FEET PER SECOND, further limited to a maximum diversion of 252 acre-feet each year and shall result in consumption of no more than 115 acre-feet each year, once sewage contribution is subtracted from the amount diverted, unless the mitigation plan is modified and approved by the Department as described below.

If the reporting, as required below, demonstrates the mitigation plan is not sufficient to mitigate for the amount of water actually consumed, the use will be further restricted to limit the total consumed water to 115 acre-feet, or the Department may approve an additional and equivalent water right to be leased to instream use, to maintain an acre-foot balance between the amount of water consumed to the amount of water provided to instream use. An equivalent water right must, at a minimum, be from a water right with a diversion point at or near the diversion authorized by the lease of certificate 74145.

PERIOD OF USE: YEAR ROUND

DATE OF PRIORITY: NOVEMBER 2, 1998

POINT OF DIVERSION LOCATION: NE 1/4 NE 1/4, SECTION 16, T15S, R12E, W.M.; 150 FEET SOUTH AND 150 FEET WEST FORM THE NE CORNER, SECTION 16, T15S, R12E, W.M.

Application G-14857 Water Resources Department

PERMIT G-13856

ASSIGNED. See Misc. Rec., Vol. 8 Page 914-917

THE PLACE OF USE IS LOCATED AS FOLLOWS:

NE QUARTER ALL
NW QUARTER ALL
SW QUARTER ALL
SECTION 16
TOWNSHIP 15 SOUTH, RANGE 12 EAST, W.M.

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 as approved by the Director, at both the diversion from the well and at a point where sewage, that is actually discharged to the ground, may be measured. 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.
- B. The permittee 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.

Reports
2004 - 5 - 6

OK

This permit will expire in 2 years from permit issuance unless the 2 year lease of the water right authorized under certificate 74145 to instream purposes is replaced by a permanent transfer of water right certificate 74145, filed as transfer application T 8519, or an equivalent water right as determined by the Department, to instream use.

Within one year 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 timeline to complete the required Water Management Conservation Plan.

If substantial interference with a senior water right occurs due to withdrawal of water from any well listed on this permit, then use of water from the well(s) shall be discontinued or reduced and/or the schedule of withdrawal shall be regulated until or unless the Department approves or implements an alternative administrative action to mitigate

Application G-14857 Water Resources Department PERMIT G-13856



the interference. The Department encourages junior and senior appropriators to jointly develop plans to mitigate interferences. Use of water under authority of this permit may be regulated if analysis of data available after the permit is issued discloses that the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right or as those quantities may be subsequently reduced.

Use of water under authority of this permit may be regulated if analysis of data available after the permit is issued discloses that the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right or as those quantities may be subsequently reduced.

STANDARD CONDITIONS

The wells shall be constructed in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. The works shall be equipped with a usable access port, and may also include an air line and pressure gauge adequate to determine water level elevation in the well at all times.

The use shall conform to such reasonable rotation system as may be ordered by the proper state officer.

Prior to receiving a certificate of water right, the permit holder shall submit the results of a pump test meeting the department's standards, to the Water Resources Department. The Director may require water level or pump test results every ten years thereafter.

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 shall be limited when it interferes with any prior surface or ground water rights.

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.

10/11/2008

Actual construction of the well shall begin by May , 2001. Complete application of the water to the use shall be made on or before ~~October 1, 2005~~. 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 October 17, 2000

Paul R. Cleary
Paul R. Cleary, Director
Water Resources Department

NOTE: 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.

Application G-14857
Basin 5
AMH

Water Resources Department
Volume 1 DESCHUTES R & MISC
MGMT.CODES 7BG 7BR 7CG 7CR

PERMIT G-13856
District 11





Oregon

John A. Kitzhaber, M.D., Governor

Water Resources Department

Commerce Building
158 12th Street NE
Salem, OR 97301-4172
(503) 378-3739
FAX (503) 378-8130

September 28, 2001

RECEIVED

OCT 03 2001

W & H PACIFIC, INC.

Swalley Irrigation District
P.O. Box 5126
Bend, Oregon 97708-5126

REFERENCE: File T-8519

Enclosed is a copy of the order approving your water right transfer application T-8519.

A time to complete the transfer is given in the order. YOU SHOULD GIVE PARTICULAR ATTENTION TO THE TIME LIMIT. The water right for any portion of the authorized change in use or change in place of use NOT carried out within the time allowed will be lost.

An extension of the time limit can be allowed only upon a showing that diligent effort has been made to complete the actual change within the time allowed.

You have the requirement to hire a Certified Water Right Examiner (CWRE) to complete a Claim of Beneficial Use report and map which must be submitted to this department within one year of the date you completed the change or within one year of the completion date authorized in the transfer, whichever occurs first.

Sincerely,

Sarah Henderson

for BERNADETTE WILLIAMS
Transfer Program Coordinator

BW:sh

Enclosures

cc: Kyle Gorman, Watermaster
Thomas A Walker, CWRE
Eagle Crest, Inc.

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SEP 15 2006

WATER RESOURCES DEPT
SALEM, OREGON



STATE OF OREGON
COUNTY OF DESCHUTES
CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

STATE OF OREGON
WATER RESOURCES DEPARTMENT

confirms the right to use the waters of the DESCHUTES RIVER, a tributary of the COLUMBIA RIVER, to maintain instream flow for FISHERIES ENHANCEMENT.

This right was confirmed by decree of the Circuit Court of the State of Oregon for DESCHUTES County. The decree is of record at Salem, in the Order Record of the WATER RESOURCES DIRECTOR, in Volume 12, at Page 282 and Volume 16, at Pages 148 and 396. The date of priority is SEPTEMBER 1, 1899.

The amount of water to which this right is entitled is limited to an amount actually beneficially used and shall not exceed 0.144 CUBIC FOOT PER SECOND (CFS) from APRIL 1 TO MAY 1 AND OCTOBER 1 TO NOVEMBER 1; 0.193 CFS from MAY 1 TO MAY 15 AND SEPTEMBER 15 TO OCTOBER 1; and 0.358 CFS from MAY 15 TO SEPTEMBER 15, or its equivalent in case of rotation, measured at the point of diversion from the source.

The point of diversion is located as follows:

SE $\frac{1}{4}$ NE $\frac{1}{4}$, SECTION 29, T 17 S, R 12 E, W.M.; NORTH CANAL DAM - 985 FEET NORTH AND 617 FEET WEST FROM THE E $\frac{1}{4}$ CORNER, SECTION 29.

The amount of water diverted directly from the Deschutes River and not through the main Swalley Irrigation District canal shall be limited to the above diversion rates without the 43% transmission loss allowed by the March 24, 1933 decree, and shall not exceed 5.46 acre-feet for each acre irrigated during the irrigation season.

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SEP 15 2006

76687

WATER RESOURCES DEPT
SALEM, OREGON

A description of the stream reach to which this right is appurtenant is as follows:


From the authorized diversion point located in SE¼ NE¼, SECTION 29, T 17 S, R 12 E, W.M.; NORTH CANAL DAM - 985 FEET NORTH AND 617 FEET WEST FROM THE E¼ CORNER, SECTION 29 at river mile 164.8 (North Canal Dam) downstream to NE¼ SW¼, SECTION 29, T 12 S, R 12 E, W.M. at river mile 120 (Lake Billy Chinook).

This certificate is issued to confirm a change in use and place of use approved by an order of the Water Resources Director approving Transfer 8519.

The issuance of this superseding certificate does not confirm the status of the water right in regard to the provisions of ORS 540.610 pertaining to forfeiture or abandonment.

The right to the use of the water for the above purpose is restricted to beneficial use on the lands or place of use described and is subject to all other conditions and limitations contained in said decree.

WITNESS the signature of the Water Resources Director, affixed SEP 21 2001.



For Paul R. Cleary, Director

Recorded in State Record of Water Right Certificates numbered 76687.

STATE OF OREGON

COUNTY OF DESCHUTES

ORDER APPROVING A CHANGE IN USE AND PLACE OF USE

Pursuant to ORS 537.348 and ORS 540.510 to 540.530, after notice was given and no objections were filed, and finding that no injury to existing water rights would result, this order approves, as conditioned or limited herein, TRANSFER 8519 submitted by

SWALLEY IRRIGATION DISTRICT
P.O. BOX 5126
BEND, OREGON 97708-5126.

The right to be modified was confirmed by decree of the Circuit Court of the State of Oregon for DESCHUTES County as evidenced by a PORTION of Certificate 74145. The decree is recorded in the Order Record of the Water Resources Director in Volume 12, at Page 282 and Volume 16, at Pages 148 and 396. The date of priority is SEPTEMBER 1, 1899.

The right allows the use of the DESCHUTES RIVER, a tributary of the COLUMBIA RIVER, for IRRIGATION OF 21.0 ACRES. The amount of water to which this right is entitled is limited to an amount actually beneficially used and shall not exceed 0.144 CUBIC FOOT PER SECOND (CFS) from APRIL 1 TO MAY 1 AND OCTOBER 1 TO

This is an order in other than a contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2).

Pursuant to ORS 536.075 and OAR 137-004-080 and OAR 690-01-005 you may either petition for judicial review or petition the Director for reconsideration of this order.

T-8519.BW

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SEP 15 2006

WATER RESOURCES DEPT
SALEM OREGON

Page 1 of 4 Special Order Volume 55, Page 1010.

NOVEMBER 1; 0.193 CFS from MAY 1 TO MAY 15 AND SEPTEMBER 15 TO OCTOBER 1; and 0.358 CFS from MAY 15 TO SEPTEMBER 15, if available at the authorized point of diversion: SE¼ NE¼, SECTION 29, T 17 S, R 12 E, W.M.; NORTH CANAL DAM - 985 FEET NORTH AND 617 FEET WEST FROM THE E¼ CORNER, SECTION 29, or its equivalent in case of rotation, measured at the point of diversion from the source.

The amount of water diverted directly from the Deschutes River and not through the main Swalley Irrigation District canal shall be limited to the above diversion rates without the 43% transmission loss allowed by the March 24, 1933 decree, and shall not exceed 5.46 acre-feet for each acre irrigated during the irrigation season.

The authorized place of use is located as follows:

SW¼ SE¼	0.1 ACRES (Taxlot 1000)
SE¼ SE¼	0.7 ACRES (Taxlot 0134)
SE¼ SE¼	0.1 ACRES (Taxlot 1000)
SE¼ SE¼	14.8 ACRES (Taxlot 1300)

SECTION 14

NE¼ NE¼	3.7 ACRES (Taxlot 0134)
NE¼ NE¼	0.7 ACRES (Taxlot 1000)
NE¼ NE¼	0.9 ACRES (Taxlot 1300)

SECTION 23

TOWNSHIP 15 SOUTH, RANGE 12 EAST, W.M.

The right to use water for the above purpose is restricted to beneficial use on the lands or place of use described and is subject to all other conditions and limitations contained in the decree.

The applicant proposes to change the USE and PLACE OF USE to INSTREAM USE for FISHERIES ENHANCEMENT in the DESCHUTES RIVER. The reach is from river mile 164.8 (North Canal Dam) downstream to river mile 120 (Lake Billy Chinook).

T-8519.BW

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WATER RESOURCES DEPT
SALEM, OREGON

Page 2 of 4 Special Order Volume 55, Page 1011.

The Director finds, in accordance with OAR 690-77-075(2):

1. The amount and timing of the proposed instream flow is allowable within the limits and use of the original water right; and,
2. The proposed reaches are appropriate, considering;
 - a. The instream water right begins at the recorded point of diversion;
 - b. The location of confluences with other streams downstream of the point of diversion; and,
 - c. There are no known areas of natural loss of streamflow to the river bed.

IT IS HEREBY ORDERED THAT:

1. The proposed changes shall be effective upon the date of this order.
2. The former place of use shall no longer be irrigated as a part of this water right.
3. There shall be created an instream water right for fisheries enhancement in the Deschutes River for 0.144 cubic foot per second (cfs) from April 1 to May 1 and October 1 to November 1; 0.193 cfs from May 1 to May 15 and September 15 to October 1; and 0.358 cfs from May 15 to September 15 with a priority date of September 1, 1899. The reach is from the authorized diversion point located in SE $\frac{1}{4}$ NE $\frac{1}{4}$, SECTION 29, T 17 S, R 12 E, W.M.; NORTH CANAL DAM - 985 FEET NORTH AND 617 FEET WEST FROM THE E $\frac{1}{4}$ CORNER, SECTION 29 at river mile 164.8 (North Canal Dam) downstream to NE $\frac{1}{4}$ SW $\frac{1}{4}$, SECTION 29, T 12 S, R 12 E, W.M. at river mile 120 (Lake Billy Chinook).

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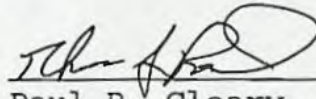
T-8519.BW

SEP 15 2006 3 of 4 Special Order Volume 55, Page 1012.

WATER RESOURCES DEPT
SALEM, OREGON

The right evidenced by a portion of Certificate 74145 is modified as described herein. A new certificate confirming the instream water right will be issued.

WITNESS the signature of the Water Resources
Director, affixed SEP 21 2001.


For Paul R. Cleary, Director

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SEP 15 2006

WATER RESOURCES DEPT
SALEM OREGON



Cline Butte Utility Co.

1230 GOLDEN PHEASANT DRIVE, REDMOND, OR 97756 ▲ 541-504-2305

May 16, 2006

Mr. Dwight French
Manager, Water Rights Section
Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, Oregon 97301-1271

**Re: Eagle Crest Inc. and Cline Butte Utility Company
Permit G-13856
Groundwater Withdrawal Mitigation
WHP File No.: 31250.1005**

Dear Dwight,

The attached permit G-13856 authorizes quasi-municipal groundwater use for the Eagle Crest Resort in Deschutes County. Water use under the permit exceeded the original expectation and I am soliciting your approval of an additional and equivalent in-stream water right for groundwater withdrawal mitigation, to maintain a balance between the water consumed and the water provided in-stream. Your review and approval are respectfully requested.

Permit G-13856 authorizes a maximum diversion rate of 3.34 cubic feet per second, limited to a maximum diversion of 252 acre-feet each year and a consumption of no more than 115 acre-feet each year, once sewage contributions are subtracted. Water use in the last reporting year exceeded the previously mitigated annual volume of water use. As allowed in the permit, we propose to supplement the withdrawal mitigation to maintain the required balance.

Permit G-13856 stipulates that "the Department may approve an additional and equivalent water right to be leased to in-stream use, to maintain an acre-foot balance between the amount of water consumed to the amount of water provided to in-stream use. An equivalent water right must, at a minimum, be from a water right with a diversion point at or near the diversion authorized for the lease of certificate 74145."

The original permit G-13856 was issued in the name of Eagle Crest Inc. and subsequently assigned to Cline Butte Utility Company. Cline Butte Utility Company is a subsidiary of Eagle Crest Inc. and is generally responsible for operation and maintenance of the utility systems at Eagle Crest. Mitigation of water use under permit G-13856 is expected to be beneficial to the Deschutes River through the enhanced in-stream use and also beneficial to utility operations at the resort.

Eagle Crest Inc. and Cline Butte Utility Company request your approval to dedicate the Applicant's Share of the conserved water under your special order volume 61, page 630 to mitigate an additional annual volume under permit G-13856. A copy of the final order approving the allocation of conserved water is attached. The Applicant's share of the conserved water is 292 acre-feet per year. The conserved water, in combination with the prior established mitigation of 115 acre-feet, provides a total of 407 acre-feet per year for groundwater withdrawal mitigation under our proposal.

RECEIVED

SEP 15 2006

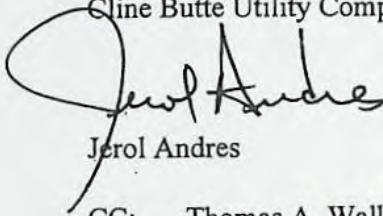
**WATER RESOURCES DEPT
SALEM, OREGON**

The current Deschutes Basin Mitigation Rules stipulate a 40% consumptive rate for quasi-municipal use. Following the current Deschutes Basin Mitigation Rules, the 407 acre-feet per year of proposed mitigation would support an annual volume of 1017.5 acre-feet each year.

Please consider our proposal to supplement mitigation under permit G-13856 with the in-stream conserved water authorized under your special order volume 61, page 630. I look forward to your review and response.

Very truly yours,

Cline Butte Utility Company



Jerol Andres

CC: Thomas A. Walker, P.E., C.W.R.E.
Alan VanVliet

Cc:

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SEP 15 2006

**WATER RESOURCES DEPT
SALEM OREGON**

BEFORE THE OREGON WATER RESOURCES DEPARTMENT

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OCT 2 2000

W & H PACIFIC, INC.

In the Matter of Water Right)
Application G 14857 in the Name)
of William D. Lyche, for Eagle Crest)
Inc.,)
Applicant)

ORDER ON RECONSIDERATION

Appeal Rights

This is a final order in other than contested case. Pursuant to ORS 536.075 and OAR 137-004-080 and OAR 690-001-005 you may either petition the Director for reconsideration of this order or petition for judicial review of this order. As provided in ORS 536.075, this order is subject to judicial review under ORS 183.484. Any petition for judicial review of the order must be filed within the 60 day time period specified by ORS 183.484(2).

Background

On May 26, 2000, the Oregon Water Resources Department ("Department") through its Director, Martha Pagel, issued its Final Order Approving Application and Denying Protest for Application G 14857.

On September 19, 2000, the Department on its own motion issued an Order Allowing Reconsideration of its May 26, 2000 order.

Findings of Fact and Conclusions of Law

Under ORS 390.835 the "highest and best uses of the waters within scenic waterways are recreation, fish and wildlife uses," and the "free-flowing character of these waters shall be maintained in quantities necessary for recreation, fish and wildlife uses." Accordingly, no new water diversion may be constructed or used unless permitted by the Water Resources Commission upon a finding that such diversion is necessary to uses designated in ORS 536.310(12) and in a manner consistent with the policies set to preserve the free-flowing character of scenic waterways in quantities necessary for recreation, fish and wildlife uses. ORS 390.805 to 390.925.

Each water right permit and certificate for appropriation of ground water issued after July 19, 1995, for which a source of appropriation is within or above a scenic waterway must be conditioned to allow the regulation of the use if analysis of data available after the permit or

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certificate is issued discloses that "the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right or as those quantities may be subsequently reduced." ORS 390.835(9)(g).

The priority date for this permit is November 2, 1998, thus the permit for this use must contain the following condition:

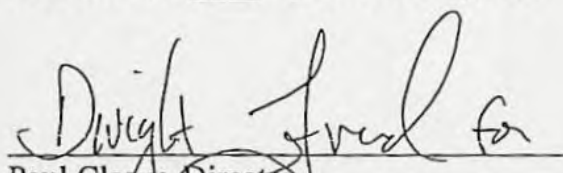
Use of water under authority of this permit may be regulated if analysis of data available after the permit is issued discloses that the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right or as those quantities may be subsequently reduced.

The use as conditioned under the amended permit for this application is consistent with the policies set forth under ORS 390.805 to 390.925 to preserve the free-flowing character of scenic waterways in quantities necessary for recreation, fish and wildlife uses.

Order

The Final Order Approving Application and Denying Protest is amended by this order. Permit G 13819 is superseded by Permit G13856 issued herein.

DATED this 17 day of October, 2000


Paul Cleary, Director

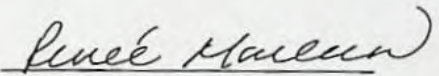
Oregon Water Resources Department

Service List

I certify that on October 19, 2000, a copy of this notice was served by first class mail, postage prepaid upon the persons listed below, by depositing same in the United States Post Office at Salem, Oregon.

W&H Pacific
920 S.W. Emkay Dr., Suite C-100
Bend, OR 97702

William D. Lyche
Eagle Crest Inc.
P.O. Box 1215
Redmond, OR 97756


Renee Moulun

STATE OF OREGON

COUNTY OF DESCHUTES

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

EAGLE CREST INC.
WILLIAM D. LYCHE
PO BOX 1215
REDMOND, OREGON 97756

The limits and conditions of the use are listed below.

SPECIFIC LIMITS AND CONDITIONS

APPLICATION FILE NUMBER: G-14857

SOURCE OF WATER: A WELL IN THE DESCHUTES RIVER BASIN

PURPOSE OR USE: QUASI-MUNICIPAL USE

MAXIMUM RATE: 3.34 CUBIC FEET PER SECOND, further limited to a maximum diversion of 252 acre-feet each year and shall result in consumption of no more than 115 acre-feet each year, once sewage contribution is subtracted from the amount diverted, unless the mitigation plan is modified and approved by the Department as described below.

If the reporting, as required below, demonstrates the mitigation plan is not sufficient to mitigate for the amount of water actually consumed, the use will be further restricted to limit the total consumed water to 115 acre-feet, or the Department may approve an additional and equivalent water right to be leased to instream use, to maintain an acre-foot balance between the amount of water consumed to the amount of water provided to instream use. An equivalent water right must, at a minimum, be from a water right with a diversion point at or near the diversion authorized by the lease of certificate 74145.

PERIOD OF USE: YEAR ROUND

DATE OF PRIORITY: NOVEMBER 2, 1998

POINT OF DIVERSION LOCATION: NE 1/4 NE 1/4, SECTION 16, T15S, R12E, W.M.; 150 FEET SOUTH AND 150 FEET WEST FORM THE NE CORNER, SECTION 16, T15S, R12E, W.M.

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THE PLACE OF USE IS LOCATED AS FOLLOWS:

NE QUARTER ALL
 NW QUARTER ALL
 SW QUARTER ALL
 SECTION 16

TOWNSHIP 15 SOUTH, RANGE 12 EAST, W.M.

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 as approved by the Director, at both the diversion from the well and at a point where sewage, that is actually discharged to the ground, may be measured. 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.
- B. The permittee 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.

This permit will expire in 2 years from permit issuance unless the 2 year lease of the water right authorized under certificate 74145 to instream purposes is replaced by a permanent transfer of water right certificate 74145, filed as transfer application T 8519, or an equivalent water right as determined by the Department, to instream use.

Within one year 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 timeline to complete the required Water Management Conservation Plan.

If substantial interference with a senior water right occurs due to withdrawal of water from any well listed on this permit, then use of water from the well(s) shall be discontinued or reduced and/or the schedule of withdrawal shall be regulated until or unless the Department approves or implements an alternative administrative action to mitigate

the interference. The Department encourages junior and senior appropriators to jointly develop plans to mitigate interferences. Use of water under authority of this permit may be regulated if analysis of data available after the permit is issued discloses that the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right or as those quantities may be subsequently reduced.

Use of water under authority of this permit may be regulated if analysis of data available after the permit is issued discloses that the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right or as those quantities may be subsequently reduced.

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STANDARD CONDITIONS

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The wells shall be constructed in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. The works shall be equipped with a usable access port, and may also include an air line and pressure gauge adequate to determine water level elevation in the well at all times.

The use shall conform to such reasonable rotation system as may be ordered by the proper state officer.

Prior to receiving a certificate of water right, the permit holder shall submit the results of a pump test meeting the department's standards, to the Water Resources Department. The Director may require water level or pump test results every ten years thereafter.

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.

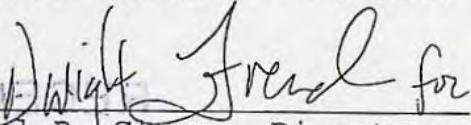
By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

The use of water shall be limited when it interferes with any prior surface or ground water rights.

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.

Actual construction of the well shall begin by May , 2001. Complete application of the water to the use shall be made on or before October 1, 2005. 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 October 17, 2000


Paul R. Cleary, Director
Water Resources Department

NOTE: 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.



Oregon

Theodore R. Kulongoski, Governor

Water Resources Department
North Mall Office Building
725 Summer Street NE, Suite A
Salem, OR 97301-1271
503-986-0900
FAX 503-986-0904

October 5, 2004

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W & H PACIFIC, INC.

Eagle Crest, Inc.
Alan VanVliet
PO Box 1215
Redmond, Oregon 97756

RE: Allocation of Conserved Water C-13

Enclosed is a copy of the Special Order Volume 61, Page 630, approving your allocation of conserved water application. The order was signed on September 30, 2004.

If you have any questions regarding this order, please contact Doug Parrow at 503-986-0881.

Sincerely,

Sarah Henderson
Executive Support

Cc: Jeremy Giffin, Watermaster
Douglas MacDougal, Schwabe, Williamson & Wyatt
Tom Walker, W & H Pacific
Jan Lee, Swalley Irrigation District

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WATER RESOURCES DEPT
SALEM, OREGON

**BEFORE THE WATER RESOURCES DEPARTMENT
OF THE
STATE OF OREGON**

In the Matter of the Proposed Allocation of)
Conserved Water by Eagle Crest, Inc for)
certificate 74145, Deschutes County,)
Oregon)
FINAL ORDER APPROVING
ALLOCATION OF CONSERVED
WATER

ORS 537.455 to 537.500; chapter 726, Oregon Laws 1997, as amended by chapter 394, Oregon Laws 1999; and OAR Chapter 690, Division 18, authorize and establish the process and criteria for allocations of conserved water.

Findings of Fact

1. Eagle Crest, Inc. filed an application for an allocation of conserved water. The Department assigned the application number C-13.
2. The application requests allocation of water conserved by a project involving lands with water rights confirmed under certificate 74145. Eagle Crest, Inc. is the owner of the lands affected by the proposed allocation and is a qualified applicant for allocation of conserved water. Swalley Irrigation District, in whose name the certificate was issued, approved the application.
3. The portion of the right affected by the proposed allocation of conserved water allows the use of water from the Deschutes River, a tributary of the Columbia River, for the irrigation of 169.4 acres in Sections 13, 14, 23 and 24, Township 15 South, Range 12 East, W.M. The priority date of the right is September 1, 1899.
4. Since issuance of the certificate in 1997, certificate 74145 has been modified by several water right transfers approved pursuant to ORS Chapter 540. The transfers did not involve the lands affected by the proposed allocation of conserved water.
5. Public notice was published as required under OAR 690-18-050.
6. The application includes a land use information form completed and signed by Deschutes County indicating that the required land use approvals have been obtained by the applicant.

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This is a final order in other than contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-080 and OAR 690-01-005 you may either petition for judicial review or petition the Director for reconsideration of this order.

7. The Oregon Department of Fish and Wildlife provided comments in support of the application and indicating that additional in-stream flow is needed to improve aquatic resources and their habitat.
8. Water for the applicant's lands may be diverted at either of two points of diversion. POD 3 is a part of Swalley Irrigation District's distribution system. POD 15 is at a point on the Deschutes River adjacent to the applicant's lands. The right includes a 43 percent allowance for transmission losses for uses from the main Swalley Canal. However, the allowance is not allowed for uses from POD 15.
9. The portion of the water right affected by the allocation of conserved water allows the diversion of the following quantities of water:

Period	At POD 3	At POD 15
Apr. 1 to May 1 & Oct. 1 to Nov. 1	2.04 cfs	1.16 cfs
May 1 to May 15 & Sept. 15 to Oct. 1	2.73 cfs	1.56 cfs
May 15 to Sept. 15	5.06 cfs	2.89 cfs
Annual Duty	1,623 ac-ft	925 ac-ft

10. The conservation project is complete and involves the use of a fully automated and controlled permanent underground sprinkler system for most irrigated areas. Agricultural wheel line sprinklers and large gun sprinklers are being used for pasture and ball field areas. Water use to the irrigated lands is measured by a water meter. The conservation project allows a reduction in the quantity of water required for the existing beneficial use diverted at POD 15 as follows:

Period	Existing Right at POD 15	Right after Allocation at POD 15	Conserved Water
Apr. 1 to May 1 & Oct. 1 to Nov. 1	1.16 cfs	0.85 cfs	0.31 cfs
May 1 to May 15 & Sept. 15 to Oct. 1	1.56 cfs	1.14 cfs	0.42 cfs
May 15 to Sept. 15	2.89 cfs	2.12 cfs	0.77 cfs
Annual Duty	925 ac-ft	508 ac-ft	417 ac-ft

11. The project was funded by the applicant and did not involve the use of federal or state non-reimbursable funds. The statutory formula for allocation of conserved water is 75 percent to the applicant and 25 percent to the state. This would yield the following allocation:

Period	Conserved Water	Applicant's Share	State's Share
Apr. 1 to May 1 & Oct. 1 to Nov. 1	0.31 cfs	0.23 cfs	0.08 cfs
May 1 to May 15 & Sept. 15 to Oct. 1	0.42 cfs	0.31 cfs	0.11 cfs
May 15 to Sept. 15	0.77 cfs	0.58 cfs	0.19 cfs
Annual Duty	417 ac-ft	313 ac-ft	104 ac-ft

12. The applicant has agreed that, if conserved water is used out-of-stream, the conserved water will be allocated 70 percent to the applicant and 30 percent to the state. This yields the following allocation:

Period	Conserved Water	Applicant's Share	State's Share
Apr. 1 to May 1 & Oct. 1 to Nov. 1	0.31 cfs	0.22 cfs	0.09 cfs
May 1 to May 15 & Sept. 15 to Oct. 1	0.42 cfs	0.29 cfs	0.13 cfs
May 15 to Sept. 15	0.77 cfs	0.54 cfs	0.23 cfs
Annual Duty	417 ac-ft	292 ac-ft	125 ac-ft

13. The applicant has requested that the priority dates of the conserved water rights be the same as the priority date of the originating right.
14. The applicant's portion of the conserved water would be sufficient to irrigate 43.85 acres if applied at the same rate and duty as would be allowed under the applicant's existing right after the allocation of conserved water. This would result in a depletion of water in the Deschutes Basin of up to 71 ac-ft or a reduction in flow in the Deschutes River below Lake Billy Chinook of 0.10 cfs on a year around basis.
15. The applicant has not identified a use of the applicant's share of the conserved water and has requested that the water be reserved instream pursuant to ORS 537.470 and OAR 690-018-0080(2).
16. The only water rights calling on the Deschutes River that have been identified as potentially affected by the allocation of conserved water are the instream water rights. The allocation of conserved water would enhance flows in the middle Deschutes River during the irrigation season and would have no effect on flows during other portions of the year. The allocation of conserved water would enhance flows in the lower Deschutes River during the irrigation season and diminish flows during other periods of the year. On average, the allocation would result in a net improvement in flows in the lower Deschutes River.
17. Pursuant to OAR 690-18-050, in reviewing the application for allocation of conserved water, the Department has determined the following:

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- a) The proposed allocation of conserved water will result in reduced diversions for the uses allowed under the original right ranging from 0.31 cfs to 0.77 cfs as established in finding of fact 10.
- b) The proposed allocation will not harm other out-of-stream water rights and the impacts on the instream water rights during months outside the irrigation season are mitigated by the enhancement of flows during the irrigation season as described in finding of fact 16.
- c) The application is compatible with the local comprehensive land use plan as established in finding of fact 6.
- d) No harm will occur to other water rights and, therefore, no reduction in the quantity of conserved water to be allocated is required to mitigate.
- e) Consistent with finding of fact 10, the new rate and duty for the portion of the water right affected by the allocation of conserved water shall be:

Period	Reduced Right for Existing Use (POD 3)	Reduced Right for Existing Use (POD 15)
Apr. 1 to May 1 & Oct. 1 to Nov. 1	1.49 cfs	0.85 cfs
May 1 to May 15 & Sept. 15 to Oct. 1	2.00 cfs	1.14 cfs
May 15 to Sept. 15	3.72 cfs	2.12 cfs
Annual Duty	892 ac-ft	508 ac-ft

- f) The state's portion of the conserved water is needed to improve aquatic resources and their habitat between the site of POD 15 and Lake Billy Chinook.
- g) No federal or state non-reimbursable funds were used in the project and, depending on the disposition of the applicant's share of the conserved water, 70 percent of the water shall be allocated to the applicant and 30 percent shall be allocated to the state (if conserved water is used out-of-stream) or 75 percent of the water shall be allocated to the applicant and 25 percent shall be allocated to the state (to the extent the conserved water remains instream).
- h) The applicant's portion of the conserved water may be diverted at POD 15 and used to irrigate up to 43.85 acres within Sections 10, 11, 12, 13, 14, 15, 22, 23 or 24, Township 15 South, Range 12 East, W.M. upon notice to the Department pursuant to OAR 690-18-090. Additionally, the applicant may reserve the water instream for management as an instream water right from the site of POD 15 to Lake Billy Chinook.
- i) The conservation project is complete and the allocation of conserved water shall be finalized on issuance of the final order approving the allocation.

18. Certificate 74145 contains errors in the locations of the points of diversion that occurred at the time that the certificate was issued. The errors associated with POD #1, #4, and #11 were typographical. The error associated with POD #15 was as a result of using an incorrect final proof map. The errors are as follows:

Point of Diversion	Erroneous POD Location	Correct POD Location
1	SE ¼ NE ¼, Section 32, T. 17 S., R. 12 E., W.M.; 100 feet South and 50 feet East from the most Northerly corner of tax lot 4100.	SE ¼ NW ¼, Section 32, T. 17 S., R. 12 E., W.M.; 100 feet South and 50 feet East from the most Northerly corner of tax lot 4100.
4	NW ¼ SE ¼, Section 20, T. 17 S., R. 20 E., W.M.; 1980 feet North and 1980 feet West from the SE Corner of Section 20.	NW ¼ SE ¼, Section 20, T. 17 S., R. 12 E., W.M.; 1980 feet North and 1980 feet West from the SE Corner of Section 20.
11	SE ¼ SE ¼; Section 30, T. 16 S., R. 12 E., W.M.; 1248.59 feet North and 38 feet West from the SE corner of Section 30.	SE ¼ SE ¼; Section 30, T. 16 S., R. 12 E., W.M.; 1248.59 feet North and 138 feet West from the SE corner of Section 30.
15	Additional district diversion: NW ¼ SE ¼, Section 14, T. 15 S., R. 12 E., W.M.; 2170 feet North and 1350 feet West from the SE Corner of Section 14.	Additional district diversion: NE ¼ SE ¼, Section 14, T. 15 S., R. 12 E., W.M.; 2065.82 feet North and 1401.41 feet East from the S Quarter Corner of Section 14.

Conclusion of Law

The project described in the application for allocation of conserved water is consistent with the criteria in ORS 537.455 to 537.500; chapter 726, Oregon Laws 1997, as amended by chapter 394, Oregon Laws 1999; and OAR Chapter 690, Division 18. Water will be conserved that can be allocated without harming other water rights.

Now, therefore, it is ORDERED:

1. Certificate 74145 is cancelled.
2. The Department shall issue a new certificate confirming the reduction in the rate of diversion for the lands affected by the allocation of conserved water, incorporating any water right transfers completed pursuant to ORS Chapter 540, and correcting errors in the descriptions of the locations of PODs 1, 3, 11, and 15 that occurred on issuance of certificate 74145.
3. The applicant's portion of the conserved water shall be reserved instream pending notification to the Department of the applicant's intent to use the water. The quantity of water reserved instream shall be 0.23 cfs for the periods April 1 to May 1 and October 1 to

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November 1, 0.31 cfs for the periods May 1 to May 15 and September 15 to October 1, and 0.58 cfs for the period May 15 to September 15. The instream water shall have a priority date of September 1, 1899. The water reserved instream shall be managed to carry the water from the site of POD 15 located in the NW ¼ SE ¼, Section 14, T 15 S, R 12 E, to river mile 120 in the NE ¼ SW ¼, Section 29, T 12 S, R 12 E, W.M. (Lake Billy Chinook).

4. On notification to the Department of the applicant's intent to use the conserved water pursuant to OAR 690-18-090, the applicant may divert conserved water at POD 15 for the irrigation of up to 43.85 acres within Sections 10, 11, 12, 13, 14, 15, 22, 23 or 24, Township 15 South, Range 12 East, W.M. The right associated with the use shall allow the diversion of 0.22 cfs for the periods April 1 to May 1 and October 1 to November 1, 0.29 cfs for the periods May 1 to May 15 and September 15 to October 1, and 0.54 cfs for the period May 15 to September 15 and shall have a priority date of September 1, 1899. The annual duty of the right shall be 3 acre-feet per acre. The right shall be subject to all other terms and conditions of the original right, including those of the decree. If the applicant notifies the Department that the right has become appurtenant to specified lands and provides satisfactory proof, the Department shall issue a certificate for the use of water at the identified location, with a priority date of September 1, 1899.
5. The Department shall issue certificates for instream water rights to confirm a change in use and place of use of the water conserved as described below. The instream water rights shall have a priority date of September 1, 1899 and shall provide for the protection of flows in the Deschutes River from the site of POD 15 located in the NW ¼ SE ¼, Section 14, T 15 S, R 12 E, to river mile 120 in the NE ¼ SW ¼, Section 29, T 12 S, R 12 E, W.M. (Lake Billy Chinook). The quantities of water to be protected under the instream water rights shall be additive to the quantity to be protected under the instream water right established under certificate 76687 and the other instream water rights established under this order. The instream water rights shall be subject to all other terms and conditions of the original right, including those of the decree. The instream water rights shall be issued as follows:
 - a. On finalization of this order, a certificate for an instream water right shall be issued allowing the use of 0.08 cfs for the periods April 1 to May 1 and October 1 to November 1, 0.11 cfs for the periods May 1 to May 15 and September 15 to October 1, and 0.19 cfs for the period May 15 to September 15 for the support of aquatic life.
 - b. If, pursuant to OAR 690-18-090, the applicant notifies the Department that the applicant will use the conserved water as authorized under paragraph 4 of this order, the Department shall issue a certificate for an additional instream water right allowing the use of 0.01 cfs for the periods April 1 to May 1 and October 1 to November 1, 0.02 cfs for the periods May 1 to May 15 and September 15 to October 1, and 0.04 cfs for the period May 15 to September 15 for the support of aquatic life.
 - c. If, prior to any notification to the Department that the applicant will use the water as authorized in this order, the applicant notifies the Department that the applicant's portion of the conserved water should be permanently dedicated to instream use, the Department shall issue a certificate for an additional instream water right allowing the

Oregon Water Resources Department
Water Rights Division

Water Rights Application
Number G-14857

Final Order
Extension of Time for Permit Number G-13856

Appeal Rights

This is a final order in other than contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080 you may either petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied.

Application History

The Department issued Permit G-13856 on October 17, 2000. The permit called for complete application of water to the full beneficial use by October 1, 2005. On April 3, 2007, Cline Butte Utility Company submitted to the Department an Application for an Extension of Time for Permit G-13856. In accordance with OAR 690-315-0050(2), on September 4, 2007, the Department issued a Proposed Final Order proposing to extend the time to fully apply water to beneficial use to October 1, 2008. The protest period closed October 19, 2007, in accordance with OAR 690-315-0060(1). No protest was filed.

At time of issuance of the Proposed Final Order the Department concluded that, based on the factors demonstrated by the applicant, the permit may be extended subject to the following conditions:

CONDITIONS

1. **Static Water Level Measurement and Reporting Condition**

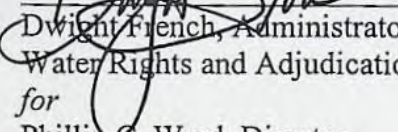
The Department requires the water user to measure and report annual static water levels for each well on the permit. Or, the water user can measure other wells in close proximity to the permitted wells, if the Department's Groundwater Staff determines that the substitute observation wells will provide adequate data to assess the impacts from the permitted wells. The static water level shall be measured in the month of March, beginning in the year **2008**, using manual measurement equipment, such as an electric tape or steel tape. Reports shall be submitted to the Department within 30 days of measurement.

The applicant has demonstrated good cause for the permit extension pursuant to ORS 537.630, 539.010(5) and OAR 690-315-0080(3).

Order

The extension of time for Application Number G-14857, Permit Number G-13856, therefore, is approved subject to conditions contained herein. The deadline for applying water to full beneficial use is extended to October 1, 2008.

DATED: November 1, 2007


Dwight French, Administrator of
Water Rights and Adjudications
for
Phillip C. Ward, Director

-
- If you have any questions about statements contained in this document, please contact Kim French at (503) 986-0813.
 - If you have other questions about the Department or any of its programs, please contact our Water Resources Customer Service Group at (503) 986-0900.
-

Mailing List for Extension FO Copies

Note: Include a copy of the "Important Notice" document along with the original copy of the Final Order being sent to the permit holder.

FO Date: November 1, 2007

Copies Mailed

Application #G-14857

By: JS

Permit #G-13856

On: 11/1/07

Original mailed to permit holder:

Cline Butte Utility Company
Attn: Todd Samples
1230 Golden Pheasant
Redmond, OR 97756

Copies sent to:

1. WRD - App. File #G-14857 / Permit #G-13856
2. WRD - Watermaster District: 11, Jeremy Giffin
3. WRD - Support Staff, Salem...*Permit record update*
4. Thomas A. Walker, P.E., CWRE, 920 SW Emkay, Suite C100 Bend, OR 97702-1041

CASEWORKER: KRF

**Oregon Water Resources Department
Water Rights Division**

Application for Extension of Time

In the Matter of the Application for an Extension of Time)
for Permit G-13856, Water Right Application G-14857,) PROPOSED FINAL ORDER
in the name of Cline Butte Utility Company)

Permit Information

Application File G-14857 / Permit G-13856

Basin 5 – Deschutes Basin / Watermaster District 11

Date of Priority: November 2, 1998

Authorized Use of Water

Source of Water: A Well in the Deschutes River Basin
Purpose or Use: Quasi-Municipal
Maximum Rate: 3.34 Cubic Feet per Second (see permit for further
limitations)

**This Extension of Time request is being processed in accordance with Oregon
Administrative Rule Chapter 690, Division 315.**

***Please read this Proposed Final Order in its entirety as it contains
additional conditions not included in the original permit.***

This Proposed Final Order applies only to Permit G-13856, water right Application G-14857. A copy of Permit G-13856 is enclosed as Attachment 1.

Summary of Proposed Final Order for Extension of Time

The Department proposes to:

- grant an extension of time to apply water to full beneficial use from October 1, 2005 to October 1, 2008; and
- make the extension of time subject to certain conditions as set forth below.

ACRONYM QUICK REFERENCE

Department – Oregon Department of Water Resources
Cline Butte – Cline Butte Utility Company
ODFW – Oregon Department of Fish and Wildlife
PFO – Proposed Final Order

Units of Measure

cfs – cubic feet per second
gpm – gallons per minute

AUTHORITY

Generally, see **ORS 537.630 and OAR Chapter 690 Division 315.**

ORS 537.630(1) provides in pertinent part that the Oregon Water Resources Department (Department) may, for good cause shown, shall order and allow an extension of time, for the completion of the well or other means of developing and securing the ground water or for complete application of water to beneficial use. In determining the extension, the department shall give due weight to the considerations described under ORS 539.010 (5) and to whether other governmental requirements relating to the project have significantly delayed completion of construction or perfection of the right.

ORS 539.010(5) provides in pertinent part that the Water Resources Director, for good cause shown, may extend the time within which the full amount of the water appropriated shall be applied to a beneficial use. This statute instructs the Director to consider: the cost of the appropriation and application of the water to a beneficial purpose; the good faith of the appropriator; the market for water or power to be supplied; the present demands therefore; and the income or use that may be required to provide fair and reasonable returns upon the investment.

OAR 690-315-0050(5) authorizes the Department to include in an extension order, but is not limited to, any condition or provision needed to: ensure future diligence; mitigate the effects of the subsequent development on competing demands on the resource; and periodically document the continued need for the permit.

OAR 690-315-0080 provides in pertinent part that the Department shall make findings to determine if an extension of time for municipal and/or quasi-municipal water use permit holders may be approved to complete construction and/or apply water to full beneficial use.

FINDINGS OF FACT

Background

1. Permit G-13856 was granted to Eagle Crest Inc. by the Department on October 17, 2000. The permit authorizes the use of up to 3.34 cfs of water from one well (Well #9) within the Deschutes Basin, for quasi-municipal use. It specified that complete application of water was to be made on or before October 1, 2005.
2. On May 8, 2001 the Department approved an assignment of Permit G-13856 from Eagle Crest, Inc. to Cline Butte Utility Company. Cline Butte Development Company is a private water company at the Eagle Ridge Destination Resort and is a subsidiary of Eagle Crest, Inc.
3. Due to an ongoing permit extension rulemaking, the Department placed all pending applications for extension of time for municipal and quasi-municipal permits on hold and did not require municipal and quasi-municipal water use permit holders to submit applications for extension of time until the new rules were adopted.
4. Municipal and quasi-municipal water use permit extension rules OAR 690-315-0070 through 690-315-0100 became effective on November 1, 2002, were amended, filed with the Secretary of State, and became effective on November 22, 2005.
5. The permit holder, the Cline Butte Utility Company, (Cline Butte) submitted an "Application for Extension of Time" to the Department on April 3, 2007, requesting the time in which to apply water to full beneficial use under the terms of Permit G-13856 be extended from October 1, 2005 to October 1, 2008. This is the first extension of time request for Permit G-13856.
6. Notification of Cline Butte's application for extension of time for Permit G-13856 was published in the Department's Public Notice dated April 10, 2007. No public comments were received regarding the extension application.

Review Criteria for Municipal and Quasi-Municipal Water Use Permits [OAR 690-315-0080(1)]

The time limits to complete construction and/or apply water to full beneficial use may be extended if the Department finds that the permit holder has met the requirements set forth under OAR 690-315-0080. This determination shall consider the applicable requirements of ORS 537.230¹, 537.248², 537.630³ and/or 539.010(5)⁴

Complete Extension of Time Application [OAR 690-315-0080(1)(a)]

7. On April 3, 2007, the Department received a completed application for extension of time and the fee required by ORS 536.050 from the permit holder.

Start of Construction [OAR 690-315-0080(1)(b)]

¹ ORS 537.230 applies to surface water permits only.

² ORS 537.248 applies to reservoir permits only.

³ ORS 537.630 applies to ground water permits only.

⁴ ORS 537.010(5) applies to surface water and ground water permits.

8. Actual construction of the well began May 21, 2001, which was within the time specified in the permit.

Duration of Extension [OAR 690-315-0080(1)(c)(d)]

Under OAR 690-315-0080(1)(c),(d), in order to approve an extension of time for municipal and quasi-municipal water use permits the Department must find that the time requested is reasonable and the applicant can complete the project within the time requested.

9. The remaining work to be accomplished under Permit G-13856 consists of: (1) applying for a permit amendment to clarify the area of use, and accommodate multiple points of appropriation for existing wells under multiple permits; and (2) applying water to full beneficial use.
 10. As of April 3, 2007, the permit holder has appropriated the total 3.34 cfs of water allowed under Permit G-13856 for quasi-municipal purposes.
 11. In addition to the 3.34 cfs of water allowed under Permit G-13856 (Well 9), Cline Butte holds the following quasi-municipal right:
 - Permit G-11762 for 3.0 cfs from three wells (Wells 6, 7 and 8) within the Deschutes River Basin.
- Cline Butte's permits total 6.34 cfs of ground water.
12. Cline Butte currently utilizes a peak day demand of 3.65 cfs of water for quasi-municipal purposes, from Permit G-13856 and Permit G-11762.
 13. The 2007 population served by Cline Butte is approximately 3,400 persons during peak summertime occupancy. According to the 2004 Water Management and Conservation Plan (Page 7, Table 3), the projected population is expected to be 6,175 at build-out.
 14. Based on Cline Butte's population of 3,400 persons and a peak day demand of 3.65 cfs of water in 2007, their projected peak day demand calculates to be approximately 6.63 cfs of water at build-out.
 15. Full development of Permit G-13856 is needed to address the present and future water demand of Cline Butte.
 16. Cline Butte Utility Company's request for an extension of time until October 1, 2008 to apply water to full beneficial use under the terms of Permit G-13856 is both reasonable and necessary.

Good Cause [OAR 690-315-0080(1)(e) and (3)(a-g)and (4)]

The Department's determination of good cause shall consider the requirements set forth under OAR 690-315-0080(3).

Reasonable Diligence and Good Faith of the Appropriator [OAR 690-315-0080(3)(a),(c) and (4)]

Reasonable diligence and good faith of the appropriator must be demonstrated during the permit period or prior extension period as a part of evaluating good cause in determining whether or not to grant an extension. In determining the reasonable diligence and good faith of a municipal or quasi-municipal water use permit holder, the Department shall consider activities associated with the development of the right including, but not limited to, the items set forth under OAR 690-315-0080(4) and shall evaluate how well the applicant met the conditions of

the permit or conditions of a prior extension period.

17. Prior to the issuance of Permit G-13856 on October 17, 2000 Cline Butte installed a portion of 60,000 feet of 6 to 12 inch piping and provided engineering services.
18. Work was accomplished (specified in the Application for Extension of Time) during the original development time frame under Permit G-13856.
19. As of April 3, 2007 the permit holder has invested \$2,390,000, which is 99.8 percent of the total projected cost for complete development of this project. The permit holder anticipates an additional \$5,000 is needed for the completion of this project.
20. Since the issuance of Permit G-13856 on October 17, 2000, the total 3.34 cfs allowed has been appropriated from Well #9 for beneficial quasi-municipal purposes under the terms of this permit.
21. The Department has considered Cline Butte's compliance with conditions, and has identified the following concern: the record does not show that a meter has been installed at the point where sewage that is actually discharged to the ground may be measured. (Failure to comply with permit conditions constitutes illegal use of water. The use of water under this permit, therefore, has not yet been demonstrated. In order to legally perfect the use of water under this permit, the permit holder must demonstrate that all conditions of the permit have been satisfied.)

Financial Investment and Cost to Appropriate and Apply Water to a Beneficial Purpose

[OAR 690-315-0080(3)(b)]

22. As of April 3, 2007 the permit holder has invested \$2,390,000, which is 99.8 percent of the total projected cost for complete development of this project. The permit holder anticipates an additional \$5,000 is needed for the completion of this project.

The Market and Present Demands for Water [OAR 690-315-0080(3)(d) and (5)(a-f)]

For municipal or quasi-municipal water use permits issued after November 2, 1998, in making a determination of good cause pursuant to 690-315-0080(3)(d), the Department shall also consider, but is not limited to, the factors in 690-315-0080(5)(a-f).

The amount of water available to satisfy other affected water rights and scenic waterway flows; special water use designations established since permit issuance, including but not limited to state scenic waterways, federal wild and scenic rivers, serious water management problem areas or water quality limited sources established under 33 U.S.C. 1313(d); or the habitat needs of sensitive, threatened or endangered species, in consultation with the Oregon Department of Fish and Wildlife [OAR 690-315-0080(5)(a-c)].

23. The amount of water available to satisfy other affected water rights and scenic waterway flows was determined at the time of issuance of Permit G-13856; furthermore, water availability for other affected water rights and scenic waterway flows after the permit was issued is determined at such time that such application for a new water right is submitted. The point of appropriation for Permit G-13586, located within the Deschutes River Basin, is not located within a limited or critical ground water area. The Deschutes River is located above a state scenic waterway, but not within a federal scenic waterway. It is located within an area ranked "high" for stream flow

restoration needs as determined by the Department in consultation with the Oregon Department of Fish and Wildlife, and is located within a Sensitive, Threatened or Endangered Fish Species Area as identified by the Department in consultation with Oregon Department of Fish and Wildlife. The Deschutes River is listed by the Department of Environmental Quality as a water quality limited stream

Economic investment in the project to date [OAR 690-315-0080(5)(d)].

24. As of April 3, 2007, the permit holder has invested approximately \$2,390,000.

Other economic interests dependent on completion of the project [OAR 690-315-0080(5)(e)].

25. Eagle Crest Resort.

Other factors relevant to the determination of the market and present demand for water and power [OAR 690-315-0080(5)(f)].

26. As described in Findings 10 through 15, Cline Butte has indicated, and the Department finds that Cline Butte must rely on full development of all its current ground water rights within the Deschutes River Basin.
27. Cline Butte projects a population increase from 3400 to 6175, according to their December 2004 Water Management and Conservation Plan (Page 7, Table 3).
28. Given the current water supply situation of Cline Butte, as well as current and expected demands, there is a market and present demand for the water to be supplied under Permit G-13856.
29. In accordance with OAR 690-315-0050(5), and as specified in the "Conditions" section of this PFO (Item 1), the Department has determined that this PFO shall be conditioned to require a Static Water Level Measurement Condition to ensure further diligence under Permit G-13856..

Fair Return Upon Investment [OAR 690-315-0080(3)(e)]

30. Use and income from the permitted water development project result in reasonable returns upon the investment made in the project to date.

Other Governmental Requirements [OAR 690-315-0080(3)(f)]

31. Delay in the development of this project was not caused by any other governmental requirements.

Events which Delayed Development under the Permit [OAR 690-315-0080(3)(g)]

32. Delay of development under Permit G-13856 was due, in part, to the size and scope of the municipal water system, which was designed to be phased in over a period of years and for time necessary to submit a permit amendment.

CONCLUSIONS OF LAW

1. The Cline Butte Utility Company is entitled to apply for an extension of time to complete construction and/or completely apply water to the full beneficial use pursuant to ORS 537.630(2).
2. Cline Butte has submitted a complete extension application form and the fee specified under ORS 536.050(1)(k), as required by OAR 690-315-0080(1)(a).
3. The applicant demonstrated that actual construction on the project begin within the time specified in the permit, as required by OAR 690-315-0080(1)(b).
4. The time requested to apply water to full beneficial use is reasonable, as required by OAR 690-315-0080(1)(c).
5. Full application of water to beneficial use can be completed by October 1, 2008⁵ pursuant to OAR 690-315-0080(1)(d).
6. The Department has considered the reasonable diligence and good faith of the appropriator, the cost to appropriate and apply water to a beneficial purpose, the market and present demands for water to be supplied, the financial investment made and the fair return upon the investment, the requirements of other governmental agencies, and unforeseen events over which the water right permit holder had no control, and the Department has determined that Cline Butte has shown good cause for an extension of time to apply the water to full beneficial use pursuant to OAR 690-315-0080(1)(e).
7. As authorized in OAR 690-315-0050(5) and as described in Finding 28 above, the Department has established, as specified in the "Conditions" section of this PFO (Item 1), a condition to ensure further diligence under Permit G-13856.

Proposed Order

Based upon the foregoing Findings of Fact and Conclusions of Law, the Department proposes to issue an order to:

extend the time to apply the water to beneficial use under Permit G-13856 from October 1, 2005 to October 1, 2008.

Subject to the following conditions:


CONDITIONS

⁵ Pursuant to ORS 537.630(4), upon the completion of beneficial use of water allowed under the permit, the permittee shall hire a certified water rights examiner to survey the appropriation. Within one year after the complete application of water to a beneficial use (or by the date allowed for the complete application of water to a beneficial use), the permittee shall submit a map of the survey and the claim of beneficial use.

1. **Static Water Level Measurement and Reporting Condition**

The Department requires the water user to measure and report annual static water levels for each well on the permit. Or, the water user can measure other wells in close proximity to the permitted wells, if the Department's Groundwater Staff determines that the substitute observation wells will provide adequate data to assess the impacts from the permitted wells. The static water level shall be measured in the month of March, beginning in the year **2008**, using manual measurement equipment, such as an electric tape or steel tape. Reports shall be submitted to the Department within 30 days of measurement.

DATED: September 4, 2007


Dwight French
Administrator
Water Rights and Adjudications Division

If you have any questions, please check the information box on the last page for the appropriate names and phone numbers.

Proposed Final Order Hearing Rights

1. Under the provisions of OAR 690-315-0100(1) and 690-315-0060, the applicant or any other person adversely affected or aggrieved by the proposed final order may protest and request a contested case hearing on the proposed final order. Your request for contested case hearing must be in writing and must be received by the Water Resources Department no later than **October 19, 2007** being 45 days from the date of publication of the proposed final order in the Department's weekly public notice.
2. A written request for contested case hearing shall include:
 - a. The name, address and telephone number of the petitioner;
 - b. A description of the petitioner's interest in the proposed final order and if the protestant claims to represent the public interest, a precise statement of the public interest represented;
 - c. A detailed description of how the action proposed in the proposed final order would adversely affect or aggrieve the petitioner's interest;
 - d. A detailed description of how the final order is in error or deficient and how to correct the alleged error or deficiency;
 - e. Any citation of legal authority supporting the petitioner, if known;
 - f. Proof of service of the protest upon the water right permit holder, if petitioner is other than the water right permit holder; and
 - g. The protest fee required under ORS 536.050, if petitioner is other than the water right permit holder.
3. Within 60 days after the close of the period for requesting a contested case hearing, the Director shall:
 - a. Issue a final order on the extension request; or
 - b. Schedule a contested case hearing if a request for contested case hearing has been submitted, and:

- 1) Upon review of the issues, the Director finds there are significant disputes related to the proposed agency action; or
- 2) The applicant submits a written request for a contested case hearing within 30 days after the close of the period for submitting protests.

-
- If you have any questions about statements contained in this document, please contact Kim R. French at 503-986-0813.
 - If you have questions about how to file a protest or if you have previously filed a protest and you want to know the status, please contact Dwight French at 503-986-0819.
 - If you have any questions about the Department or any of its programs, please contact our Water Resources Customer Service Group at 503-986-0801.
 - Address any correspondence to: Water Rights and Adjudications Division
725 Summer St NE, Suite A
 - Fax: 503-986-0901 Salem, OR 97301-126
-

Mailing List for Extension PFO Copies

PFO Date: September 4, 2007

**Application G-14857
Permit G-13856**

Original mailed to Applicant:

Cline Butte Utility Company
Attn: Alan VanVliet
1230 Golden Pheasant
Redmond, OR 97756

Copies Mailed
By: <u>GIS</u> (SUPPORT STAFF)
on: <u>9/4/07</u> (DATE)

Copies sent to:

1. WRD - App. File G- 13856 / Permit G-14857
2. WRD - Watermaster District 11 – Jeremy Giffin, Bend
3. WRD – Support Staff
4. Thomas Walker, P.E., CWRE, 920 SW Emkay Drive, Suite C-100, Bend, OR 97702

Fee paid as specified under ORS 536.050 to receive copy:

6. None

Receiving via e-mail (10 AM Tuesday of signature date)

7. Notification only: WRD – Salem Opeifa and Gerry Clark (if Reimbursement Authority)
Done by [Signature] Date 9/4/07

CASEWORKER: KRF

**STATE OF OREGON
WATER RESOURCES DEPARTMENT**

RECEIPT # **86932**

725 Summer St. N.E. Ste. A
SALEM, OR 97301-4172
(503) 986-0900 / (503) 986-0904 (fax)

INVOICE # _____

RECEIVED FROM: Eagle Crest
BY: _____

APPLICATION	G14757
PERMIT	
TRANSFER	

CASH: CHECK:# 351 OTHER: (IDENTIFY)

TOTAL REC'D \$ 250.00

1083 TREASURY	4170 WRD MISC CASH ACCT
0407 COPIES	\$
OTHER: (IDENTIFY)	\$
0243 I/S Lease	0244 Muni Water Mgmt. Plan
0245 Cons. Water	

4270 WRD OPERATING ACCT

MISCELLANEOUS		RECEIVED OVER THE COUNTER	
0407 COPY & TAPE FEES			\$
0410 RESEARCH FEES			\$
0408 MISC REVENUE: (IDENTIFY)			\$
TC162 DEPOSIT LIAB. (IDENTIFY)			\$
0240 EXTENSION OF TIME		\$	\$ <u>250.00</u>
WATER RIGHTS:		EXAM FEE	RECORD FEE
0201 SURFACE WATER		\$	0202 \$
0203 GROUND WATER		\$	0204 \$
0205 TRANSFER		\$	
WELL CONSTRUCTION		EXAM FEE	LICENSE FEE
0218 WELL DRILL CONSTRUCTOR		\$	0219 \$
LANDOWNER'S PERMIT			0220 \$
OTHER (IDENTIFY)			

0536 TREASURY 0437 WELL CONST. START FEE

0211 WELL CONST START FEE	\$	CARD #
0210 MONITORING WELLS	\$	CARD #
OTHER (IDENTIFY)		

0607 TREASURY 0467 HYDRO ACTIVITY LIC NUMBER

0233 POWER LICENSE FEE (FW/WRD)		\$
0231 HYDRO LICENSE FEE (FW/WRD)		\$
HYDRO APPLICATION		\$

TREASURY OTHER / RDX

FUND _____ TITLE _____
OBJ. CODE _____ VENDOR # _____
DESCRIPTION _____ \$ _____

RECEIPT: **86932** DATED: 4/3/07 BY: L. P. ...

STATE OF OREGON
WATER RESOURCES DEPARTMENT

725 Summer St. N.E. Ste. A
 SALEM, OR 97301-4172
 (503) 986-0900 / (503) 986-0904 (fax)

RECEIPT # **86935**

INVOICE # _____

RECEIVED FROM: Eagle Crest
 BY: _____

APPLICATION	<u>G-14857</u>
PERMIT	
TRANSFER	

CASH: CHECK:# 349 OTHER: (IDENTIFY)

TOTAL REC'D \$ 125.00

1083 TREASURY 4170 WRD MISC CASH ACCT

0407 COPIES 408 OTHER: (IDENTIFY) 47119 Reimbursement Authority \$ 125.00
 0243 I/S Lease _____ 0244 Muni Water Mgmt. Plan _____ 0245 Cons. Water _____

4270 WRD OPERATING ACCT

MISCELLANEOUS

0407 COPY & TAPE FEES \$ _____

0410 RESEARCH FEES \$ _____

0408 MISC REVENUE: (IDENTIFY) _____ \$ _____

TC162 DEPOSIT LIAB. (IDENTIFY) _____ \$ _____

0240 EXTENSION OF TIME \$ _____

WATER RIGHTS:

0201 SURFACE WATER	EXAM FEE	0202	RECORD FEE
0203 GROUND WATER	\$ _____	0204	\$ _____
0205 TRANSFER	\$ _____		
	EXAM FEE		LICENSE FEE
0218 WELL DRILL CONSTRUCTOR	\$ _____	0219	\$ _____
LANDOWNER'S PERMIT		0220	\$ _____

OTHER (IDENTIFY) _____

0536 TREASURY 0437 WELL CONST. START FEE

0211 WELL CONST START FEE \$ _____ CARD # _____

0210 MONITORING WELLS \$ _____ CARD # _____

OTHER (IDENTIFY) _____

0607 TREASURY 0467 HYDRO ACTIVITY LIC NUMBER

0233 POWER LICENSE FEE (FWWRD) \$ _____

0231 HYDRO LICENSE FEE (FWWRD) \$ _____

HYDRO APPLICATION \$ _____

TREASURY OTHER / RDX

FUND _____ TITLE _____

OBJ. CODE _____ VENDOR # _____

DESCRIPTION _____ \$ _____

RECEIPT: **86935** DATED: 4/3/07 BY: J. Powell



Oregon

Theodore R. Kulongoski, Governor

Water Resources Department

North Mall Office Building
725 Summer Street NE, Suite A
Salem, OR 97301-1266
503-986-0900
FAX 503-986-0904

April 11, 2007

REFERENCE: Application for Extension of Time

Dear Extension of Time Applicant:

The Water Rights Section has received your application for an extension of time for **APPLICATION FILE # G-14857 (PERMIT # G-13856)**. Your application will be reviewed in the near future. Following the review, you will receive a Proposed Final Order either approving or rejecting the extension of time request. A 45-day protest period begins upon issuance of the Proposed Final Order. After the protest period closes, a Final Order is issued.

If you have questions concerning your extension of time application, please contact Kim French at (503) 986-0813. For general information about the Water Resources Department, you may contact the Water Resources' Customer Service Group at (503) 986-0801 or you may access the Department's Internet home page at: "www.wrd.state.or.us".

Municipal or Quasi-Municipal

PFO Checklist for Muni and Quasi-Muni water use permits issued after November 2, 1998

(AFTER 11-2-98)

Application: G-14857 / Permit: G-13856

Permittee's Name: CLINE BUTTE UTILITY COMPANY

Permittee's Mailing Address: 1230 GOLDEN PHEASANT

POD Location: Township 15S Range 12E Section 16 $\frac{1}{4}$ NENE

Drainage Basin: DESCHUTES RIVER County: DESCHUTES Watermaster District: 11

RECEIVED

JUN 29 2007

WATER RESOURCES DEP
SALEM, OREGON

1. Was this MU/QM permit issued after 11-2-98? Yes No
 *** If "No".....STOP. You are using the wrong form. Please use PFO Checklist for MU/QM permits issued on or prior to 11-2-98.

2. Has the applicant submitted the appropriate fees? Yes No
 NOTE: \$100 if received prior to October 1, 2003 // \$250 if received on or after October 1, 2003
 ***If "No"..... STOP. (Extension of Time cannot be processed if insufficient fees submitted.)

Date of Public Notice 4-10-2007

3. Has the applicant completely filled out the Extension Application form? Yes No
 ***If "No"..... List the shortcomings below and send a letter requesting the additional/missing information that is needed before the Extension of Time can be processed.

4. Date Permit was issued: 10/17/2000 Priority Date: NOVEMBER 2, 1998

5. Source: ONE WELL IN DESCHUTES RIVER BASIN (49)

6. Use: QUASI-MUNICIPAL

7. "Q": 3.34 CFS

8. Orig "A" Date: 5/2001 Orig "B" Date: _____ Orig "C" Date: 10/1/05

9. Conditions of Permit:

- METER TO BE INSTALLED at well & at discharge point for effluent
- XFER OF WR 74145 - T-8519
- WCMP SUBMITTED
- MONTHLY WATER USAGE REPORTING

No evidence this was done

10. Extension request received: 4/3/07 Request Number (...1st 2nd, 3rd): 1ST

11. Last Authorized "B" Date: _____ Last Authorized "C" Date: 10/1/05

12. Proposed "B" Date: _____ Proposed C Date: 10/1/2008

13. Amount Invested to date: \$ 2,390,000.00 Estimated Total Cost: \$ 2,395,000.00
(***Estimated Remaining Cost: \$ 5,000.00)

14. The water project development made to date has been accomplished in accordance with the terms and conditions contained in the permit. Yes / No ***If "No"..... Identify which permit terms and/or conditions have not been met?
No evidence that sewage effluent discharged to the ground is metered.

15. Work on the water development project completed to date includes: Construct well #9 & pump house
Install 450 HP Turbine pump, controls, piping & valves
Install 60,000 lineal feet of underground water line (6-12 inch)
Engineering & Surveying Services

16. The work remaining to be completed consists of: Permit amendment

17. Progress in perfecting the permit is being held up by: Permit Amendment needed

18. Has the applicant pursued perfection of the right in good faith and with reasonable diligence? Yes / No

19. Determination of the market and the present demand for water or power to be supplied:

Some factors to consider in determining the Market and the Present Demand for water or power [OAR 690-315-040(4)]:

- a. The amount of water available to satisfy other affected water rights and scenic waterway flows;
- b. Special water use designations established since permit issuance (such as...state scenic waterways, federal wild and scenic rivers, serious water management problem areas, water quality limited sources, etc.);
- c. The habitat needs of sensitive, threatened or endangered species, in consultation with ODFW;
- d. Economic investment in the project to date;
- e. Other economic interests dependent on completion of the project; and

Surface Water Permits: Is the POD located.....(Yes or No)

Ground Water Permits: Identify the closest surface water or localized water basin. Is it located.....(Yes or No)

- ✓ within or above a state scenic waterway? Source: "/gisdata/dev/projects/harmonrc/plots/state/abv-scenic_v2.aml"
- ✓ within a stream segment designated as a federal wild and scenic river? Source: www.nps.gov/rivers/wildriverslist.html#or
- No within a critical or limited Ground Water Area? Name of area _____
- No in a waterbody listed on the DEQ Section 303(d) List of Water Quality Limited Areas? Date added to list _____
- ✓ within a sensitive, threatened or endangered species area source: "/gisdata/dev/projects/salmon/div33map.aml"
- ✓ within an area ranking low / medium / high (circle one) for stream flow restoration needs source: ODFW/OWRD Streamflow Restoration needs Maps 2002(by region)

20. Based on the written record, can the Department make a finding of "Good Cause" to approve the extension request?

Yes... "Good Cause" can be found. Approval of Extension Request

No ... "Good Cause" cannot be found. Denial of Extension Request

RECEIVED

JUN 29 2007

WATER RESOURCES DEPT
SALEM, OREGON

21. Conditions to be included in Extension PFO (if applicable)? Yes No
(NOTE: Check the file record for documentation to add a condition(s) at the extension stage.)

Max "Q" Development Limitations and Div. 86 Water Management and Conservation Plan

Other: Evidence of meter for measuring sewage discharged to ground or date certain when installed

22. Footnote regarding Claim of Beneficial Use. Choose the appropriate language below and insert as a footnote in the PFO:

COBU Requirement - Surface/Ground Water - on or prior to July 9, 1987

"For permits applied for or received on or before July 9, 1987, upon complete development of the permit, you must notify the Department that the work has been completed and either: (1) Hire a water right examiner certified under ORS 537.798 to conduct a survey, the original to be submitted as required by the Water Resources Department, for issuance of a water right certificate; or (2) Continue to appropriate water under the water right permit until the Water Resources Department conducts a survey and issues a water right certificate under ORS 537.250 or 537.625."

COBU Requirement - Surface Water - post July 9, 1987

"Pursuant to ORS 537.230(3), upon the completion of beneficial use of water allowed under the permit, the permittee shall hire a certified water rights examiner to survey the appropriation. Within one year after the complete application of water to a beneficial use (or by the date allowed for the complete application of water to a beneficial use), the permittee shall submit a map of the survey and the claim of beneficial use."

COBU Requirement - Ground Water - post July 9, 1987

"Pursuant to ORS 537.630(3), upon the completion of beneficial use of water allowed under the permit, the permittee shall hire a certified water rights examiner to survey the appropriation. Within one year after the complete application of water to a beneficial use (or by the date allowed for the complete application of water to a beneficial use), the permittee shall submit a map of the survey and the claim of beneficial use."

NOTES:

Ground water review not completed

Extension "PFO" Dates

Checklist Last Revised: 09/18/2006

Mailing / Issuance Date: _____

Reviewer's Name: _____

Protest Deadline Date: _____

Date: _____

Application # G-14857 Permit # G-13856

Public Notice Route Slip ... New Application Extension of Time
per Division 315 Rules... (Extensions received on July 1, 2001 or after)

◆ **WRIG...**

Money Received on: 4-3-07

◆ **Ann Reece...**

Extension Application is Complete
(If NOT complete, send certified letter requesting add'l information.)

Added to tracking spreadsheet

If Extension Appl complete and \$250 fee submitted, route to...

◆ **Jonnine Skaug...**

Publish on Public Notice (initial 30-day comment): Date of
Update "cdatewext.DB" Database: notice 4/10/2007 JLS

In the "PNotice Date" field... Enter the date the Extension Application
was published on the Public Notice.

In the "Ext Filed" field... Enter the date the Extension Application was
received.

Application # G-14857 / Permit # G-13856

Permit Holder: CLINE BUTTE UTILITY COMPANY

Drainage Basin: DESCRUTES RIVER

Watermaster Name and #: KYLE GORMAN #11

**Division 315 - Municipal/Quasi-Municipal
Extension of Time - Completeness Checklist
OAR 690-315-0070(3)**

Place a (✓) in the box if the item is satisfied

✓ 1. [OAR 690-315-0070(3)] The appropriate extension of time fee (as specified in ORS 536.050).
\$100 - applications received by September 30, 2003 / (\$250) applications received on or after October 1, 2003
Duplicate Fees Paid? _____

✓ * [OAR 690-315-0070(3)(a)] The name and mailing address of the water right permit holder(s);

✓ * [OAR 690-315-0070(3)(b)] The application number and the permit number for which an extension is requested;

2-A. [OAR 690-315-0070(3)(c)] For Quasi-Municipal water use permit holders, evidence of the actions taken to begin actual construction on the project, as defined in 690-315-0020(3)(d), if required under the applicable statute;

- "Actual construction" means physical work performed toward completion of the water system, which demonstrates both the present good faith of the water right permit holder and the water right permit holder's intention to complete the project with reasonable diligence;
- "Actual construction" does not include planning a diversion system, formulating a business plan, securing financing, letting contracts, purchasing but not installing equipment, or surveying.

Date permit issued: 10/17/2000 (NOTE: Municipal and Quasi-Municipal permits issued after 11/2/98 are also subject to review under 690-315-0080(5)... See PFO Checklist)

"A" date: 5/2001 "B" date: ~~04/04/03~~ "C" date: 10/1/05

"A" Date Met? (YES) or NO

N/A 2-B. [OAR 690-315-0070(3)(d)] - For Municipal water use permits issued on or after June 29, 2005, evidence of the actions taken to begin actual construction on the project, as defined in 690-315-0020(3)(d);

- "Actual construction" means physical work performed toward completion of the water system, which demonstrates both the present good faith of the water right permit holder and the water right permit holder's intention to complete the project with reasonable diligence;
- "Actual construction" does not include planning a diversion system, formulating a business plan, securing financing, letting contracts, purchasing but not installing equipment, or surveying.

Date permit issued: _____ (NOTE: Municipal and Quasi-Municipal permits issued after 11/2/98 are also subject to review under 690-315-0080(5)... See PFO Checklist)

"A" date: _____ "B" date: _____ "C" date: _____

"A" Date Met? YES or NO

✓ 3. [OAR 690-315-0070(3)(e)] - This is extension request # 1

Evidence of actions taken to develop the right within the original permitted time period OR, during the most recent extension period from _____ to _____

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✓ 4. [OAR 690-315-0070(3)(f)] Evidence of compliance with conditions contained in the permit and any previous extension(s) or the reason the condition was not satisfied;

• BEFORE WATER USE METER MUST BE INSTALLED → METER INSTALLED IN 2003
on well + sewage discharged
• TRANSFER OF WR 74145 → FD ATTACHED • MONTHLY WATER USAGE REPORT SUBMITTED
• WRCP SUBMITTED - UPDATED 2004 (December)

✓ 5. [OAR 690-315-0070(3)(g)] Evidence of the maximum INSTANTANEOUS rate (or duty if applicable) of diversion for beneficial water use, if any, made to date;

1500 GPM (1556 gpm measured)

✓ 6. [OAR 690-315-0070(3)(h)] An estimate of the population served and a description of the methodology(ies) used to make the estimate;

3400 PERSONS DURING PEAK SUMMER SEASON

Place a (✓) in the box if the item is satisfied

Division 315 - Municipal/Quasi-Municipal Extension of Time - Completeness Checklist OAR 690-315-0070(3)

✓	7. [OAR 690-315-0070(3)(i)] A description of financial expenditures made toward completion of the water development; \$ 2,394,000
✓	8. [OAR 690-315-0070(3)(j)] An estimate of the cost to complete the water development; \$ 5,000
✓	9. [OAR 690-315-0070(3)(k)] A summary of any events that delayed completion of the water development or application of water to full beneficial use, including other governmental requirements, if any, relating to the project that have significantly delayed completion of construction or perfection of the right; PERMIT ADMENOMENT
N/A	10. [OAR 690-315-0070(3)(l)] PART A: An estimated demand projection and a description of the methodology(ies) used for the subject water right permit, considering the other water rights held by the municipal or quasi-municipal water use permit holder, and a date by which the water development is anticipated to be completed and water put to full beneficial use. Current Peak Water Demands: SEE WMCP 2004 UPDATE SEC 3 Projected Population: " " " " " " " " Also Table 3 Potential Growth: " " " " " " " " Inventory of Water Rights Held: PERMITS G-13819, G-11762 ← G-11313 ← Eagle Ridge Development Corp. PART B: Extension requests for <u>greater than 50 years</u> must include documentation that the demand projection is consistent with the amount and types of lands and uses proposed to be served by the permit holder.
✓	11. [OAR 690-315-0070(3)(m)] A summary of the applicant's plan and schedule to complete construction and/or perfect the water right; FILE PERMIT ADMENOMENT
✓	12. [OAR 690-315-0070(3)(n)] Justification for the time requested to complete the project and/or apply the water to full beneficial use; PERMIT ADMENOMENT NEEDED
—	13. [OAR 690-315-0070(3)(o)] Any other information the applicant determines is relevant to evaluate the application in accordance with applicable statutes and rules;
—	* [OAR 690-315-0070(3)(p)] Any other information required by the Department that is necessary to evaluate the application in accordance with applicable statutory requirements.
N/A	[OAR 690-315-0070(3)(q)] For Municipal water use permits issued on or before November 2, 1998: for the first extension issued after June 29, 2005, the completed application must include a copy of any agreements regarding the use of the undeveloped portion of the permit between the permit holder and a federal or state agency that include conditions or required actions that maintain the persistence of listed fish species in the portions of waterways affected by water use under the permit.
✓	* Signature(s) of the water right permit holder(s) or authorized agent.

Name of Reviewer: KIMI FRENCH Date: 4/6/07

Application # <u>G14857</u>	Permit # <u>G13856</u>
Name of Permit Holder: <u>Eagle Crest, Inc. (Cline Butte Utility Company)</u>	

**Reimbursement Authority Process
Itemized Estimate Sheet
for
Permit Extension of Time Applications**

(Indicate the estimated amount of time, in 1/2 hour increments, needed to complete each item listed below.)

	Item	Estimated Time
1	Completion of the Extension of Time Application Completeness Checklist	.5
2	Completion of the Extension of Time Proposed Final Order Checklist <small>(*Regular Ext: approx 2 hrs. to 6 hrs. // Muni/Quasi-Muni Ext: approx 4 hrs. to 24 hrs.)</small>	8
3	Preparation of the Extension of Time Proposed Final Order document <small>(*Regular Ext: approx 2 hrs. to 5 hrs. // Muni/Quasi-Muni Ext: approx 4 hrs. to 12 hrs.)</small>	6
4	Preparation of the Extension of Time Final Order document	1
Total Estimated Time:		15.5

***NOTE:** Items #2 and #3 will take a greater amount of time for Municipal and Quasi-Municipal water use permits.

Estimated calendar days needed to complete work once a Work Order has been Executed 10
(Typical turn around should not exceed Ten (10) business days.)

Name of Contractor: Public Works Management, Inc Date: 4-13-2007

Instructions for completing the Reimbursement Authority Process Itemized Estimate Sheet:

- To determine the estimated amount of time required to perform the project:
- Review the Permit;
 - Review the Extension of Time Application; and
 - Review the file record.

Final Deliverables Cover Sheet
for
Permit Extension of Time Applications

Application #: G-14857 Permit #: G-13856

Name of Permit Holder: Cline Butte Water Company

The following items are enclosed:

- The completed Extension of Time Completeness Checklist;
- The completed Extension of Time Proposed Final Order Checklist;
- All background information and notes used to make the extension determination;
- A hard copy of the Extension of Time documents:
 - a. Letter(s) requesting additional/missing information *(if applicable)*
 - b. Proposed Final Order and Mailing List
 - c. Final Order and Mailing List
- An electronic copy of the Extension of Time documents*
 - a. Letter(s) requesting additional/missing information *(if applicable)*
 - b. Proposed Final Order and Mailing List
 - c. Final Order and Mailing List

***NOTE:** WRD will only accept electronic copies in the following programs:
a. WordPerfect, or
b. MS Word - "rich text" format only

Signature of Contractor: Norman E. Jeff Date: 6-27-2007
PWN

For WRD use only:

WRD approval by: [Signature] Date: 8/27/07

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