



Oregon

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February 26, 2015

VIA E-MAIL

THOMAS & KAREN PICO, TRUSTEES
THOMAS & KAREN PICO FAMILY TRUST
4329 RAILROAD AVE
PLEASANTON, CA 94566

SUBJECT: Time Limited Instream Water Right Transfer Application T-10189

Please find enclosed the Preliminary Determination indicating that, based on the information available, the Department intends to approve application T-10189. This document is an intermediate step in the approval process; water may not be used legally as proposed in the transfer application until a Final Order has been issued by the Department.

A public notice is being published in the Department's weekly publication and in the Medford Mail Tribune newspaper, simultaneously with issuance of the Preliminary Determination. The notice initiates a period in which any person may file either a protest opposing the decision proposed by the Department in the Preliminary Determination or a standing statement supporting the Department's decision. The protest period will end 30 days after the last date of newspaper publication.

If no protest is filed, the Department will issue a Final Order consistent with the Preliminary Determination.

If a protest is filed, the application may be referred to a contested case proceeding. A contested case provides an opportunity for the proponents and opponents of the decision proposed in the Preliminary Determination to present information and arguments supporting their position in a quasi-judicial proceeding.

Please do not hesitate to contact me at 503-986-0890 or Sarah.A.Henderson@ wrd.state.or.us if I may be of assistance.

Sincerely,

Sarah Henderson

Transfer Specialist
Transfer and Conservation Section

cc: Transfer Application file T-10189
Travis Kelly, District 13 Watermaster (*via e-mail*)
Janelle Dunlevy, Applegate Partnership & Watershed council (*via e-mail*)
Bureau of Reclamation

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

In the Matter of Time Limited Instream)	PRELIMINARY DETERMINATION
Transfer Application T-10189, Jackson)	PROPOSING APPROVAL OF A
County)	CHANGE IN PLACE OF USE AND
)	CHARACTER OF USE

Authority

Oregon Revised Statutes (ORS) 540.505 to 540.580 establishes the process in which a water right holder may submit a request to transfer the point of diversion, place of use, or character of use authorized under an existing water right. Oregon Administrative Rules (OAR) Chapter 690, Division 380 implements the statutes and provides the Department's procedures and criteria for evaluating transfer applications. OAR Chapter 690, Division 077 provides additional criteria for evaluating transfers to instream water rights.

Applicants

THOMAS AND KAREN PICO, TRUSTEES
THOMAS AND KAREN PICO FAMILY TRUST
4329 RAILROAD AVE.
PLEASANTON, CA 94566

Findings of Fact

1. On June 5, 2006, ALFRED J. AND KAREN L. HARDMAN filed a time-limited instream transfer application to change the place of use and character of use of the water right under Transfer Application T-9664, approved by the Oregon Water Resources Department (Department) on February 2, 2006, as evidenced by Special Order Volume 68, Pages 14-16, to instream use until such time that conditions for termination of a stored water use contract agreement between the applicants and the Bureau of Reclamation (BOR) are met. The Department assigned the application number T-10189.
2. The applicant had requested that approval of this time-limited instream transfer be contingent upon the applicants entering into a stored water use contract with the BOR and approval by the Department of a permit to use stored water.
3. Consistent with land use requirements, prior to submitting the time-limited instream transfer application, the applicant provided notification of the intent to file the instream transfer application to Jackson County. Additionally, the Department provided notice of the proposed action to Jackson County upon receipt of Transfer Application T-10188.

Pursuant to OAR 690-380-4030, any person may file a protest or standing statement within 30 days after the last date of publication of notice of this preliminary determination.

4. Notice of the application for transfer was published on June 27, 2006, pursuant to OAR 690-380-4000. No comments were filed in response to the notice.
5. On December 7, 2007, the Department approved an assignment of the Transfer Application to Thomas and Karen Pico, Trustees of the Thomas and Karen Pico Family Trust.
6. New water right certificate number 86981 was issued on April 8, 2011, for the water right evidenced by Special Order Volume 68, Pages 14-16.
7. On December 9, 2011, the Department sent the applicant a letter requesting information on the status of the Bureau of Reclamation contract, a permit application to use stored water, and whether the applicant was still interested in pursuing the time-limited instream transfer application.
8. On January 6, 2012, the applicants responded to the Department's information request but did not clearly identify whether they intended to pursue the transfer application.
9. On November 9, 2012, an unsigned copy of the proposed contract with the BOR was submitted to the Department.
10. On February 1, 2013, the Department sent the applicants a letter to follow up on its January 6, 2012, letter and the response from the applicants.
11. On June 17, 2013, a signed contract with the BOR and a surface water permit application to use stored water, application number S-87908, were submitted to the Department. The permit application is being processed concurrently with this time-limited instream transfer application.
12. On January 8, 2015, the Department mailed a copy of the draft Preliminary Determination proposing to approve Transfer Application T-10189 to the applicants. The draft Preliminary Determination cover letter set forth a deadline of February 7, 2015, for the applicants to respond. The applicants requested that the Department proceed with issuance of a Preliminary Determination and provided the necessary information to demonstrate that the applicants are authorized to pursue the transfer.

13. The right to be transferred is as follows:

Certificate: 86981 in the name of THOMAS AND KAREN PICO, THOMAS AND KAREN PICO FAMILY TRUST (confirmed by Rogue River (F) Decree, in the Order Record of the Water Resources Director in Volume 4, Page 1)

Use: IRRIGATION OF 5.0 ACRES AND LIVESTOCK

Priority Date: SEPTEMBER 1, 1857

Rate: 0.1 CUBIC FOOT PER SECOND (CFS)

Limit/Duty: The amount of water to which this right is entitled is limited to an amount actually beneficially used, and shall not exceed 0.1 CFS (IF AVAILABLE AT THE ORIGINAL POINT OF DIVERSION: FARMER'S DITCH)

LOCATED IN THE NE1/4 NE1/4, SECTION 14, T39S, R3W, WM;
 ORIGINAL COORDINATES: 350 FEET SOUTH AND 900 FEET WEST
 FROM NE CORNER SECTION 14; ALSO LOCATED AS GPS
 COORDINATES: LATITUDE 42.18400, LONGITUDE -123.0174) or its
 equivalent in case of rotation, measured at the point of diversion.

Source: LITTLE APPLGATE RIVER, a tributary of the APPLGATE RIVER

Authorized Points of Diversion:

Twp	Rng	Mer	Sec	Q-Q	Measured Distances / Latitude/Longitude
38 S	3 W	WM	33	SW SE	300 FEET NORTH AND 1520 FEET WEST FROM THE SE CORNER OF SECTION 33
39 S	3 W	WM	14	NE NE	FARMERS DITCH: ORIGINAL COORDINATES: 350 FEET SOUTH AND 900 FEET WEST FROM THE NE CORNER OF SECTION 14 ALSO LOCATED AS GPS COORDINATES: LATITUDE 42.18400 - LONGITUDE -123.0174

Authorized Place of Use:

IRRIGATION					
Twp	Rng	Mer	Sec	Q-Q	Acres
38 S	3 W	WM	33	SW SE	1.1
38 S	3 W	WM	33	SE SE	3.9

14. Certificate 86981 does not specify the irrigation season. However, the Rogue River Decree establishes the irrigation season for the area as April 1 through October 31.
15. Certificate 86981 does not specify a duty limit per acre. However, the Rogue River Decree identifies that water may be used in a continuous flow throughout the irrigation season. The Department's Watermaster has concurred that water may be diverted at a continuous rate for the existing use considering beneficial use without waste
16. The applicant has entered into a 25-year agreement with the BOR to provide stored water for irrigation of the place of use described in Finding of Fact No. 13. This agreement automatically renews for additional 25-year periods unless otherwise terminated by the parties. The applicant requests that the water right described in Finding of Fact No. 13 revert to its authorized use and place of use upon termination of a stored water contract with the BOR or if the agreement between the applicant and the BOR is not renewed. The termination request may either be received from both the BOR and the applicant or from the applicant along with evidence that the stored water contract has been terminated or that the agreement with the BOR has not been renewed.
17. Transfer Application T-10189 proposes to change the character of use to instream use for conservation, maintenance and enhancement of aquatic and fish life, wildlife, fish and wildlife habitat and any other ecological values on a time limited basis.

18. Transfer Application T-10189 proposes to change the place of use of the right to create an instream reach from the Farmer's Ditch point of diversion described in Finding of Fact No. 13 to the mouth of the Little Applegate River.
19. The applicant proposes that the quantity of water to be transferred instream be protected as follows:

Instream Period	Instream Rate (cfs)
April 1 through October 31	0.1

20. There are several existing instream water rights established through time-limited instream transfers within the same reach as that proposed for the new instream water right. In addition, there is an existing instream water right (Certificate 75996) with a priority date of December 7, 1990, established through an instream water right application filed by the Oregon Department of Fish and Wildlife (ODFW).
21. During the proposed instream period, April 1 through October 31, the applicant proposes that this time-limited instream transfer be additive to other instream water rights, within the same reach, up to the amounts requested in the original instream water right application filed by the ODFW under IS-70982 for Certificate 76996 (see Finding of Fact No. 29). Otherwise, the applicant proposes that the time-limited instream transfer should replace a portion of the existing instream water right (Certificate 75996) with an earlier priority date.

Instream Transfer Review Criteria (OAR 690-77-0075 and 690-380-4010)

22. Water has been used within the last five years according to the terms and conditions of the right, and there is no information in the record that would demonstrate that the right is subject to forfeiture under ORS 540.610.
23. A diversion structure and ditch sufficient to use the full amount of water allowed under the existing right were present within the five-year period prior to submittal of Transfer Application T-10189.
24. Based upon review of the transfer application, water may be protected instream as follows:

Instream Reach: From the Farmer's Ditch POD (as described in Finding of Fact No. 13) to the mouth of the Little Applegate River.

Priority Date	Instream Period	Instream Rate (cfs)	Instream Volume (acre-feet)
9/1/1857	April 1 through October 31	0.1	42.45

25. The proposed change would not result in enlargement of the right.
26. The proposed change would not result in injury to other water rights.

27. The amount and timing of the proposed instream flow is allowable within the limits and use of the original water right.
28. The protection of flows within the proposed reach is appropriate, considering:
 - a) The instream water right begins at the recorded point of diversion on the Little Applegate River;
 - b) The location of confluences with other streams downstream of the point of diversion;
 - c) There are no known areas of natural loss of streamflow to the river bed downstream from the point of diversion; and
 - d) Any return flows resulting from the exercise of the existing water right would re-enter the river downstream of the reach of the instream water right.
29. There is an existing instream water right, Certificate 75996, with a priority date of December 7, 1990, within the same reach as that proposed for the new instream water right under this transfer application. This instream water right was established by an application for instream water right (IS-70982) filed by the ODFW to provide instream flows for various life stages of Coho, fall chinook salmon, summer and winter steelhead, and cutthroat trout. The quantities that may be protected instream under this right are less than the quantities requested in the instream water right application filed by the ODFW. In addition, the instream rates approved for Certificate 75996 are not always met.

Instream Rate in CFS	April	May*	June	July	Aug.	Sept.*	Oct.*
Rate Requested	85.0	85.0/50.0	50.0	33.0	33.0	33.0/50.0	50.0/85.0
Rate Approved	75.9	73.2/50.0	50.0	14.6	2.01	1.51	11.5

*The rate requested and/or approved for instream use is broken down by half month with the first rate listed being for the first half of the month and the second rate for the second half of the month.

30. There are several time-limited instream water rights with senior priority dates ranging from 1854 to 1916 within the same reach on the Little Applegate River established under the instream transfer process for fish and wildlife habitat. These time-limited instream water rights may be unwound under the same conditions as proposed in Finding of Fact No. 16.
31. Instream water rights established by instream transfer may be additive to other instream water rights and/or replace a portion of existing instream water rights with an earlier priority date. The combination of instream water rights for the same reach may not exceed the quantity needed to provide increased public benefit (OAR 690-077-0015(11)).
32. The existing time-limited instream water rights are additive to each other during the full instream period, April through October.

33. The existing time-limited instream water rights are additive to Certificate 75996 during April, the first half of May, and July through October and replace a portion of Certificate 75996 during the second half of May and June.
34. ODFW has indicated that providing for additional instream flows and protecting water instream up to the amounts requested by ODFW in Instream Water Right Application IS-70982 (see Finding of Fact No. 29), will provide a beneficial purpose for various life stages of Coho and Fall Chinook salmon, summer and winter steelhead and cutthroat trout. Additionally, Coho are listed as threatened under the Endangered Species Act.
35. Therefore, the Department has determined that the total monthly quantities of water to be protected instream under the existing and proposed instream rights within the same reach provide a beneficial purpose and may add to and replace other existing instream water rights as follows:
 - a) During the second half of May and the month of June, any water right established by this time-limited instream transfer may replace a portion of Certificate 75996 with an earlier priority date.
 - b) During April, the first half of May, and July through October, any instream water right established under this time-limited instream transfer may be additive to any other instream water right within the same reach up to the flows requested by the ODFW in instream water right application IS-70982 (see Finding of Fact No. 29).
 - c) For April, the first half of May, and July through October, once the cumulative total of the proposed and existing instream water rights reaches the instream rates requested by the ODFW instream water right application IS-70982, any additional quantities protected instream as a result of a time-limited instream transfer, considering respective priority dates, may replace a portion of Certificate 75996 with an earlier priority date.
36. The quantity of water protected instream under the existing instream water rights currently exceeds the estimated average natural flows in April, the first half of May, and July through October. By adding the instream use proposed under this time-limited instream transfer, estimated average natural flows are further exceeded in these months and half month. By rule, the quantity of water that may be protected instream cannot exceed the estimated average natural flows unless certain criteria are met. OAR 690-077-0015 (4) and (5).
37. The Department has determined that the estimated average natural flows may be exceeded under OAR 690-077-0015 (4) and (5) due to the following:
 - a) The quantities to be protected instream in July through October, together with other instream water rights within the same reach, will not exceed the amounts requested in the original instream water right application (IS-70982) filed by the ODFW (see Finding of Fact No. 29) and;

- b) The water right proposed to be transferred to instream use on a time-limited basis is within an ODFW flow restoration priority watershed for July through October.
- c) ODFW has indicated that exceeding the estimated average natural flows in April, the first half of May, and July through October, within the proposed reach, up to the amounts requested by ODFW in application IS 70982, are significant for the applied for public use, specifically for Coho and Fall Chinook salmon, summer and winter steelhead and cutthroat trout for migration, spawning, egg incubation, fry emergence and juvenile rearing.

Determination and Proposed Action

The changes in character of use and place of use to instream use proposed in application T-10189 appear to be consistent with the requirements of ORS 540.505 to 540.580, ORS 537.348, OAR 690-380-5000, and OAR 690-077-0075. If protests are not filed pursuant to OAR 690-380-4030, the application will be approved.

If Transfer Application T-10189 is approved, the final order will include the following:

1. *The changes in character of use and place of use to instream use proposed in application T-10189 are approved and become effective when this order is signed, or when the permit under Permit Application S-87908 is issued, whichever happens later.*
2. *The exercise of the right evidenced by Certificate 86981 for Irrigation and Livestock at the former place of use shall be SUSPENDED, without loss of priority, for the term of the transfer authorized herein.*
3. *Water shall be protected instream for conservation, maintenance and enhancement of aquatic and fish life, wildlife, fish and wildlife habitat and any other ecological values.*
4. *The instream water right shall provide for the protection of streamflows from the diversion authorized under Certificate 86981, located at:*

<i>Twp</i>	<i>Rng</i>	<i>Mer</i>	<i>Sec</i>	<i>Q-Q</i>	<i>Measured Distances / Latitude/Longitude</i>
39 S	3 W	WM	14	NE NE	<i>FARMERS DITCH: ORIGINAL COORDINATES: 350 FEET SOUTH AND 900 FEET WEST FROM THE NE CORNER OF SECTION 14 GPS COORDINATES: LATITUDE 42.18400, LONDITUDE -123.0174</i>

to the mouth of the Little Applegate River (River Mile 0.0)

5. *The quantity of water to be protected under the instream water right is:*

<i>Priority Date</i>	<i>Instream Period</i>	<i>Instream Rate (cfs)</i>
9/1/1857	April 1 through October 31	0.1

6. *Water rights upstream of the original point of diversion shall not be subject to regulation for flows in excess of the quantities to which this instream water right is entitled at the original point of diversion.*
7. *Within the specified stream reach, the amount of water to which this right is entitled shall not exceed the quantity of water legally available at the original point of diversion located at:*

<i>Twp</i>	<i>Rng</i>	<i>Mer</i>	<i>Sec</i>	<i>Q-Q</i>	<i>Measured Distances / Latitude/Longitude</i>
39 S	3 W	WM	14	NE NE	<i>FARMERS DITCH: ORIGINAL COORDINATES: 350 FEET SOUTH AND 900 FEET WEST FROM THE NE CORNER OF SECTION 14--GPS COORDINATES: LATITUDE 42.18400, LONGITUDE -123.0174</i>

8. *During the term of this order, for the second half of May and the month of June the instream right established by this transfer shall replace a portion of the instream water rights established pursuant to ORS 537.341 or 537.346 and be in addition to the instream water rights established pursuant to ORS 537.348 or 537.470.*
9. *During the term of this order and for April, the first half of May, and the months of July, August, September, and October the instream right established by this transfer shall be in addition to the instream water rights established pursuant to ORS 537.341, 537.346, 537.348 or 537.470, but the quantity protected instream shall not exceed the rate in cfs shown below:*

<i>Rate in CFS</i>	<i>April</i>	<i>May</i>	<i>June</i>	<i>July</i>	<i>Aug.</i>	<i>Sept.</i>	<i>Oct.</i>
<i>1st half of month</i>	85.0	85.0	50.0	33.0	33.0	33.0	50.0
<i>2nd half of month</i>	85.0	50.0	50.0	33.0	33.0	50.0	85.0

These months or partial months are shown to describe the maximum instream rate associated with the time-limited instream water right, in connection with other instream water rights for the same reach.

Once the amounts protected instream as a result of this time limited instream transfer, in combination with other time-limited instream transfers, exceeds the amounts listed above, any additional quantities protected instream as a result of a time-limited instream transfer shall replace a portion of instream water rights established pursuant to ORS 537.341 or 537.346.


10. *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 86981 and any related decree.*
11. *The term of this Final Order shall continue until terminated. Upon expiration of this transfer, the use of water shall revert to its original use and place of use as described by*

Certificate 86981. The use shall revert to the authorized use and place of use upon submission of a termination request from:

- a) The Bureau of Reclamation and the applicant, or*
- b) The applicant along with evidence that the stored water contract from Applegate Reservoir has been terminated or that the agreement between the applicant and the BOR has not been renewed.*

12. This order may be terminated if a permit is not issued or is rescinded under Permit Application S-87908.

Dated at Salem, Oregon this 26 day of February, 2015.



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

This Preliminary Determination was prepared by Sarah Henderson. If you have questions about the information in this document, you may reach me at 503-986-0890 or Sarah.A.Henderson@wrд.state.or.us.

Protests should be addressed to the attention of Water Rights Division, Water Resources Department, 725 Summer St. NE, Suite A, Salem, OR 97301-1266.