	Applicat	ion No.	61001				FEES PAI	
Name City of Ashland			47628			Date	Amount	Receipt No.
	Per	mit No.				13-8-80		
Address City Hall, Ashland, OR 97520	Certifica	te No.				7-5-85	300,80	37353
Address						***************************************		
	Stream	Index, Pa	age No. 15 -	24 E				
							Cert. Fee	
December 9 1000							EES REFUN	
Date filed December 8, 1980			Y)		Date	Amount	Check No.
Priority				ASS	SIGNMENTS			
Action suspended until Sur - Dem	Date		To Whom	Abc		Address	Volu	me Page
Return to applicant								
Date of approval SEP 2.0 1983								
CONSTRUCTION				F	REMARKS			
Date for beginning SEP 2 0 1984 Date for completion OCT 1 1985						OWER CO	AIM	87/
Date for completion UCI 1 1985			***************************************				***************************************	***************************************
Extended to								
Date for application of water OCT 1 1985						2.5		
Extended to	***************************************		***************************************					***************************************
PROCECUTION OF WORK			***************************************		26 4			
PROSECUTION OF WORK			***************************************					
Form "A" filed			***************************************					•••••
Form "B" filed			***************************************					
Form "C" filed COMPLETED								***************************************
FINAL PROOF								
Blank mailed	<u> </u>		\					
Proof received								***************************************
Date certificate issued								
			70900-119					

GRAINEY Mary S * WRD

From:

GRAINEY Mary S * WRD

Sent:

Wednesday, June 07, 2017 4:52 PM

To:

'Jcrane@kellerassociates.com'

Subject:

RE: City of Ashland hydroelectric project

Jordan, further consideration - I believe that if you take the water from the tailrace, then there is no change on the hydroelectric right, so that would be easier. If you take water from above the powerhouse, then OWRD needs to understand whether it is an increase or a decrease in the use of water for hydroelectric purposes. Thanks. -- Mary

From: GRAINEY Mary S * WRD

Sent: Wednesday, June 07, 2017 4:42 PM

To: 'Jcrane@kellerassociates.com'

Subject: City of Ashland hydroelectric project

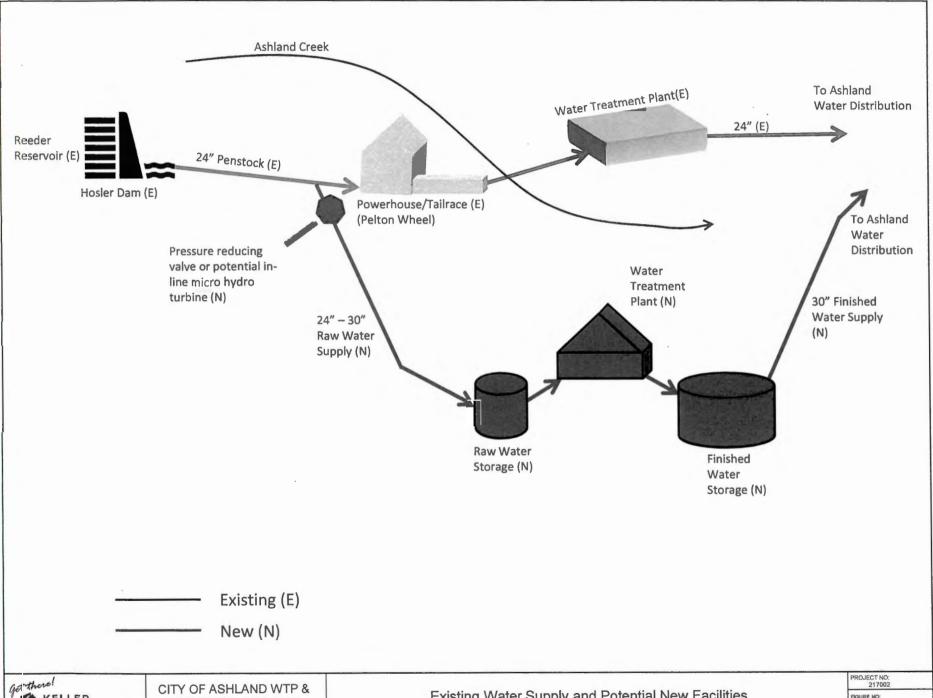
Jordan, in response to your phone call.

The City of Ashland holds permit S-47628 which authorizes up to 30 cfs of water from the East and West Forks of Ashland Creek and Reeder Gulch Reservoir under a head of 429.38 feet to develop up to 1463.8 theoretical horsepower of hydroelectric capacity. I am assuming that the city would want to preserve as much of this water right as possible.

If the City wants to amend this water right by adding an additional turbine or augmentation or redistribution of the volume of water then OWRD could consider an amendment to the right according to the attached set of rules.

The amendment process is not difficult if ODFW and ODEQ are in agreement with the change being proposed. Perhaps when you know more details about the preferred alternative we could have a discussion with the other agencies. Please contact me again if you have more questions. — Mary

Mary S. Grainey P.E., C.W.R.E. Hydroelectric Program Coordinator Oregon Water Resources Department 725 Summer St. NE Suite A Salem, OR 97301 503-986-0833 Mary.s.grainey@oregon.gov



KELLER associates

Abstract of Permit

This is to certify that I have examined APPLICATION \$1057 and do hereby grant the same SUBJECT TO EXISTING RIGHTS INCLUDING THE APPROPRIATE MINIMUM FLOW POLICIES ESTABLISHED BY THE WATER POLICY REVIEW BOARD and the following limitations and conditions:

This permit is issued to City of Ashland of City Hall, Ashland, Oregon 97520, phone 482-3211, for the use of the waters of East and West Forks of Ashland Creek and Reeder Guich Reservoir constructed under Permit R-596, being 14.66 cfs from the East Fork and 15.34 cfs from the West* for the PURPOSE of the development of 1103.8 theoretical horsepower at the Reeder Guich Hydroelectric Project

that the PRIORITY OF THE RIGHT dates from December 8, 1980

and is limited to the amount of water which can be applied to beneficial use and shall not exceed 30.0 cubic feet per second

The POINT OF DIVERSION is to be LOCATED: Diversion from Hosler Dem - 100 feet North and 20 feet West from the Southeast Corner of Section 20, being within the SE I/4 SE I/4 of Section 20, Township 39 South, Range I East, WM; Diversion from West Fork Diversion Dem - 1850 feet south and I 100 feet east of the Northwest Corner of Section 28, being within the SW I/4 NW I/4 of Section 28, Township 39 South, Range I East, WM; Diversion from East Fork Diversion ** A description of the PLACE OF USE under the permit, and to which such right is appurtenant, is as follows:

* Fork, tributary of Bear Creek

** Dam-1620 feet South and 1800 feet East of the Northwest Corner of Section 28, being within the SE 1/4 NW 1/4 of Section 28, Township 39 South, Range I East, WM; In the County of Jackson.

Township 39 South, Range I East, WM Section 21 NW 1/4 NW 1/4 Hydroelectric power generation

The right granted herein is expressly made inferior in right and subsequent in time to any appropriation of water from this source which may hereafter be made for domestic, municipal, irrigation or any other beneficial consumptive use, or for storage for such purposes.

Actual construction work shall begin on or before September 20, 1984, and shall thereafter be prosecuted with reasonable diligence and be completed on or before October 1, 1985.

Complete application of the water to the proposed use shall be made on or before October 1, 19 86 .

Witness my hand this 20th day of September , 19 83

DEPLITY WATER RESOURCES DIRECTOR

This permit, when issued, is for the beneficial use of water. 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. It is possible that the land use you propose may not be allowed if it is not in keeping with the goals and the acknowledged plan. Your city or county planning agency can advise you about the land-use plan in your area.



RECEIVED

JUL 2 4 1985

WATER RESOURCES DEPT. SALEM, OREGON

DEPARTMENT OF JUSTICE

GENERAL COUNSEL DIVISION
Justice Building
Salem, Oregon 97310
Telephone: (503) 378-4620
July 24, 1985

RECEIVED

CUL 41985

WATER RESOURCES DEPT SALEM, OREGON

Mr. Larry Jebousek, Administrator Water Rights Division
Department of Water Resources
Mill Creek Office Park
535 13th St., N.E.
Salem, OR 97310

Re: City of Ashland - Application 61057

Dear Larry:

You have asked whether the Water Resources Department may correct the original permit issued in response to City of Ashland application 61057. On the facts described, I believe it may do so.

The City of Ashland filed application 61057 in 1980, for appropriation of 30 cfs of water for hydroelectric power generation. The application was made under ORS chapter 537, for appropriation by a municipality for power generation. There is no controversy or question about the amount of appropriation applied for and granted, 30 cfs; about its use, for hydroelectric power generation; or about its place of use, from the existing Reeder reservoir and upper diversion dams. The "errors" discovered were apparently due to a miscommunication about elevations, which communication occurred after action by the Water Policy Review Board on the application.

The application to Water Resources stated under "description of works":

"The attached FERC application for exemption contains a detailed description of the project works which include the following . . ."

That FERC application for exemption stated that the project would entail approximately 400 feet of head, and included a diagram which showed the water elevation of the existing Reeder reservoir

Mr. Larry Jebousek July 24, 1985 Page two

to be 2,873 feet; showed the location of existing diversion dams above Reeder reservoir; and showed the planned turbine elevation to be approximately 2,461 feet. From this information it was clear that for that portion of the power generation derived from Reeder reservoir, total head would be a maximum of 412 feet; and that total head would be somewhat greater from upper diversion dams.

Because this project was to develop more than 100 theoretical horsepower, it was referred to the Water Policy Review Board. ORS 537.170. The Water Policy Review Board staff recommended approval of the application as consistent with the provisions of ORS 537.170(3)(a) through (3)(g). The staff report stated in part:

"Most of the information available on the proposed project is in the document entitled Application for Exemption from Licensing for the Reeder Gulch Hydro-electric Project, FERC Project 1107, which was . . . made a part of water right permit application 61057."

The WPRB staff report did not go into any detail or analysis regarding the exact number of theoretical horsepower or the exact head to be developed by the project. The Water Policy Review Board approved application 61057 on November 9, 1981.

At some time subsequent to that approval Water Resources Department staff made an inquiry of the City of Ashland as to the elevations for the east and west fork dam water pipelines, and the minimum tailrace elevation at the powerhouse. The requested information was provided by the City of Ashland in a letter of June 28, 1983, which identified the elevations of the pipelines at 2,778 feet and the tailrace 2,454 feet. Evidently based upon that letter a hand notation was entered on the city's application: "head equals 323.78 (from letter of 6-28-83)." Permit No. 47628 was issued on September 20, 1983, authorizing construction of the project utilizing 323.78 feet to develop 1,103.8 theoretical horsepower. This permit issuance must have been based upon the notation made by WRD on the application, which in turn was based upon the communications between Water Resources staff and the City of Ashland.

On December 19, 1983, the city telephoned WRD to report an apparent error in the calculation of head. The error evidently was brought to the city's attention by the Annual Statement of Water Power Claimant mailed to the city by WRD, which showed an average fall of 323.78 feet. The city immediately recognized that 323 feet was far short of the actual average fall utilized,

Mr. Larry Jebousek July 24, 1985 Page three

a fact that would have been immediately apparent to either Water Resources staff or city officials had they previously compared the elevations submitted on June 28, 1983, with either the FERC application map or text. The corrected total average fall is 429.38 feet and the correct number of theoretical horsepower claimed is 1,463.8.

Your question is whether and how the Water Resources Department can correct these errors on the permit, as issued. believe that the Water Resources Department may prepare a brief statement of the factual errors, and a correct statement of the theoretical horsepower based upon the correct head. That statement should be clearly labeled as a correction to permit No. 47628, effective as of the date of permit issuance (September 20, 1983). I would suggest preparing the statement in duplicate with signature space for both the Water Resources Department Director and the City of Ashland. After signature by Mr. Young, both copies can be sent to the city and the city instructed to retain one copy and attach it to their permit. Upon return of the signed copy by the City of Ashland, it should be attached to the filed permit and a notation made on the face of the permit and abstract next to the incorrect figure(s) directing attention to the attached correction.

I am confident that WRD has authority to make such a correction for the following reasons:

- 1. The Water Policy Review Board action was based upon the information in application 61057, which was correct. The fact that a detailed and refined calculation of theoretical horsepower had not yet been accomplished does not in any way affect the board's decision that this project, utilizing 30 cfs would not impair or be detrimental to the public interest.
- 2. As early as 1915 the Oregon Supreme Court upheld an appropriation even though the general route of the ditch or canal described in a notice of appropriation was not followed in construction. The court based its decision on the substantial compliance doctrine and on the fact that no other appropriator appeared to be prejudiced in any way by a deviation from the line of canal mentioned in the notice. In re Willow Creek, 74 Or 592, 633-634 (1915). In Wilber v. Wheeler, 273 Or 855 (1975), the Oregon Supreme Court focused on correction of a certificate, where the error was not held clerical in nature because correction would remove some designated lands from the water right, and

Mr. Larry Jebousek July 24, 1985 Page four

allow application of water to other lands not cited in the final certificate. The court observed that ORS 537.270 makes a certificate of water right conclusive evidence of title to water rights absent a contest within three months of issuance. "The statute was apparently designed to protect the reliability of the record title and to promote the stability of water rights." Id. at 864. Accordingly, the court did not permit the reform of the certificate 17 years after its issuance. Until expiration of three months after a certificate is issued, the appropriation is open to challenge, cancellation, or limitation. ORS 537.260. Therefore, a certificate should also be open to correction of errors within the same time period, at least where such correction would not involve expansion of the water right beyond that originally applied for, or result in allowing an additional appropriation to "piggy back" on a correctly filed application. The City of Ashland contacted WRD less than three months after issuance of the permit. Even had WRD issued a certificate (rather than a permit) in September 1983, showing the erroneous 1,103.8 theoretical horsepower, the city's action in telephoning on December 19, 1983 with letter following should have constituted sufficient notice to allow correction of such an erroneous certificate. There is no basis in statute or logic for suggesting that a similar correction is barred in the case of permit, which is still subject to final proof survey.

In the present case no certificate has been issued. The permit now held by the City of Ashland serves to authorize construction of the project, authorize interim operation until issuance of a certificate, and establish the priority date of the appropriation. The permit does not constitute conclusive evidence of title to a water right. It is the certificate, yet to be issued after field survey to affirm all facts of the appropriation, which will provide that evidentiary certainty. The requested correction does not impact the amount of water requested in the original application; does not involve a change in use from the city's original application; and does not authorize any construction different from that contemplated by all parties at the time the original application was processed. It merely corrects an erroneous description of the actual physical configuration involved, and of the theoretical horsepower At least until a certificate has issued calculated therefrom. and become conclusive evidence of a right, correction of errors which do not impact other water users or applicants is within the discretion of the Water Resources Department Director. Further, in Wilber v. Wheeler, the Oregon Supreme Court stated in dictum "we will assume that the State Engineer has authority to correct at least clerical errors in a certificate of water right." Id. at 860. Given that observation, I believe the Water Resources

Mr. Larry Jebousek July 24, 1985 Page five

Director's authority to make corrections may extend beyond that described by the facts in this case.

Based on all these points I am confident that WRD has full authority to correct the permit to show the actual number of theoretical horsepower developed and the corrected head termination, at the request of the City of Ashland.

Please contact me if you have further questions.

Very truly yours,

Anne W. Squier

Assistant Attorney General

mlm:Floater Disc:Jebousekl

cc: Larry Thomson

Application for Permit to Appropriate Surface Water DECO \$ 1980

I	City of Ashla	nd		SALEM, OREGON
c City	Hall		(Name of Applicant)	hland
f	(N	(ailing Address)	,As	(City)
			Phone No 503/482-3211	
ake applic	ation for a permi	t to appropriate	e the following described water East and West F	s of the State of Oregon:
1. Th	e source of the prop	osed appropria	tion is Ashland Creek and	Reeder Gulch Reservoir
oustrue	ted under per	mit Risa	Le., a tributary of Bear Cr	eek
2. The	point of diversion	is to be located .	100 ft north an	d 20 ft. West
om the	outheast co	rner ofSect	ion 20, being within the	.SE. 1/4. of .SE. 1/4. of
ec. 20,	TP39S, R1E, W.	M. (diversion (If there is more than	on from Hosler Dam); 1850 one point of diversion, each must be described)	feet south and 1100
eet east	of the northw	est corner o	of Section 28, being with	in the SW 1/4 of the
W 1/4 of	Sec. 28, TP39	S, RIE, W.M.	(diversion from West Fo	rk diversion dam): 1620
eet sout	n and loov ree	t east of th	northwest corner of Second being within the SE	¼ of the NW ¼ of
28	$T_{\rm p}$ 39	S R 1	(diversion from E. or W.) (diversion from the county of	om East Fork diversion dam Jackson
			E. or W.) place of use if other than irrig	
o. Doc	1	irrigatea, or	There of use of other visus in the	
Township	Range	Section	List ¼ ¼ of Section	List use and/or number of acres to be irrigated
39 S.	1 E.	21	NW 1/4 NW 1/4,	Hydroelectric power
		* * , 300		generation
			i ave	-/-
			9	
			1	

Form 690-1-0-1-77

a1:

4. The amount of water which the applicant intends to apply to beneficial use is30	
cubic feet per second being 14.66 cfs from E. Fk. and 15.34 cfs from W. Fk. of Ashland Creek (see letter of 6.28-83 app)	
5. The use to which the water is to be applied is hydroelectric power generation	
·	
6. DESCRIPTION OF WORKS	
Include dimensions and type of construction of diversion dam and headgate, length and dimensions of supply ditch or pipeline, size and type of pump and motor, type of irrigation system to adequately describe the $prop_{OSe}d$ distribution system.	
The attached FERC Application for Exemption contains a detailed description of the	
project works which include the following:	
1. Hosler Dam (existing) - a 114 foot high variable radius concrete arch dam	9
on Ashland Creek. Hosler Dam impounds Reeder Reservoir, which is Ashland's	
municipal water supply.	
2. East Fork and West Fork Diversion Dams (existing) - small 15 to 20 foot	
high structures immediately upstream of Reeder Reservoir.	
3. Powerhouse (existing) - located approximately 4,000 feet downstream of	
Hosler Dam and immediately upstream of Ashland's water treatment plant. A new	
turbine and 700 kW generator will be installed in the	
powerhouse.	
4. Pipeline (existing) - a 24 inch diameter, 5,000 foot long steel pipeline	
proceeding from the East Fork and West Fork diversion dams and Hosler Dam to the	
powerhouse.	
head = 323.78 (from letter of 6-28-85)	
If for domestic use state number of families to be supplied	
7. Construction work will begin on or before	
8. Construction work will be completed on or before June 1982	
9. The water will be completely applied to the proposed use on or before Complete use of 30 cfs capacity will be contingent upon high streamflows, but probably before June 1983.	
Application No. Permit No.	

	Reservoir. Diverted flows in excess of the demand for water at the City's
	water treatment plant will be returned to Ashland Creek at the powerhouse.
	- 0
nis per	mit, when issued, is for the beneficial use of water. By
w, tne iance v nd-use	rith statewide land-use goals and any local acknowledged plan. It is possible that the land use you propose may
knowle	allowed if it is not in keeping with the goals and the dged plan. Your city or county planning agency can bu about the land-use plan in your area.
A STATE OF THE STA	
	This is to certify that I have examined the foregoing application, together with the accompanying map
	and data, and return the same for
	In order to retain its priority, this application must be returned to the Water Resources Director with
	In order to retain its priority, this application must be returned to the Water Resources Director with corrections on or before
	corrections on or before
	corrections on or before, 19

Permit to Appropriate the Public Waters of the State of Oregon

This is to certify that I have examined the foregoing application and do hereby grant the same SUBJEC	CT
TO EXISTING RIGHTS INCLUDING THE EXISTING FLOW POLICIES ESTABLISHED BY THE WATE	ER
POLICY REVIEW BOARD and the following limitations and conditions:	
	- 6

Le Company of the Com
The right herein granted is limited to the amount of water which can be applied to beneficial use and
shall not exceed cubic feet per second measured at the point of diversion from the
stream, or its equivalent in case of rotation with other water users, from
stream, or us equivalent in case of rotation with other water users, from
- ANS
The use to which this water is to be applied is the development of 1103. 8
theoretical horsepower at the Reeder Gulch
Hydroelectne Project
If for irrigation, this appropriation shall be limited to of one cubic foot per second
or its equivalent for each acre irrigated
The right granted herein is expressly
made in Series is self and - because it
made inferior in right and subsequent in
time to any apprapriation of mater from
this source which may hereafter be made
for domestic, municipal, irrigation or any
other beneficial consumptive use, or for
storage for such purposes.
and shall be subject to such reasonable rotation system as may be ordered by the proper state officer.
The priority date of this permit is
Actual construction work shall begin on or before and shall
thereafter be prosecuted with reasonable diligence and be completed on or before October 1, 19
Complete application of the water to the proposed use shall be made on or before October 1, 19
WITNESS my hand this day of, 19,

Jehansek

BEFORE THE WATER POLICY REVIEW BOARD

OF THE

STATE OF OREGON

In the Matter of the Referral)	
of Permit Application 61057)	FINDINGS OF FACT,
Involving Use of Waters of)	CONCLUSIONS AND
Ashland Creek for Power)	ORDER
Development)	

The City of Ashland has submitted permit application 61057 for a hydroelectric project exceeding 100 theoretical horsepower.

The permit application was referred to the Water Policy Review Board by the Director of the Water Resources Department under the provision of ORS 537.170.

A hearing was held in Ashland on July 22, 1981. As a result of the review of the application and the hearing summary, the Board makes the following:

FINDINGS OF FACT

- 1. The City of Ashland proposes to divert up to 30 cfs of water from Ashland Creek and Reeder Reservoir for power generation.
- 2 On July 28, 1980, the Water Policy Review Board determined that the proposed use was not inconsistent with the Water Resources Program for the Rogue Basin.
- 3. The applicant proposes to use the existing city facilities including diversion dams on the East and West Forks of Ashland Creek, Reeder Reservoir, Hosler Dam, a penstock and a powerhouse.
- 4. A new single turbine 700 KW generating unit will be installed in the existing powerhouse.
- Power will be generate on a year-round base load or run-of-the-river basis using up to 30 cfs of water.
- 6. The City of Ashland has an existing water right for 12.7 cfs of water from Ashland Creek for municipal use.
- 7. Water will be run through the generating plant before being diverted to the City's water treatment plant for municipal distribution.

- 8. Flows in excess of the amount needed for municipal use will be returned to Ashland Creek after being used for power production.
- 9. Power is presently purchased by the City of Ashland from P.P.& L.
- 10. Power will be purchased from BPA in February.
- ll. Power generated by the proposed project will be combined with purchased power and distributed through the City of Ashland's municipal lines.
- 12. The City of Ashland owns most of the land in the project area.
- 13. Portions of the diversion dams, Reeder Reservoir and the penstock pipeline are on U. S. Forest Service lands and will require an annual special use permit.
- 14. No concerns regarding water quality are connected with the installation of the hydroelectric project.
- 15. The proposed hydroelectric project will have only minimal impact on the anadromous fishery.
- 16. No recreation facilities are present as the Ashland Creek watershed is closed to the public above Hosler Dam.
- 17. Wind power and a congeneration facility using wood residue are alternative energy sources but both are more costly and take longer to implement than the proposed hydroelectric project.
- 18. The proposed project would cost approximately \$668,000.
- 19. Financing for the project will probably be through the sale of general obligation bonds.

CONCLUSIONS

The Water Policy Review Board concludes that the project, as proposed, would not impair or be detrimental to the public interest.

ORDER

It is hereby ordered that permit application 61057 be and is approved.

It is further ordered that permit application 61057 be returned to the Director of the Water Resources Department for such further proceedings as may be required by statute.

Dated November 9, 1981

Donel J. Lane, Chairman Water Policy Review Board

APPEALS AND JUDICIAL REVIEW

ORS 536.560 provides any order, rule or regulation of the Water Policy Review Board may be appealed to the circuit court of the county in which the property affected by such order, rule or regulation or any part of such property is situated.

ORS 183.482(1) provides that judicial review of contested cases is conferred upon the Court of Appeals. Judicial review may be obtained by filling out a petition for review within 60 days from the service of this order. Judicial review is pursuant to the provisions of ORS 183.482. Until this conflict is judicially resolved, and an appeal is desired, it may be advisable to commence appeal or review procedures in the circuit court and Court of Appeals simultaneously.

7083A



Correction to Permit 47628 effective as of September 20, 1983

Permit 47628 was issued for the development of 1103.8 theoretical horsepower at the Reeder Gulch Hydroelectric Project.

Exhibits supporting the application show the head to be 429.38 feet which would develop 1463.8 theoretical horsepower with the authorized rate of appropriation of 30.0 cubic feet per second.

Permit 47628 is hereby amended to be for the purpose of the development of 1463.8 theoretical horsepower at the Reeder Gulch Hydroelectric Project.

Dated this 29th day of July, 1985.

WILLIAM H. YOUNG
Water Resources Director

Dated this 30 day of July

City of Ashland

9691C

Correction to Permit 47628 effective as of September 20, 1983

Permit 47628 was issued for the development of 1103.8 theoretical horsepower at the Reeder Gulch Hydroelectric Project.

Exhibits supporting the application show the head to be 429.38 feet which would develop 1463.8 theoretical horsepower with the authorized rate of appropriation of 30.0 cubic feet per second.

Permit 47628 is hereby amended to be for the purpose of the development of 1463.8 theoretical horsepower at the Reeder Gulch Hydroelectric Project.

Dated this 29th day of July, 1985.

WILLIAM H. YOUNG Water Resources Director

Dated this	day of	, 1985.	
		City of Ashland	
		by	

9691C

July 29, 1985

Allen A. Alsing
Director of Public Works
City of Ashland
Ashland, OR 97520

Dear Mr. Alsing:

REFERENCE: Application 61057, Permit 47628

Enclosed are two copies of a correction to Permit 47628 signed by the Water Resources Director on July 29, 1985. The corrections should be reviewed for accuracy and signed.

One copy should be attached to the city's permit and the other returned to this office to be attached to the record copy of the permit.

Thank you for your patience.

Sincerely,

DONALD R. BUELL Hydroelectric Licensing Engineer

DRBiwpc

enclosures

9691C



Water Resources Department

MILL CREEK OFFICE PARK

555 13th STREET N.E., SALEM, OREGON 97310

PHONE (503) 378-8453

July 15, 1985

Mr. Larry Thomson Assistant Attorney General 100 Justice Building Salem OR 97310

Dear Mr. Thomson:

RE: CITY OF ASHLAND

File 61057

BACKGROUND

12-08-80

09-20-83

12-19-83 Erre appl State theor

06-19-84 Rogue hydroe. 157 for a hydroelectric project inary data submitted.

er Policy Review Board.

the construction of the of fall to develop 1103.8

orsepower discovered by on the First Annual feet developing 1463.80

closing Bear Creek to

QUESTIONS

Can the Wate the established

2. If so, how?

3. If not, what alte nal permit retaining

ing facility?

File No. 61057 is avail .. and we will provide copies of all the Water Policy Review Board 06-19-84 necessary documents. 1 Rogue River Basin program statements, 10-xx-81 Board Order and 11-09-81 Board Meeting Minutes.

Sincerely,

LARRY JEBOUSEK Administrator Water Rights Division

Enclosures



Water Resources Department

MILL CREEK OFFICE PARK

555 13th STREET N.E., SALEM, OREGON 97310

PHONE (503) 378-8453

July 15, 1985

Mr. Larry Thomson Assistant Attorney General 100 Justice Building Salem OR 97310

Dear Mr. Thomson:

RE: CITY OF ASHLAND File 61057

BACKGROUND

- 12-08-80 City of Ashland filed application No. 61057 for a hydroelectric project in the Bear Creek Basin with very preliminary data submitted.
- 11-09-81 Application No. 61057 approved by the Water Policy Review Board.
- 09-20-83 Permit No. 47628 was issued authorizing the construction of the project to divert 30 cfs utilizing 323.78 ft of fall to develop 1103.8 theorectical horsepower.
- 12-19-83 Error in calculation fall and theorectical horsepower discovered by applicant with an attempt to correct this on the First Annual Statement of Water Power Claimant to 429.38 feet developing 1463.80 theorectical horsepower.
- 06-19-84 Rogue River Basin program statement adopted closing Bear Creek to hydroelectric development.

QUESTIONS

- 1. Can the Water Resources Department correct the original permit retaining the established priority date under existing law and rules?
- 2. If so, how?
- 3. If not, what alternatives are available to legalize the existing facility?

File No. 61057 is available for you to review and we will provide copies of all necessary documents. I am enclosing the Water Policy Review Board 06-19-84 Rogue River Basin program statements, 10-xx-81 Board Order and 11-09-81 Board Meeting Minutes.

Sincerely,

LARRY JEBOUSEK Administrator Water Rights Division

Enclosures



City of Ashland

ASHLAND, OREGON 97520

June 28, 1983

RECEIVED

JUN29 1983

WATER RESOURCES DEPT.

SALEM, ORECON

Mr. Donald R. Buell Hydroelectric Licensing Engineer Water Resources Department 555 13th Street N.E. Salem, OR 97310

Re: File 61057

Dear Mr. Buell:

The information you requested concerning the City of Ashland's generating facilities is as follows:

- 1. Elevations of East and West Fork dams water pipeline flow lines: 2778.4
- 2. Minimum tailrace elevation at the powerhouse: 2454.62
- The quantity of water flow from the East and West Fork dams is the average of the existing flow records.

Please call me if you need further information.

Very truly yours,

Allen A. Alsing, P.E. Director of Public Works

AAA: dp

File 61057 - City of Ashland Reeder Gulet Hydroelectric Project

Flows of record - Ashland Creek

East Fork Ashland Creek, Arrage Discharge thru 14 years 8.28 cfs

West Fork Ashland Creek; Average Discharge thra 14 years 8.66 cfs

By letter of 6-28-83 Director of Public Works Allen A Alsing, P.E. has stated that water flow from East e west Forks be based on average discharge from existing records.

Total water requested in application is socks from both sources.

 $\frac{8.28}{x} = \frac{8.66}{30-x}$, x = 14.66, 30-x = 15.34

the application should be amended to read 14.66 cfs from E. Fk. Ashland Cr. and 15.34 cfs from we Fk. Ashland Cr.

Q Buell 6-29-83

543. 290 City of Ashland. Questions - Alternative methods of curing problem Facts: Original Priority Date 12-8-80 Approved by WPRB

permit Issued

Error discovered by applicant

by letter of 11-9-81 9-20-83 12-19-83 12-20-83 received 12-28-83 Application included, FERC exemption which and has drawing showing max w, S el at 2873 and & tarbine at 2461 a difference of 412' This was not sufficient to determine gross head. Letter from Alsing dated 628-83 lists E = W Fk pipeline flow lines es 2778.4 and minimum failrace el et 2454.62 for which was used to determine the for permit. Alsing letter at 12-20-83 identified elevations @ 2884, 105.6 feet more head which would result in 360 thp. Q 1 Can permit just be corrected as for error. 0 z Is increase in head . the considered enlargement of permit that could not be corrected in FPS and certificate If new permit is needed can ariginal @ 3 Priority date be relained a

Nov. 9-1981 Approved by Board. Letter from Alsing - 6-29-83 Permit 15542d Sep 20, 1983 Telephone call Dec 19, 1883 - in response to billing Letter (W/annual statement) rec 12-28-83 Hovember Discussions with Chris wheeler & Larry

Thomson Telephone Hou 9, 1984 Billing (with explanation) Nov 26, 1984 Received Annual Fee 12-3-84 acknowledged annual fee 12-5-84 Telephone conversations 6-4-85 Al Alsing Completion notice 6-5-85 Call from Dixie Hannon, sen. Hannons affix consultation with tom klines Determined Board approved project as built June 19,1984 - WPRB deleted power development as use in Bear or Basi'y

DEPARTMENT OF PUBLIC WORKS
Allen A. Alsing, Director



RECEIVED

JUN 5 1985

CITY HALL 503-482-3211

WATER RESOURCES DEPT SALEM, OREGON

City of Ashland

ASHLAND, OREGON 97520

June 4, 1985

Mr. Donald R. Buell Water Resources Department 555 13th St. N.E. Salem, OR 97310

RE: P.C. 871, PERMIT 47628

Dear Mr. Buell:

Please be advised that the City of Ashland has completed construction of its power generating facilities and carried out Complete Application of Water on May 8, 1985.

This letter is in lieu of Forms B and C normally utilized for notification of the Water Resources Department.

Please advise me of any further action needed by us to complete project requirements.

Very truly yours,

Allen A. Alsing, P.E.

Director of Public Works

AAA:dep

ok pelo

compensate," Ron

had collected more his morning, Kramer ort amounts to about

Brown was held in jail on \$50,000. He was arrested without incident by police officers from North Bend, Coos Bay, Reedsport and Douglas County sheriff's deputies.

ifter 'B' levy failure

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lose the state funding. And they said the county would eventually have to build the jail - without the state

Asotin County has housed prisoners in neighboring counties since its jail was condemned several years

Appeals judge elected

SPOKANE (AP) - Spokane County Superior Court Judge Philip Thompson garnered 56 percent of the vote for a seat on the state Court of Appeals, unofficial figures complled early today showed.

Elections officials said that, with results from some precincts not yet tabulated, Thompson had 26,738 votes to opponent Michael Keyes' 20,904 votes.

Thompson almost won the Division III post outright in the primary, falling just 54 votes short of the 50 percent needed. " " " " "

Experience was a key issue in the campaign, with Thompson stressing his five years as a District Court judge and six years as a Superior Court judge. Keyes pointed to his nine years as a court commissioner for the Appeals Court.

The two men were vying for the vacancy created by the death of Judge Willard Roe in July.

Sales-tax boost loses

SPOKANE (AP) - Voters in Spokane County have rejected a proposed half-cent increase in the county The same of the sa

With some precincts still out, unofficial figures early today showed 35,151 votes against the measure to 14,073 for it. read the strike in

Residents were given a chance to vote on the matter when 24,455 people signed referendum petitions to put the issue on the ballot. Spokane County commissioners had approved increasing the tax from 7.3 to 7.8 percent. 34 E WE'S

County officials contended the hike was needed to avoid further cuts in services. The tax increase was opposed by Citizens for Fair Taxation and the Spokane Valley Chamber of Commerce.

Bonds, tax levy defeated

COLVILLE, Wash. (AP) - Stevens County voters Tuesday turned thumbs down on a \$1,575,000 bond issue and an \$80,000 levy issue.

Late Tuesday night, the vote was 769-261 against the bond issue to build a new middle school, while the vote was 416-352 for the levy money for basic maintenance and operation.

Challenger leads race

KENNEWICK, Wash. (AP) - With only absentee votes left to count, challenger Larry Clark held a 201-vote lead over incumbent Mayor Ralph Phillips, who was appointed to his post.

Phillips, a longtime City Council member, was appointed mayor last summer.

Clark, a businessman, garnered 3,045 votes Tuesday to 2,844 for Phillips.

" cutoff of new aumissions in December and a possible closure by June unless funding can be assured soon, Earnest Shippen, Douglas County Juvenile Officer, said Tuesday.

The ranch, originally planned as a forestry camp in the 1950s, began operations in Garden Valley near Roseburg in 1963. Since then It has offered an option for youths in trouble with the law, an alternative to MacLaren, the state's school for boys. Pitchford houses 16 youths at a time and provides 90-day residency for boys from Yamhill, Washington, Marion, Polk, Jackson and Josephine counties besides Douglas.

Residents attend local schools, do volunteer work, and work while at the ranch. While some are employed at Pitchford, others work with local farmers or at the fair grounds.

* Wages earned are deposited in a trust fund for use on discharge for resitution purposes. THE THE

A 10-year survey has revealed as high as 53 percent of youths assigned to the ranch did not go further into the

Sam me min not a TOM birthday, allowing a clean start," Shippen noted. 神秘就是……

"Right now, budgetary needs run \$\$180,000 yearly. State subsidies and contributions by counties and parents supply only half the cost of operations and Douglas County is being asked for \$80,000 to close out the year," Shippen "不是"

Funding appeared dubious in the spring. It appeared even more clouded at the present time. "事他"

Douglas County has made a firm commitment to Pitchford from the start," Shippen said. "The problem is all departments of county government have had to cut back. In the juvenile division we have cut services mandated by law. Pitchford is not mandated by law, but is an option. It remains the last place that we can cut. If Pitchford is closed now we will have another problem: We have lost the use of the jail. It is now almost impossible to keep youths in detention because of changes in the law," said Shippen.

and and a ser Ashland to start water project but payment remains problem

By TAM MOORE

ASHLAND - Faced with costs \$191,000 over estimates for a new hydroelectric generator system, the Ashland City Council awarded a contract to go ahead with the work. But council members haven't figured out how to pay the bills.

City Administrator Brian Almquist calls the situation "manageable" since the municipal electric utility has a \$500,000 reserve. Almquist Tuesday told the council there are five other payment options. The council decided the whole issue ought to be considered next spring when all city budget requests can be seen together.

Steek Electric Co. of Medford will install the 700-kilowatt generator in a power station built in 1909. When wheels start turning in January 1985, Aimquist estimated, 3 percent of the city's electrical load will come from the generator. A STATE OF THE STA

A large part of the cost overrun in Steek's \$776,750 contract comes from replacing the original pelton wheel turbine that powered the original generator from 1909 through 1964. R.W. Beck, a Seattle consulting engineer, missed cost estimates on the new turbine. Almquist says the city is still puzzled about what amounts to a \$100,000 understate-

To make matters worse, bidders also built in a large contingency because the city of Ashland can't come up with drawings of the original powerhouse. It is jammed in a narrow canyon fed by a pipeline bringing water from the cityowned reservoir on the north slopes of Mount Ashland.

Ashland voters approved a \$700,000 bond issue to cover all project costs including engineering. Almquist says the job will now come to about \$891,000. The Federal Energy Regulatory Commission license requires the city to start work by Nov. 14. Almquist said of the squeeze that resulted when the bids came in high, "We really haven't got much time, we'll just squeak under the deadline."

The original Ashland city generator worked until 1964. It was almost 10 years later when the city decided to pull it out but leave the pelton wheel in place since all municipal water flows through that turbine. As Public Works Director Al Alsing recalls, the old generator became downright unreliable.

"Parts were hard to get," said the veteran of 31 years with the water system. "It was hit by lightning a couple of times. If it went off line, just plain mechanical problems turned up.

Almquist figures that in the 60-year projected life of the new generator power costs will come in below 3 cents a kilowatt hour. Most of Ashland's electricity is bought from Bonneville Power, and projected rate increases over the near future make it appear Ashland will get its money back quickly



Water Resources Department MILL CREEK OFFICE PARK

555 13th STREET N.E., SALEM, OREGON 97310

PHONE 378-8507

November 26, 1984

Allen A. Alsing, P.E.
Director of Public Works
City of Ashland
Ashland, OR 97520

Dear Mr. Alsing:

REFERENCE: P.C. 871, Permit 47628

As we discussed in our telephone conversation of November 9, the enclosed "Annual Statement of Water Power Claimant" describes the power project for which Permit 47628 was issued. Once a permit has been issued, neither the quantity of water nor the use can be increased and therefore, the power produced by the additional head must be covered by a new application and permit.

I am also enclosing a duplicate annual statement for your 1984 fee which should be signed and returned with the 1985 fee and statement.

The additional \$71.96 which you sent last year was put in a pending account and can be applied to the 1985 fee. The annual statement shows the balance of \$153.84 to be paid on or before January 1, 1985. Our Receipts 40701 and 40702 in the amount of \$297.76 are enclosed acknowledging the fee received last December.

I'll determine just what procedure needs to be followed for your new application and be in touch after the first of the year.

Sincerely,

DONALD R. BUELL Hydroelectric Licensing Engineer

DRBiwpc enclosures 5615C



Water Resources Department MILL CREEK OFFICE PARK

555 13th STREET N.E., SALEM, OREGON 97310

PHONE

378-2982

or

1-800-452-7813 (message line)

April 12, 1983

City of Ashland City Hall Ashland, OR 97520

REFERENCE: Application 61057

You were sent a copy of the Assistant Attorney General's letter dated January 17, 1983, concerning agreements with private developers of hydroelectric projects.

Enclosed for your guidance is a copy of a letter from the Assistant Attorney General dated March 30, 1983, giving different guidelines for processing applications for hydroelectric projects by municipal corporations. Your attorney may wish to review this letter before you proceed with your application.

Sincerely,

JAMES E. SEXSON

Director

JES:wpc

5925B



STATE OF OREGON

INTEROFFICE MEMO

TO: File 61057, Power Claim 871

DATE: 11-9-84

FROM: Don Buell

SUBJECT: Telephone conversation with Allen Alsing, Public Works Director, City of Ashland

I called Mr Alsing this date to explain that when an error was made in a permit other than by our clerical error, the only cure if the correct into increased the size of the project was to file an application for a new permit for the additional head and theoretical horsepower. The annual statement, therefore, could not be corrected and the additional fee paid for 1984 would have to apply to 1985 until the problem was sured. I told him this would be explained in a letter accompanying the billing for the





TO: File 61057, Power Claim 871 DATE: 12-19-83

FROM: Don Buell

SUBJECT: Telephone conversation with Allen Alsing, Public works Director, City of Ashland.

As a result of receiving the annual statement of power claimant Mr Alsing discovered that there was an error in the amount of head used to calculate the thp for the city's hydro project. It should have been 429.38 feet and 1463.8 the instant of 323.78 feet and 1103.8 thp. He said he would change the statement and send additional money. I told the statement and send additional money. I told



Water Resources Department

MILL CREEK OFFICE PARK

555 13th STREET N.E., SALEM, OREGON 97310

PHONE 378-3671 or 1-800-452-7813 (message line)

February 25, 1983

City of Ashland City Hall Ashland, OR 97520

I had asked that the Assistant Attorney General's letter dated January 17, 1983, addressing two municipal hydropower applications be sent to other municipal applicants to inform them of the procedure we will follow in processing applications of this nature.

Response to that letter would indicate a possible misunderstanding by some applicants.

The issue is complex and the opinion is fairly involved but I would hope you could have your attorney review the opinion in detail before you attempt to complete your application. The two applications that were reviewed by the Assistant Attorney General indicated the municipal applicants were relinquishing project development and control to private developers to such an extent that they could no longer be considered projects of the municipality.

There are numerous alternative financing arrangements that would allow the municipal applicant to retain project control and, therefore, develop a hydropower project under ORS 537. Hydro projects could also be developed by private developers under ORS 543.

Sincerely,

JAMES E. SEXSON

Director

JES:jt

cc: Nancy Nakata bcc: Don Buell

5133B



Water Resources Department

MILL CREEK OFFICE PARK

555 13th STREET N.E., SALEM, OREGON 97310

PHONE

378-3066 or 1-800-452-7813

December 9, 1980

City of Ashland City Hall Ashland, OR 97520

Gentlement

REFERENCE: File number 61057

We have received your application for use of water for hydroelectric power generation along with the supporting data and fees. Our receipt number 21862 is enclosed. Your application has been filed and assigned number 61057.

Because of the many applications which have been filed in recent months, we are temporarily behind in our processing. Your application will be examined in detail as soon as possible. We will contact you if we need any additional information. If a permit is sequired to satisfy the conditions of a loan or land sale or if other emergency conditions exist, please let us know and we will attempt to process your application in the shortest possible time.

The permit approving your application will be issued without further correspondence if no additional information is required. The proposed appropriation will be subject to existing minimum flows and demands of prior rights during periods of low water.

Thank you for your patience.

Sincerely,

RALPH H. JACKSON
Supervisor, Application/Permit Section
Water Rights Division

RHJ:wpc Enclosure 0427A 3201A



OF ASHLAND CITY



CITY

ASHLAND, OREGON 97520 telephone (Code 503) 482-3211

December 5, 1980

Mr. James E. Sexson, Director Water Resources Department Mill Creek Office Park 555 13th Street N.E. Salem, OR 97310

RECEIVED DEC 0 8 1980 WATER RESOURCES DEPT SALEM, OREGON

Re: Reeder Gulch Hydroelectric Project Application for Permit to Appropriate Surface Water

Dear Mr. Sexson:

Enclosed is an Application for Permit to Appropriate Surface Water for the Reeder Gulch Hydroelectric Project. We have also enclosed a draft copy of an Application for Exemption from Licensing to the Federal Energy Regulatory Commission which will provide more detail on the Project. (Enclosed) - Under separate cover we are sending a mylar map of the Project. This map is a modification of Exhibit B of the FERC license application. Also, enclosed is a check for \$20.00 to cover the examination fee.

> Thank you for your cooperation. If you have any questions, please call.

> > Very truly yours,

Brian L. Almquist City Administrator

BLA: ih

Enclosure (1)

Application No. 61057 Permit No.

in I almount

CITY OF ASHLAND



CITY HALL

ASHLAND, OREGON 97520 telephone (Code 503) 482-3211

December 5, 1980

RECEIVED

DEC 0 8 1980

WATER RESOURCES DEPT SALEM, OREGON

Mr. James E. Sexson, Director Water Resources Department Mill Creek Office Park 555 13th Street N.E. Salem, Oregon 97310

Re:

Reeder Gulch Hydro Project Application for Permit to Appropriate Surface Water

Dear Mr. Sexson:

Enclosed is a mylar original of a modified Exhibit B "Appropriation Permit Map", which is to be included with our Application for Permit to Appropriate Surface Water which was sent under separate cover on the above date.

Please include this map with our application.

Thank you,

Brian L. Almquist City Administrator

BLA: dp

Enclosure (1)

Application No. 1057
Permit No.



City of Ashland

ASHLAND, OREGON 97520

December 2, 1982

DECG 1982
WATER RESOURCES DEPT.
SALEM, OREGON

Mr. Don Buell Oregon State Water Resources Board 555 13th St. N.E. Salem, OR 97310

Dear Mr. Buell:

You recently requested a letter regarding the Forest Service special use permit at the City's Hosler Dam and a statement concerning the City's plan for pipe replacement at the reservoir.

I have held off sending this letter because we have not been able to find our permit copy nor has the Forest Service been able to locate theirs. The Forest Service has requested one from their headquarters and has promised to send it to us upon receipt. I'll send you a copy at that time.

Concerning the 24 inch pipeline along the east side of the reservoir, we intend to replace it over the next couple of years and have, in fact, purchased the pipe for the first phase of the project. It is presently stored at the reservoir pending scheduling of the work.

Please let me know if you need additional information.

Very truly yours,

Allen A. Alsing, P.E. Director of Public Works

AAA: dp

378-8507 or 1-800-452-7813 (message line)

January 25, 1983

City of Ashland City Hall Ashland, OR 97520

REFERENCE: Application(s) 61057

Our Assistant Attorney General has advised the Water Resources Director by letter dated January 17, 1983 that certain municipal districts' water right applications for permit to develop power under ORS Chapter 537 are improper if financial agreements with a private developer relinquish control of the project. A copy of that letter is enclosed.

It now appears possible that a district authorized as a municipal corporation could obtain a permit, develop the project, and then forfeit the water right permit by relinquishing control to a private developer who does not otherwise enjoy municipal preference. This should be carefully considered before any such agreement is approved by your board.

If you have any questions, please contact me.

Sincerely,

DONALD R. BUELL Hydroelectric Licensing Engineer

DRB#wpc 4643B

378-8507 or 1-800-452-7813 (message line)

December 14, 1982

Allen A. Aleing, P. E. Director of Public Works City of Ashland Ashland, Oregon 97520

Dear Mr. Alsing:

REFERENCE: FILE 61057

Thank you for your letter concerning the City's Reeder Gulch Power Project, the replacement of the 24 inch pipeline and the Forest Service Special Use Permit.

When I receive the copy of the special use permit, Application 61057 will be processed towards issuance of a permit.

Sincerely,

DONALD R. BUELL Hydroelectric Licensing Engineer

DRB:wpc 40058 October 24, 1983

City of Ashland of City Hall Ashland, OR 97520

61057

47628

SECTION 6 - ASSESSMENT

Safety

Reeder Gulch Dam is in satisfactory condition for continued operation.

Geologic evaluation found the abutments and foundation to be performing adequately. The dam is founded on hard, tight granitic rock with high bearing and shear strengths. There was no evidence of deep-seated sliding in the slopes surrounding the reservoir, and stability problems are not anticipated.

. Hydraulic and hydrologic analyses found the spillway capable of passing 21% of the estimated probable maximum flood. Under existing conditions the dam would be overtopped to a depth of 2.6 feet by the PMF.

A review of the available data shows the structure to be well designed and properly constructed, however, previous analyses have not considered the possibility of overtopping under extreme runoff conditions.

The spillway and outlet conduit gates are reported to be functioning properly.

Adequacy of Information

The available information is adequate to allow evaluation of the structure, and is judged to be accurate and reliable. A listing of available information is included in Section 1, Engineering Data.

Summary of Recommendations

The recommendations presented in the preceding Sections are summarized below:

- Continued periodic visual inspections.
- Verification of structural stability under overtopping conditions.
- Maintenance of the mechanical facilities in good operating condition.
- 4. Removal of vegetation from seams in the downstream face.
- Removal of accumulated sediment and vegetation from the gatehouse.



Water Resources Department MILL CREEK OFFICE PARK

555 13th STREET N.E., SALEM, OREGON 97310

PHONE 378-361

November 24, 1981

Brian L. Almquist City Administrator City Hall Ashland, Or. 97520

Dear Mr. Almquist,

Enclosed is the order adopted by the Water Policy Review Board on permit application 61057,

Sincerely,

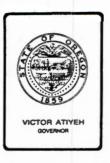
James E. Sexson

Director

Encl, 1

cc: Larry Jebousek / Dave Hendrix

JES: bhm



Water Resources Department

MILL CREEK OFFICE PARK

555 13th STREET N.E., SALEM, OREGON 97310

PHONE 378-3671 or 1-800-452-7813

June 17, 1981

Brian L. Almquist City Administrator City Hall Ashland, OR 97520

Dear Mr. Almquist:

The public hearing on Permit Application 61057 involving a hydroelectric project on Ashland Creek has been scheduled for July 22, 1981. A copy of the hearing notice is enclosed. Information outlining statutory requirements to be considered by the Water Policy Review Board and requirements for the issuance of the permit has also been enclosed to aid you in your preparation. The identified items may be discussed at the hearing.

Sincerely,

James E. Sexson

Director

JES:bw

Enclosures



Water Resources Department MILL CREEK OFFICE PARK

555 13th STREET N.E., SALEM, OREGON 97310

PHONE 378-3066

November 5, 1980

R.W. Beck and Associates Tower Building 7th Avenue at Olive Way Seattle, Washington 98101

Attention: A. Richard Griffith, Executive Engineer

REFERENCE: Reeder Gulch Hydroelectric Project Application

We have received your letter requesting application forms and additional information required for filing applications for a permit for the City of Ashland's Reeder Gulch hydroelectric project.

Enclosed find three copies of the application form and an instructional brochure.

A copy of the FERC license application would fulfill most of the requirements for supporting material. However, a map is required to accompany the application showing the point of diversion, τ referenced to a recognized government survey corner and the location of the proposed power plant.

A \$20 examination fee must accompany the application before it can be filed. Also required is the permit recording fee of \$100 for the first 100 theoretical hp, and \$0220 for each additional thp or part thereof.

If you have further questions, feel free to contact us.

Sincerely,

Donald R. Buell

Water Rights Engineer

DRB:1ci

RECEIVED

OCT 3 1 1980

R. W. BECK AND ASSOCIATES

WATER RESOURCES DEPT SALEM. OREGON

ENGINEERS AND CONSULTANTS

PLANNING
DESIGN
RATES
ENVIRONMENTAL
ECONOMICS
MANAGEMENT

TOWER BUILDING
7TH AVENUE AT OLIVE WAY
SEATTLE, WASHINGTON 98101
206-622-5000

GENERAL OFFICE SEATTLE, WASHINGTON 206-622-5000

FILE NO. WW-1354-HG1-MB 3104.3 October 28, 1980

Mr. James E. Sexson, Director Water Resources Department Mill Creek Office Park 555 13th Street, N. E. Salem, Oregon 97310

Dear Mr. Sexson:

Subject: Reeder Gulch Hydroelectric Project
Water Rights Application

R. W. Beck and Associates is preparing on behalf of the City of Ashland a FERC License Application and Oregon Permit of Water Right Application for the Reeder Gulch Hydroelectric Project, as has been discussed with your office previously. We would like to request at this time that three copies of the necessary forms for the Permit of Water Right Application be sent to us as soon as possible so that we may proceed. It is out understanding that a copy of the FERC License Application should accompany the Permit of Water Right Application as supporting material. If there are any other requirements or procedures that we should be aware of, please let us know.

Very truly yours,

R. W. BECK AND ASSOCIATES

Executive Engineer

LDC:ARG:vla

cc: Brian Almquist

FEDERAL ENERGY REGULATORY COMMISSION 333 MARKET STREET, 6th FLOOR SAN FRANCISCO, CA. 94105

October 15, 1980

OCT 17 1980
WATER RESOURCES DEPT
SALEM. OREGON

Mr. G. L. Oberholtzer Water Resources Department Mill Creek Office Park 555 13th Street, N.E. Salem, Oregon 97310

Dear Mr. Oberholtzer:

This letter is in response to your recent letter concerning the City of Ashland's Reeder Gulch Dam. Your letter responded to my May 21, 1980, letter addressed to Colonel Terence J. Connell, Portland District Corps of Engineers.

The City of Ashland has indicated that an application for license is presently being prepared for the proposed Reeder Gulch Hydroelectric Project. The City was planning to file the application by December 1980 but in a letter to the Commission dated September 9, 1980, the City implied that the application may be delayed. During the application processing procedure prerequisite to licensing the Commission's staff will review the project works described in the application for safety and adequacy.

If the City receives a license for the Reeder Gulch Project, the Reeder Gulch Dam will be subject to the Commission's Dam Safety Program. This is outlined in the enclosed proposed rulemaking Docket No. RM 80-31. The program includes a requirement for a review of eligible structures by independent consultants at least once every 5 years. This evaluation would include a review of the structural stability of the Reeder Gulch Dam. The first review report would be required within 2 years of issuance of a license.

I hope this information is of interest to you. Please feel free to contact me or Mr. William Kopfler of my staff if you have any questions.

Sincerely,

Eugene Neblett Regional Engineer

Enclosure

RECEIVED

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United States Departm Forest Sc		S DEPT.	b. Region (3-4)	c. Forest (5-6)
	SALEM, OREG		06	10
SP	ECIAL USE PERMIT	d. District (7-8)	e. User number (9-12)	f. Kind of use (13-15)
	PL 94-579	02	1204	912
This permi	t is revocable and nontransferable	g. State (16-17)	h. County (18-20)	k. Card no. (21)
	(Ref. FSM 2710)	41	029	j
Permission i	s hereby granted toCity of .	Ashland		
of City Hall,	Ashland, OR 97520			
P	d the permittee, to use subject to		· ·	9
Section 29, 5	r. 39 S., R. 1 E., W.M., as			
	a part of this permit.	•		
	-			
	·			
This permit	covers 13 acres and	l/or	miles and is issued	for the purpose of:
Operating	and maintaining a water co			
			,	
	ad, a twenty-four inch cond			-
store, dive	ert and transport water for	the City of Asl	hland's Municipa	al water supply.
1 Construct	ion or occupancy and use under the	his nermit shall he	gin within	months and
construction, if	any, shall be completed within	mont	hs, from the date of	f the permit. This
use shall be act	tually exercised at least36	days ea	ch year, unless oth	erwise authorized
in writing.				
	eration for this use, the permittee sum of One Hundred Fifty One			
from June	1, 1983	to December 3	1 . 1983	, and thereafter
annually on	January	•		,
Two Hundred	Sixty and no/00	Dollars (\$ 260.	.00	
	ver, Charges for this use may be used sis commensurate with the value			y to prace the
3. This perm	nit is accepted subject to the con	ditions set forth he	erein, and to conditi	ons <u>18</u> to
	NAME OF PERMITTEE		UTHORIZED OFFICER	DATE
PERMITTEE	CITY OF ASHLAND	The land	Kan.	19663
		TITLE	1 - Tagreen	3 170-
ISSUING	NAME AND SIGNATURE	TITLE	//	DATE
OFFICER (ROBERT J. DEVLIN	Forest Supe	ervisor	5-18-83

- 4. Development plans; layout plans; construction, reconstruction, or alteration of improvements; or revision of layout or construction plans for this area must be approved in advance and in writing by the forest supervisor. Trees or shrubber y on the permitted area may be removed or destroyed only after the forest officer in charge has approved, and has marked or otherwise designated that which may be removed or destroyed. Timber cut or destroyed will be paid for by the permittee as follows: Merchantable timber at appraised value; young-growth timber below merchantable size at current damage appraisal value; provided that the Forest Service reserves the right to dispose of the merchantable timber to others than the permittee at no stumpage cost to the permittee. Trees, shrubs, and other plants may be planted in such manner and in such places about the premises as may be approved by the forest officer in charge.
- 5. The permittee shall maintain the improvements and premises to standards of repair, orderliness, neatness, sanitation, and safety acceptable to the forest officer in charge.
 - 6. This permit is subject to all valid claims.
- 7. The permittee, in exercising the privileges granted by this permit, shall comply with the regulations of the Department of Agriculture and all Federal, State, county, and municipal laws, ordinances, or regulations which are applicable to the area or operations covered by this permit.
- 8. The permittee shall take all reasonable precautions to prevent and suppress forest fires. No material shall be disposed of by burning in open fires during the closed season established by law or regulation without a written permit from the forest officer in charge or his authorized agent.
- 9. The permittee shall exercise diligence in protecting from damage the land and property of the United States covered by and used in connection with this permit, and shall pay the United States for any damage resulting from negligence or from the violation of the terms of this permit or of any law or regulation applicable to the National Forests by the permittee, or by any agents or employees of the permittee acting within the scope of their agency or employment.
- 10. The permittee shall fully repair all damage, other than ordinary wear and tear, to national forest roads and trails caused by the permittee in the exercise of the privilege granted by this permit.
- 11. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this agreement or to any benefit that may arise herefrom unless it is made with a corporation for its general benefit.
- 12. Upon abandonment, termination, revocation, or cancellation of this permit, the permittee shall remove within a reasonable time all structures and improvements except those owned by the United States, and shall restore the site, unless otherwise agreed upon in writing or in this permit. If the permittee fails to remove all such structures or improvements within a reasonable period, they shall become the property of the United States, but that will not relieve the permittee of liability for the cost of their removal and restoration of the site.
- 13. This permit is not transferable. If the permittee through voluntary sale or transfer, or through enforcement of contract, foreclosure, tax sale, or other valid legal proceeding shall cease to be the owner of the physical improvements other than those owned by the United States situated on the land described in this permit and is unable to furnish adequate proof of ability to redeem or otherwise reestablish title to said improvements, this permit shall be subject to cancellation. But if the person to whom title to said improvements shall have been transferred in either manner provided is qualified as a permittee and is willing that his future occupancy of the premises shall be subject to such new conditions and stipulations as existing or prospective circumstances may warrant, his continued occupancy of the premises may be authorized by permit to him if, in the opinion of the issuing officer or his successor, issuance of a permit is desirable and in the public interest.
 - 14. In case of change of address, the permittee shall immediately notify the forest supervisor,
- 15. The temporary use and occupancy of the premises and improvements herein described may be sublet by the permittee to third parties only with the prior written approval of the forest supervisor but the permittee shall continue to be responsible for compliance with all conditions of this permit by persons to whom such premises may be sublet.
- 16. This permit may be terminated upon breach of any of the conditions herein or at the discretion of the regional forester or the Chief, Forest Service.
- 17. In the event of any conflict between any of the preceding printed clauses or any provisions thereof and any of the following clauses or any provisions thereof, the following clauses will control.

- 18. (A13) A late payment charge in addition to the regular fees shall be made for failure to meet the fee payment due date or any of the dates specified for submission of statements required for fee calculation. The late payment charge shall be \$15, or an amount calculated by applying the current rate prescribed by Treasury Fiscal Requirements Manual Bulletins to the overdue amount for each 30-day period or fraction thereof that the payment is overdue, whichever is greater. If the due date falls on a nonworkday, the late payment charge will not apply until the end of the next workday.
 - 19. (B2-R6) By accepting this permit, the permittee hereby agrees to comply with Title VI of the Civil Rights Act of 1964 and all requirements imposed by or pursuant to the regulation of the United States Department of Agriculture (7 CFR, part 15) issued pursuant to that Act, and hereby assures that in the operation and performance of this permit to take immediately any measures necessary to effectuate this requirement. If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to a permittee by the United States Department of Agriculture, this assurance shall obligate the permittee, or in case of any transferee, of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is so provided, this assurance shall obligate the permittee for the period during which he retains ownership or possession of the property. In all other cases, this assurance shall obligate the permittee for the period during which the Federal Financial assistance is extended to him by this permit. This assurance is given in consideration of the Federal financial assistance extended in this permit to the permittee by the United States Department of Agriculture. The permittee recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this assurance. The permittee further agrees that the United States in addition to any other rights and remedies provided by this assurance, the Civil Rights Act of 1964, or the regulations issued thereunder, shall have the right to enforce this agreement by suit for specific performance or by any other available remedy under the laws of the United States or the State in which the breach or violation occurs.
 - 20. (B8) The permittee shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of National Forest lands under this permit.
 - 21. (B31) Avalanches, rising waters, high winds, falling limbs or trees, and other hazards are natural phenomenons in the forest that present risks which the permittee assumes. The permittee has the responsibility of inspecting his site, lot, right-of-way, and immediate adjoining area for dangerous trees, hanging limbs, and other evidence of hazardous conditions and, after securing permission from the Forest Service, of removing such hazards.
 - 22. (D2) No waste or byproducts shall be discharged if it contains any substances in concentrations which will result in substantial harm to fish and wildlife, or to human water supplies.

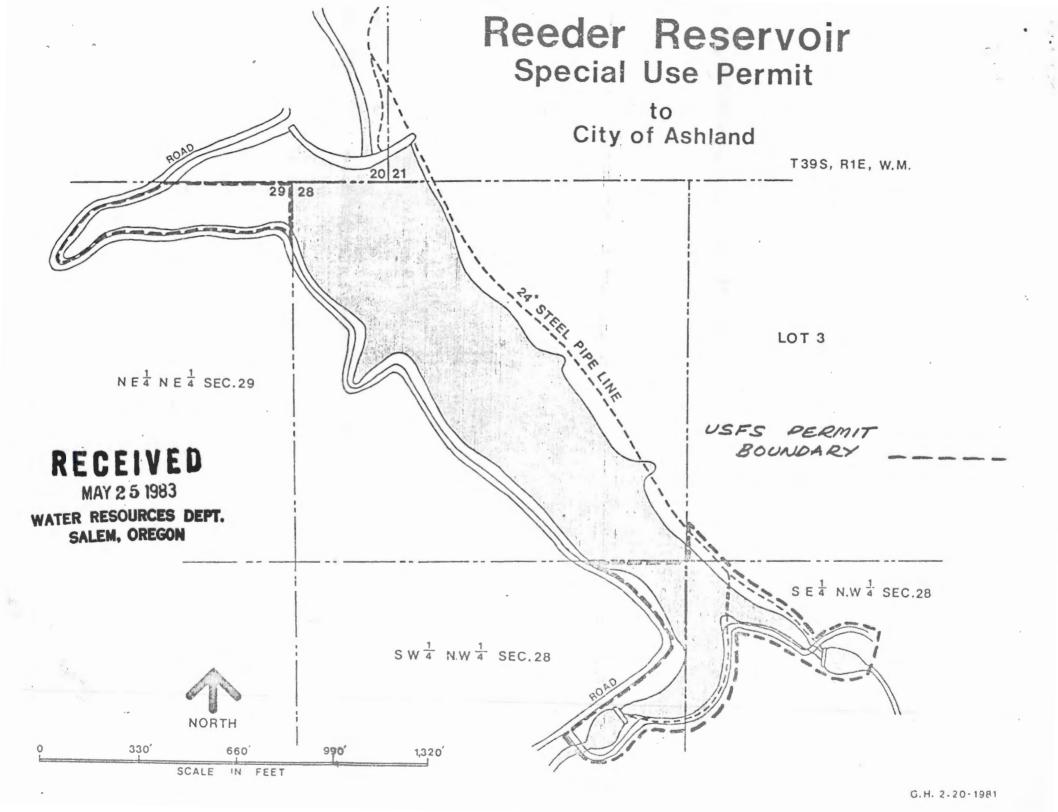
Storage facilities for materials capable of causing water pollution, if accidentally discharged, shall be located so as to prevent any spillage into waters, or channels leading into water, that would result in substantial harm to fish and wildlife or to human water supplies.

- 23. (D19) The permittee agrees to take all reasonable precaution to avoid damage to property and resources of the United States, and diligently to undertake suppression action in the event of fire resulting from the exercise of the privileges herein granted.
- 24. (E4) Unless sooner terminated or revoked by the Regional Forester, in accordance with the provisions of the permit, this permit shall expire and become void on December 31, 1987, but a new permit to occupy and use the same National Forest land may be granted provided the permittee will comply with the then-existing laws and regulations governing the occupancy and use of National Forest lands and shall have notified the Forest Supervisor not less than Three (3) months prior to said date that such new permit is desired.
- 25. (ID 15, 2783.1) Pesticides may not be used to control undersirable woody and herbaceous vegetation, aquatic plants, insects, rodents, trash fish, etc., without the prior written approval of the Forest Service. A request for approval of planned uses of pesticides will be submitted annually by the permittee, licensee, etc., on the due date established by the Forest Supervisor. The report will cover a 12 month period of planned use beginning 3 months after the reporting date. Information essential for review will be provided in the form specified. Exceptions to this schedule may be allowed only when unexpected outbreaks of pests require control measures which were not anticiapted at the time the annual report was submitted, at which time an emergency request and approval may be made.

Only those materials registered by the U. S. Environmental Protection Agency for the specific purpose planned will be considered for use on National Systems lands. Label instructions will be strictly followed in the application of pesticides and disposal of excess materials and containers.

- 26. (X10) Upon revocation of this permit for noncompliance with conditions of this permit, or for other cause, the Forest Service will have the right to and may drain the water from the reservoirs by means of the structural control provided or by other methods.
- 27. (X19) The permittee agrees to permit the free and unrestricted access to and upon the premises at all times for all lawful and proper purposes not inconsistent with the intent of the permit or with the reasonable exercise and enjoyment by the permittee of the privileges thereof.
- 28. (X20) The Forest Service reserves the right to issue additional permits to other applicants to increase the storage capacity of this site if such action proves feasible. No permit will be granted for additional facilities that will jeopardize the privileges granted by this permit. Any additional permits authorizing larger facilities will provide for payment of costs, including the cost of construction of the original project works, on a cost-benefit ratio mutually agreeable to the permittee and the new applicant. If the permittee and applicant cannot agree on division of costs, the Forest Service shall decide on an equitable division between the old and new works.
- 29. (X27) This permit covers use of land for flooding. It is specifically understood that the shoreline touching the National Forest land and the land above the shoreline and above the normal spillway-crest water level shall remain under the jurisdiction of the Forest Service. The Forest Service reserves the right to use and permit use of the land under permit: Provided, That such use does not interfere with the purpose for which this permit is granted.

- 30. (X67) The permittee agrees that the Forest Service representative may inspect the structures at any time and if not satisfied with the then-existing protection to control soil erosion on the dams and in and below the spillways to stream bed, upon written notice thereof, the permittee shall take action to provide protection to control soil erosion. If the Forest Service is not satisfied with any safety, operation, maintenance, or other feature or physical condition of the structures and appurtenances, upon written notice thereof, the permittee shall comply with a request to correct, adjust, or change same.
- 31. (X81) This permit confers no right to the use of water by the permittee.





Water Resources Department

MILL CREEK OFFICE PARK

555 13th STREET N.E., SALEM, OREGON 97310

PHONE 378-8507

July 8, 1983

Allen A. Alsing, PE Director of Public Works City of Ashland City Hall Ashland, OR 97520

Dear Mr. Alsing:

Thank you for submitting the permit recording fee of \$300.80. Our Receipt 37353 is enclosed.

Your application is now in satisfactory form for issuance of a permit.

Sincerely,

DONALD R. BUELL Hydroelectric Licensing Engineer

DRB:wpc

7326B

DEPARTMENT OF PUBLIC WORKS
Allen A. Alsing, Director



City of Ashland

ASHLAND, OREGON 97520

May 24, 1983

RECEIVED "

CITY HALL 503-482-3211

MAY 25 1983

WATER RESOURCES DEPT. SALEM, OREGON

Mr. Donald R. Buell Hydroelectric Licensing Engineer Water Resources Department Mill Creek Office Park 555 13th St. N.E. Salem, OR 97310

Re: File 61057

Dear Mr. Buell:

The Special Use Permit for Ashland's Reeder Gulch Power Project has finally been received from the Forest Service, and a copy is enclosed for your use.

Would you please proceed with processing towards issuance of a permit?

Very truly yours,

Allen A. Alsing, P.E. Director of Public Works

Allen a alberry

AAA: dp

Enc. (1)

MINUTES OF WATER POLICY REVIEW BOARD

July 28, 1980

MEMBERS PRESENT:

Donel Lane, Chairman George Proctor, Vice Chairman Jack Hoffbuhr Ellen Lowe Jean Frost

MEMBERS ABSENT:

Jim Belknap Frank Moore

STAFF MEMBERS PRESENT:

Jim Sexson Chris Wheeler Darrell Learn Tom Kline Lorraine Stahr Clif King

OTHER PRESENT:

Don Butsch Bill Cramer Dan Wyant Mr. & Mrs. O.K. Webber Dave Geiger Robert Barbo Hagey Kenneth Johnson Warren Hastings Lou Fredd John Lilly C. Scott Ashcom Audrey Jackson Jerome Diethelm Swiss Burnett Ralf Hakanson

Chairman Don Lane called the meeting to order and asked if there were any additions or corrections to the minutes of the May 9, 1980 meeting.

Jack Hoffbuhr said, "I move that the minutes be adopted." Jean Frost

seconded and the motion passed unanimously.

Don Lane asked if there were any corrections or additions to the minutes of the July 9, 1980 conference call. Jean Frost said, "I move approval." Jack Hoffbuhr seconded the motion, which passed unanimously.

Don Lane introduced the two new Board members, Don Butsch and Bill Cramer. He welcomed them and invited them to participate in the meeting, but

Application No. 61057 Permit No. explained they could not vote until their appointments had been confirmed by the Senate.

Chairman Lane asked if members of the audience wished to make any comments. There were none.

Director's Report

Jim Sexson explained recent activities involving Lost Creek Reservoir

and explained the permits that he had issued for the stored water.

Jim explained the process the Department had gone through to develop a 70% reduced level budget and also described his presentation to the Legislative Ways and Means Subcommittee. He described the impact of the Governor's recommended 21% reduction for the next fiscal year. Darrell Learn explained the impacts of the reduction on the Policy and Planning Division.

The individual board members expressed concern about activities affected by the reduction Jim Sexson explained that after the Legislature had made its decision he would work with the budget committee to develop priorities for ac-

tivities for the next year.

Staff Activities

Darrell Learn described changes that had occurred since the staff activ-

ities report had been mailed to the board members.

The mini-computer has been delivered and programming is underway. While the computer will be used primarily to work up streamflow records, Phil Threlkeld, a member of the staff, has had experience using computers to compare alternative water uses and he is working to modify a program for the mini-computer.

He explained that staff activity on hydroelectric requests was not de-

scribed in the report, but is taking an increasing amount of staff time.

In response to a question by the Chairman, Mr. Learn explained that the U.S. Geological Survey Water Use Study was funded separately from the regular cooperative program so the budget reduction should not impact that program.

Mr. Learn explained that the Department had just recently received the copy of the Corps of Engineers' study on Columbia River withdrawal, but had

not had an opportunity to review it.

Mr. Learn also described the recent activities of the state of Washington and their adopted instream flow program for the mainstem Columbia.

Mr. Learn then asked the Board for permission to circulate for agency review the staff recommendations for minimum perennial streamflows on the Deschutes and Hood Basin. He also requested permission to set a hearing schedule.

Ellen Lowe said, "I move that staff circulate the recommendations and set up hearings for the minimum flows." Jack Hoffbuhr seconded the motion. During discusion, Jean Frost expressed concern about the staff recommendation and felt the Board should adopt a minimum streamflow even though there was zero flow in the stream. The motion passed unanimously.

Jean Frost asked if the Board could continue the discussion on minimum

streamflows.

Minimum Streamflows

Jean Frost stated that she felt the Board should give notice that they were considering withdrawing Trout Creek and Fifteenmile Creek at the same time.

· The Board discussed considering a classification under ORS 536.310 or withdrawal under ORS 536.410.

Jean Frost stated, "I move that the hearing notice to consider minimum flows in the Deschutes and Hood Basins also include a notice of withdrawal under ORS 536.410." Ellen Lowe seconded the motion. The motion passed with Jean Frost, Ellen Lowe and Don Lane voting in favor, and George Proctor and Jack Hoffbuhr abstaining. The Board members emphasized that it should be clear that there will be two separate hearings in each case.

Clackamas River

Tom Kline explained the staff recommendation. The recommendation would allow power development up to 25 theoretical horsepower in the lower portion of the drainage except on the mainstems of the Clackamas River, Clear, Deep and Eagle Creeks.

Mr. Webber, a resident of the area, described a proposal he had for hydroelectric generation and stated that he felt the existing policy was too

restrictive.

Jean Frost stated, "I move we adopt the staff recommendation." Ellen Lowe seconded the motion. The motion passed with Jean Frost, Ellen Lowe and Don Lane voted in favor of the recommendation. George Proctor and Jack Hoffbuhr voted no.

Request for Upper Willamette Basin Policy Modification by Eugene Water and Electric Board

The Water Resources Department received a petition from Eugene Water and Electric Board to amend the present 7 1/2 theoretical horsepower limitation in the Upper Willamette Basin program. A request for exception to the policy was also received from Jack Barrowcliff of Springfield. Tom Kline said "The staff recommends the approval by the Water Policy Review Board to the staff to issue notice and schedule a hearing to consider posible modification of the Upper Willamette Basin program."

Ellen Lowe said, "I so move." Jean Frost seconded the motion. The

motion passed unanimously.

Tualatin Program Exception Request for Power Development

Lorraine Stahr explained a request received from L.F. Barnhart for an exception to the Lower Willamete Basin program to install a small hydroelectric development on Denny Creek in the Tualatin River drainage basin.

Correspondence from the Fish and Wildlife Department recommended that several restrictions and conditions be imposed on the installation in the interest of fish and minimum streamflow guarantee. Washington County Planning Department correspondence stated that Mr. Barnhart had not applied for a required county flood plain alteration permit nor had he given enough infor-

mation to determine if a conditional use permit was necessary.

The staff recommended that the Board notify the Director that the Board intends to review the proposal. The Board then could request the staff to notify the applicant of the comments and recommendations made by various agencies on the proposal and any restrictions which the Board determines should accompany the permit. The staff suggested that the restrictions be imposed in keeping with the present water use program limitations, namely, that only human and livestock use would be allowed from July 31 through September 15 and that minimum flows must be met past the point of diversion. This would probably result in the project operating only during the winter months. The staff felt that recommendations made by Fish and Wildlife Department should be added as stipulations to the permit.

The staff further suggested that the Board's action on the acceptance of the application be held in abeyance until the results of Washington County Planning Department's study of the proposal are available.

Ellen Lowe said, "I move for adoption of the staff recommendation." Jack Hoffbuhr seconded the motion. The motion passed with George Proctor voting no and Ellen Lowe, Jack Hoffbuhr, Jean Frost and Don Lane voting in favor.

George Proctor noted that the 30-day time limit after notification had passed for the Board to raise an objection to the intended acceptance of an application by the Director. Don Lane said we can respond as individuals.

Don Lane raised the issue of the Board's actions in relation to comprehensive plans. Jim Sexson said that a memo of understanding between Water Resources Department and LCDC is in effect that when applications come before the Board, local planners are notified. If the proposals do not meet local planning ordinances, WRD has pledged to bring them to hearing to determine whether or not they are in the public interest.

Audrey Jackson, Washington County resident, said that Washington County had a Flood Plain Ordinance for five or six years. It was in effect prior to addressing goals stipulated by LCDC. The ordinance will be included in the

new Comprehensive Plan Framework.

Modification of North Coast Basin Program - Cullaby Lake

Lorraine Stahr explained the long-existing water right problem involving cranberry growers in Clatsop County, Oregon. To clear up the problem, several cranberry growers in the Warrenton area of the North Coast Basin had requested modification of the North Coast Basin Program to allow them uses of water for production of cranberries. Some of the lands have been in production since 1912. Old existing water rights cover bogs not in production, but do not cover existing bogs or technologically advanced crop production methods. Existing rights are vague as to location and source of water supply. The staff recommended denial of the modification of the basin program because the request involved water rights problems and not new water uses. The staff further recommended that under ORS 536.380, the Board allow the growers to submit appropriate applications to the Water Resources Department for issuance of new water rights.

Ellen Lowe said, "I move adoption of the staff recommendation." Jack

Hoffbuhr seconded the motion.

George Proctor noted again that the 30-day ruling had passed and suggested that the Board respond somehow to all requests for modification within 30 days.

Don Lane wanted to know if a letter of intent to receive the applications had been sent to the Board by the Director. Tom Kline said it had not and that on this point, staff was looking to the Board for guidance.

Ellen Lowe repeated the motion, "The motion is to allow us to receive

applications."

Don Lane added, "To allow the Director of the Water Resources Department to receive the applications under 536.380 identified in staff memo June 17, 1980."

Ellen added, "It's also to deny the request to modify the North Coast Basin Program." All voted in favor except George Proctor whose no vote again reflected his view that the 30-day limit for objection had passed.

Exception Request to South Coast Basin Policy

· Coos County Parks Department requested a policy exception to continue

appropriating water from Tenmile Lake to irrigate three acres in Tenmile Lake Park and boat ramp. The use has been in existence 14 years. Jim Sexson had sent the Board a letter notifying it of his intent to accept the application. Tom Kline noted that the use is compatible with recreation use of the lake. The staff recommended favorable consideration of the request by the Board.

Don Lane asked Ellen Lowe, "Do you want to move we take no action?"

Ellen Lowe said, "I think maybe we should have a record, so I would move we add our blessing to the application." Jack Hoffbuhr seconded the motion

which passed unanimously.

George Proctor asked that administrative procedures be established and used in requests for exception. The 30-day deadline for responding to applications should be met. Don Lane suggested that the Board members should file an exception as an individual with the Director in lieu of setting up conference calls on exceptions. The Board directed the staff to set up conference calls on applications for anything but exceptions if the Board is not meeting within 30 days in order to comply with the administrative rules.

Ashland Creek

The Board considered the City of Ashland's proposed rehabilitation of an old power plant on Ashland Creek. Board members noted that the hydroelectric plant was operating in 1959 when the program went into effects; the proposed use is still consistent with the program and that power development was not precluded by the program. Tom Kline noted that the proposed development involves water which is natural flow and surplus to storage during the winter months, and in that way the application was not consistent with the policy statement. The Board felt that as power development was a permitted use, the Director should have jurisdiction over the policy administration. No action was taken.

Notice of Applications for Preliminary Permit - Federal Energy Regulatory Commission

Five applications for preliminary permits have been filed with FERC: four by Eugene Water and Electric Board and one by Pacific Power and Light. Tom Kline explained thematter was brought to the Board's attention to determine if the Board wanted to become party to the permit proceedings. He added that all of the applications were over 100 theoretical horsepower and will come before the Board for hydroelectric permits. The Board discussed the advantages to becoming a part to the proceedings. They felt that early involvement meant service to the applicant, and that the State could get findings in faster, thereby influencing FERC's decision. George Proctor objected to intervention on the grounds that after input to FERC, the State would be bound by their decision and could not act independently or deny licensing the hydro projects on further grounds. Funding the proceedings was also noted as a possible problem.

Don Lane noted that the State, after intervening, could formulate its position after the hearings and other input and then present it to FERC. Other agencies would give testimony for the Board's consideration to be included in the State's position.

Don Lane asked if the Board desired to apply to become a part to the

proceedings before the Federal Energy Regulatory Commission.

Jean Frost said, "I move to become a party to the proceedings." Ellen Lowe seconded. George Proctor voted no on the grounds he felt the Board would waive final jurisdiction if it intervened. Jean Frost, Elen Lowe, Jack

Hoffbuhr and Don Lane voted in favor. The motion was carried. Tom Kline asked clarification that the motion meant that intervention was requested on all five proposals. The Board agreed. George Proctor asked for reemphasis that the Board would have a position adopted with a hearing and decision by the Board. Don Lane said that was correct and that, hopefully, the Board would have a program statement developed

Lane County Application - Further Action

George Proctor discussed the public hearing on June 30, 1980, in Eugene. The public hearing record was left open for continuation. Party status requests were received by the Water Resources Department from Portland General Electric and Emerald Waterways Citizens Committee (EWCC). Chris Wheeler felt questions remaining about water availability and effect on Fern Ridge could be answered by subpoened witnesses. The question before the Board was whether the petitions for party status would be accepted.

George Proctor said, "I move that petitions for party status be accepted." Jack Hoffbuhr seconded the motion which carried unanimously. Jerry Diethelm, EWCC, Warren Hastings, PGE, and Dave Geiger, Corps of Engineers, all felt that a hearing date set one month in the future would be agreeable.

Jean Frost stated, "I move that we have the meetings on Tuesday the

26th, which is the last week in August in Eugene, Oregon."

Don Lane said, "That will be the two hearings?"

Jean Frost: "The two hearings combined."

George Proctor: "Which hearing is set first?"

Jean Frost: "Probably the contested first." Jack Hoffbuhr seconded the motion.

The Board discussed the chronology of the hearings. They decided, after conferring with the parties present, to reverse the order of the hearings.

Jean Frost restated the motion. "I move that we have the continued hearing first on August 26th beginning at 9:30 A.M. and we move into the contested hearing once the open hearing is concluded in the City of Eugene, Oregon." All were in favor. The motion was approved. Each Board member was asked to submit questions to Mr. Sexson to present to parties involved so answers will be available. Jim Sexson said that the Corps of Engineers' would again be invited to be present at the hearing. Jerry Diethelm presented a justification for the 200 cfs of water requested. Don Lane said that it would be included in the hearing record.

Water Quality Allocation in Willamette Basin

Dave Geiger, Division Office, Corps of Engineers, discussed the Corps' position on securing sufficient streamflows in the Willamette River for maintaining water quality. He advised the Board that the district office of the Corps of Engineers would send a letter within the month to the Chief of Planning in Washington indicating that local interpretation of the act is that low flow augmentation is authorized for navigation, stream purification and fish life. Alternatives to the letter, e.g. studies, would take too long and be too costly. Mr. Geiger felt certain that the Chief of Policy, after conferring with the Chief of Counsel, would send out a policy statement specifically stating that those purposes are in the act. This will give authority to operate the projects as is usually done presently. No problems were anticipated by the Portland district or division offices of the Corps of Engineers, he noted.

Budget Report - 1981-83

Jim Sexson explained a change in the Energy-Related Decision Packages. The accelerated Ground Water Data Collection package has been put back into the Water Resources Department budget request. Ellen Lowe questioned the effect of the special session on the budget timelines. Jim Sexson felt there would be no effect. Budget reviews will begin, as usual, in earnest after September 1 because the Governor's recommendations on budgets must be published by December 1.

Legislative Concepts

Proposals for legislation drafted by the Board were sent to Legislative Counsel, Jim Sexson explained. A meeting with a Counsel representative has been requested. Jim Sexson would like as many Board members as possible to be present to be sure the bills are drafted in the intent and objectives of the Board. One concept not submitted would have required an application for use of groundwater prior to drilling a well. The concept he felt was unenforceable because of the unknown availability and amounts of groundwater. Domestic and some other uses of groundwater are exempt statutorily from permit requirements. The requested legislation addressed the Board's authority over groundwater and expansion of the water development loan program for all beneficial uses. State assistance for water projects is in abeyance until the fiscal situation is resolved and some other way to fund such a program is found besides the General Fund. The Goose Lake memo to Congress is unnecessary since legislation has been introduced in the Senate and the House.

Jim Sexson discussed the concept that minimum streamflows should have as a priority date the date of the application. However, the statutes specifically state that the Board has no authority to affect existing water use. He asked the Board to be ready with some solutions when the questions were raised on this point. Ellen Lowe felt DEQ and Fish and Wildlife should be agencies

to comment on minimum flows.

Ralf Hakanson, representing Oregon Association of Conservation Districts, explained the difficulty the counties are having with Water Development Loan Fund program requirements. Water Resources Department staff member, Bud Bartels, researched the problem. A county must mortgage properties to the State and provide first mortgage on revenues and lands affected. Darrell Learn explained that legislation was being requested to 1) expand secondary use eligibility; and 2) require liens only on affected property. If liens were required on all property in an irrigation district, no one individual within the district would be able to get a loan because first liens would already be owned by the State. Originally, the language was written so that the act of making a loan automatically gave the State first lien.

Relationship of Board and Energy Facility Siting Council

Jim Sexson brought up an issue regarding the Energy Facility Siting Council to review any energy facility over 25 MW including hydroelectric. A duplication of effort exists between EFSC and WPRB. The Board's statutes are more extensive than EFSC's in regard to hydroelectric proposals. The EFSC has not pursued its authority because the Attorney General ruled that they could not deny a permit if the Federal Energy Regulatory Commission granted it. He felt there is a need for the Legislature to delineate the responsibilities of WPRB and EFSC. The EFSC wants to retain responsibility because portions of its hydroelectric review process are unique to the Department of Energy in areas that the WPRB's review would not cover.

Jim Sexson felt that DOE energy needs would be covered if they would participate in the WPRB's review. Hopefully, a joint recommendation can be written to the Governor and subsequently to the Legislature to make changes in the law either to meld the responsibilities of EFSC and WPRB or remove authority from one. Mr. Sexson is not confident at this time that Water Resources Department and Department of Energy can get together on a recommendation. Don Lane said that the public would have to follow the exact same procedures with two agencies and that is not in the public interest. Ellen Lowe felt that the criteria that each Board was measuring was different. She thought Energy Facility Siting Council should issue a certificate of need and offer technical energy advice and counsel to the applicants. WPRB would follow up with its own statutory responsibilities. Don Lane stated that EFSC should give pros and cons to WPRB like Fish and Wildlife Department does now. Jim Sexson said two focal points mentioned in the meeting with EFSC were to determine the need for power and to initiate a one-stop permit system. WRD's statutory responsibilities are spelled out in ORS Chapter 543. Jim Sexson said that he felt it unacceptable that a decision of the EFSC would override a decision of this Board. He posed the rhetorical question, "Is an electric project a power decision or a water policy decision?"

Fish Hatchery Applications

The Water Resources Department received three applications for water diversion for hatchery operations. The existing minimum streamflow would adequately cover the Clatskanie hatchery water diversion. The diversion of water on Lookingglass Creek would affect the flow on the reach but the staff recommends no special conditions on the permit as there are other substantial benefits to the project. The Salmon River hatchery is already in existence. No special conditions are recommended as there is no dewatering of the stream.

Don Lane said, "I would entertain a motion that the Board concur with

the staff recommendations and take no action on the three applications."

Jean Frost said, "I so move." Ellen Lowe seconded the motion, which passed with all in favor.

In response to Ellen Lowe's question regarding resolution of the Clear Creek problem, Jim Sexson said he talks to legal counsel once every two weeks

and they are still discussing it.

George Proctor discussed the Western States Water Council meeting he attended in Great Falls. The new chairman from Utah is Dan Lawrence. Resolutions were passed to continue funding the River Basins Commission and grants to the states. Columbia River Basin Commission had a forum on Mt. St. Helens.

Jim Sexson reported that Oregon has no funds to pay dues for the second year. Other states are in similar positions. Jim Sexson anticipated future financial participation in the Commission after a completed performance audit of other River Basin Commissions is released by the general accounting office. George Proctor urged continued participation as Oregon should not consider itself an island in dealing with water problems. Federal issues necessitate Oregon's being involved in water resource decisions of the western states.

Don Lane said, "Anything further?"

Jean Frost said, "I so move."

Jack Hoffbuhr seconded, and the motion carried unanimously.

Approved August 26, 1980.



STATE OF OREGON

INTEROFFICE MEMO

TO:

Files

DATE: June 3, 1980

FROM:

Tom Kline

SUBJECT: Proposed Hydroelectric Use by the City of Ashland

Larry Coupe, (R.W. Beck 206-622-5000) called about project under study to install generators at Reeder Reservoir on Ashland Creek.. Existing program limits use except from storage in excess of current rights in the Bear Creek Drainage. An order of the State Engineer also precludes irrigation filings on Bear Creek and tributaries except in conjunction with storage.

As far as I can tell, the proposed hydro generation would, in part, use water from storage in the reservoir which appears consistent with the existing program statement. The proposal, however, also appears to involve use of spring runoff in excess of current storage. Although there appear to be no impacts on other uses associated with the proposed use, it is not clear that the use of spring flows in excess of the City's current use is consistent with the basin program.

I discussed the matter briefly with Don Lane (6/3/80) who suggested bringing the matter before the WPRB to avoid any misunderstandings.

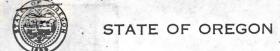
TEK: bw

Jim Sexson CC: Darrell Learn

Application No. 6 1837



DATE: June 2, 1980



TO:

Administrators Watermasters

FROM:

Jim Sexson

SUBJECT: Hydroelectric projects on streams affected by State Engineer's orders

Because of the increasing need for electrical energy and the increased public interest in small hydropower projects, it is important that state government reexamine any apparent barriers to such development.

In the 1950's, the State Engineer entered a number of orders limiting future uses of water in certain streams. Since there was no interest in or anticipated need for small hydropower projects at that time, the orders do not specifically allow for hydropower projects.

In view of the public's power needs and interest and the potential nonconsumptive nature of small hydropower projects, I have determined, with the concurrence of our consulting Assistant Attorney General, that the orders entered by the State Engineer are not to be considered a bar to filing (accepting) an application for hydropower development.

Any such application will be approved only if it can be ascertained that the proposed use is non-consumptive and will not conflict with any existing rights.

Any permits or licenses issued on streams covered by State Engineer's orders will be conditioned to comply with the objectives of the specific order.

The Deputy Director, Chris Wheeler, has drafted sample language for the conditioning of such permits.

I am also attaching a copy of Mr. Wheeler's correspondence with Assistant Attorney General, Clarence Kruger, summarizing their discussion and agreement as to the acceptability of hydroelectric power applications on streams controlled by State Engineer's orders.

Attachment



Application No. 61057
Perime No.



Water Resources Department MILL CREEK OFFICE PARK

555 13th STREET N.E., SALEM, OREGON 97310

June 2, 1980

PHONE 378-2983

Mr. Clarence Kruger Assistant Attorney General Department of Justice State Office Building Salem, Oregon

Dear Mr. Kruger:

This is to confirm our recent discussion and agreement regarding legally acceptable ways of considering applications for nonconsumptive hydropower uses of water on streams where, approximately 30 years ago, the State Engineer entered administrative orders to the effect that no new applications would be accepted.

In each instance, the orders addressed the circumstance where the stream was fully appropriated during a substantial portion of the irrigation season, and that any new use that would take water away from the stream would conflict with the existing rights. On this basis, the order provided that the State Engineer would not accept such new applications. The purpose of the order being to prevent the useless act of filing the new application only so that it could be rejected pursuant to ORS 537.260 (1) and 537.180. The real effect of these orders was a mass rejection of any application that involved consumptive use of water.

I am enclosing copies of two representative orders relating to Mill Creek through Salem, and Drift Creek a tributary of the Pudding River. It is clear that a totally nonconsumptive use that might be made at some future time was not a consideration in the purpose served by the orders.

At the time these orders were entered there was very little interest in small hydroelectric development. For many reasons, including a concern for the supply of our energy resources, the interest in developing small hydroelectric projects has greatly increased. Many of these projects can be nonconsumptive.

Under these circumstances, it appears appropriate to file an application for use of water to develop hydroelectric power on these streams that appear on the face of the application to be totally nonconsumptive and not interfere in any way with any irrigation right of record. The application and supporting data

Mr. Clarence Kruger Page 2 June 2, 1980

would then have to be evaluated very carefully to insure that such was the case. If so, the application could then be approved by issuance of a permit or license, depending on the type of project.

The orders would not be amended but each application, so approved, would contain an appropriate finding for the individual case that it did not conflict with any irrigation right. An example of a finding and condition is enclosed. An internal memorandum of instruction to the affected staff members would direct that such application would be filed and reviewed. A copy of the memorandum is also enclosed.

As indicated and based on our agreement, we are proceeding in accordance with the procedure set forth in this letter. If I have missed any point of our agreement, please advise and correct me.

Sincerely,

James E. Sexson Director

Director

Chris L. Wheeler

Deputy

CLW:eh

Enclosures
cc: Louis S. Bonney
Watermasters
Administrators

Sicy.

STATE OF OREGON



TO:

Jim Sexson

DATE: May 28, 1980

FROM:

Chris Wheeler



SUBJECT:

Hydroelectric Projects on streams affected by State Engineer's orders

The following is an example of a finding and condition to be included in any hydroelectric license or water right permit when issued for power development. The specific language would be modified to fit the facts involved with the application and order.

1. provided further

that in the review of this application I find that the proposed project will not consume any water, will not divert the water out of the stream channel and therefore will not conflict with any existing right.

a) Other appropriate phrases might be as follows:

will return the water diverted to the stream without any intervening diversions, or prevent any future changes in point of diversion for such rights.

In the case of Mill Creek a condition would need to be included that states:

Most of the water in the stream is not Mill Creek water and subject to appropriation. It consists of water diverted from the North Santiam River by the City of Salem, Boise Cascade and Santiam Water Control District water for beneficial use. Mill Creek acts as a ditch throughout its length. This right is specifically subject to those rights and does not include any right to interefere with those uses in any manner whatsoever.

Contains Recycled Materials

The above is in addition to all other conditions, referrals, statutes, Water Policy Review Board policies, etc., but not in lieu of any.

SP*75683-125





TO: File 61057

DATE: 6-4-85

FROM: Don Buell

SUBJECT: Telephone Conversation with Allon Alsing.

Allen Alsing City of Ashland Public Works Director called this date wanting BFC Forms for project under application 61057. I told him a letter giving info and dates was sufficient.

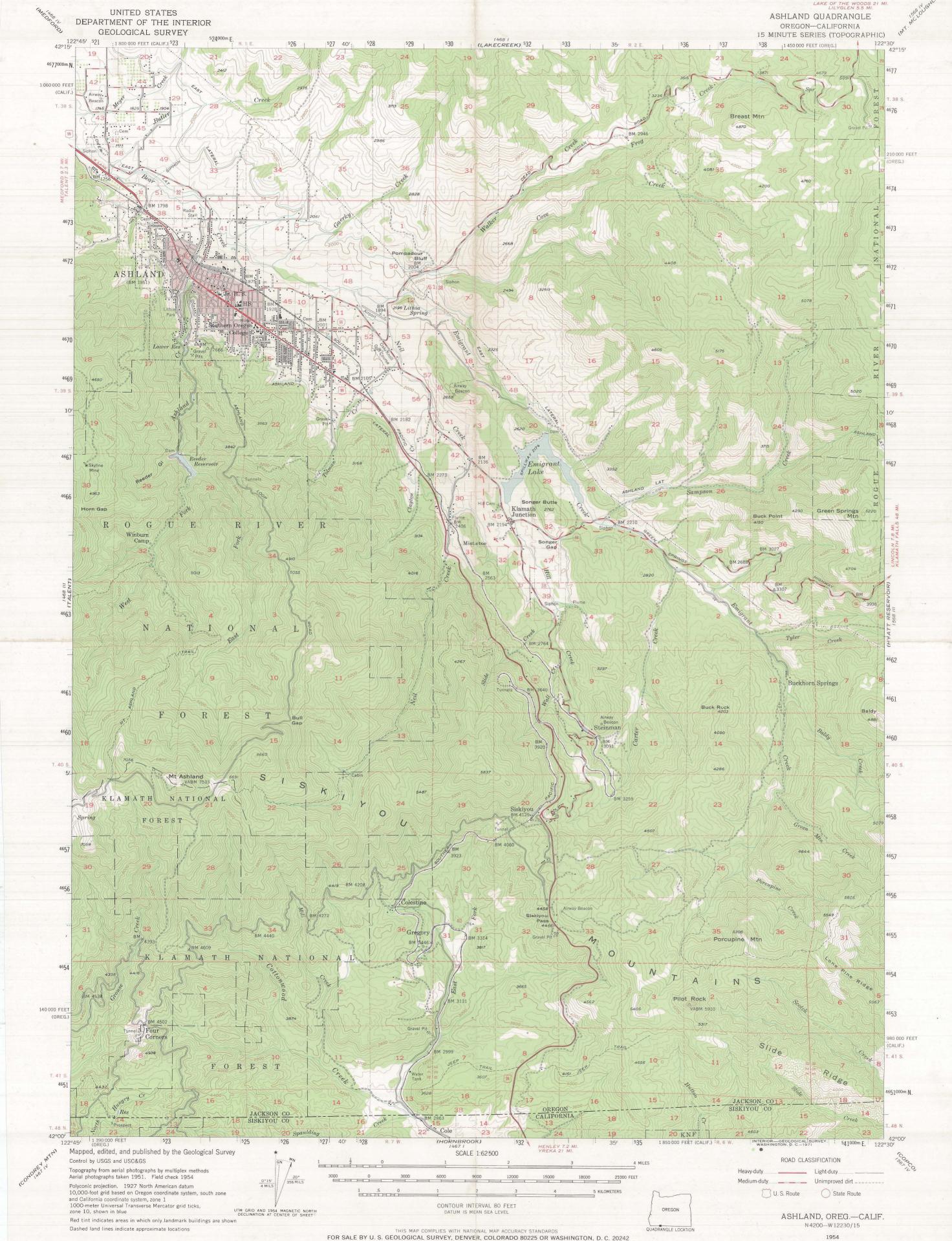
We also discussed permit for additional head, told him we were working on process and should get a letter to him shortly.

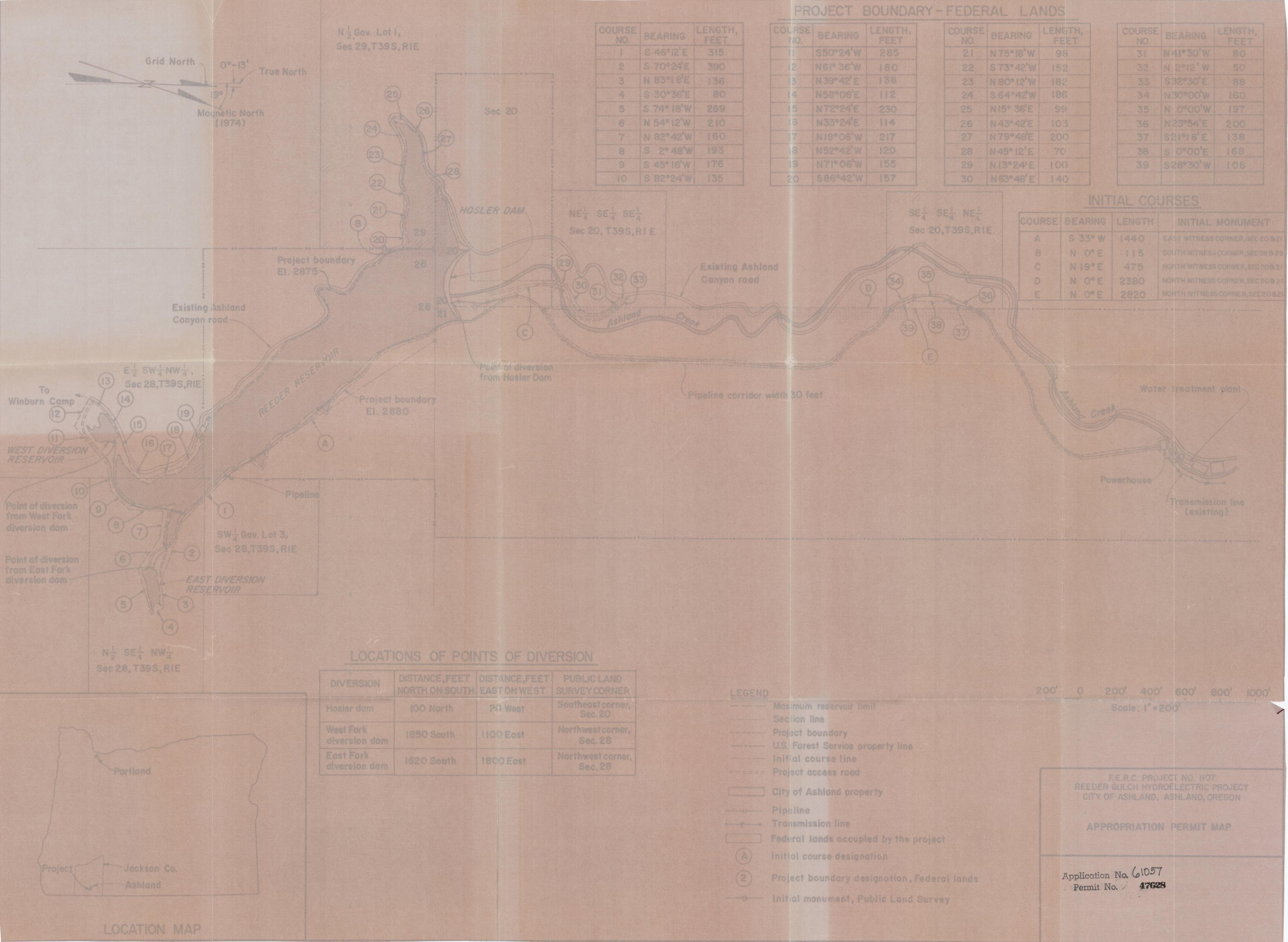
DATE	DATE BUDGET ACCOUNTING NO.		INVOICE DESCRIPTION		AMOUNT	
JUN 30 83	9-1111-532	RECORDING FEE WATER RIGHT-ELECT GENERATO R		300.80	.00 300.80	
		City 1	of Ashland			
					CEIV	
					RESOURCE LEM, OREG	
			of Ashland And, Oregon 97520			

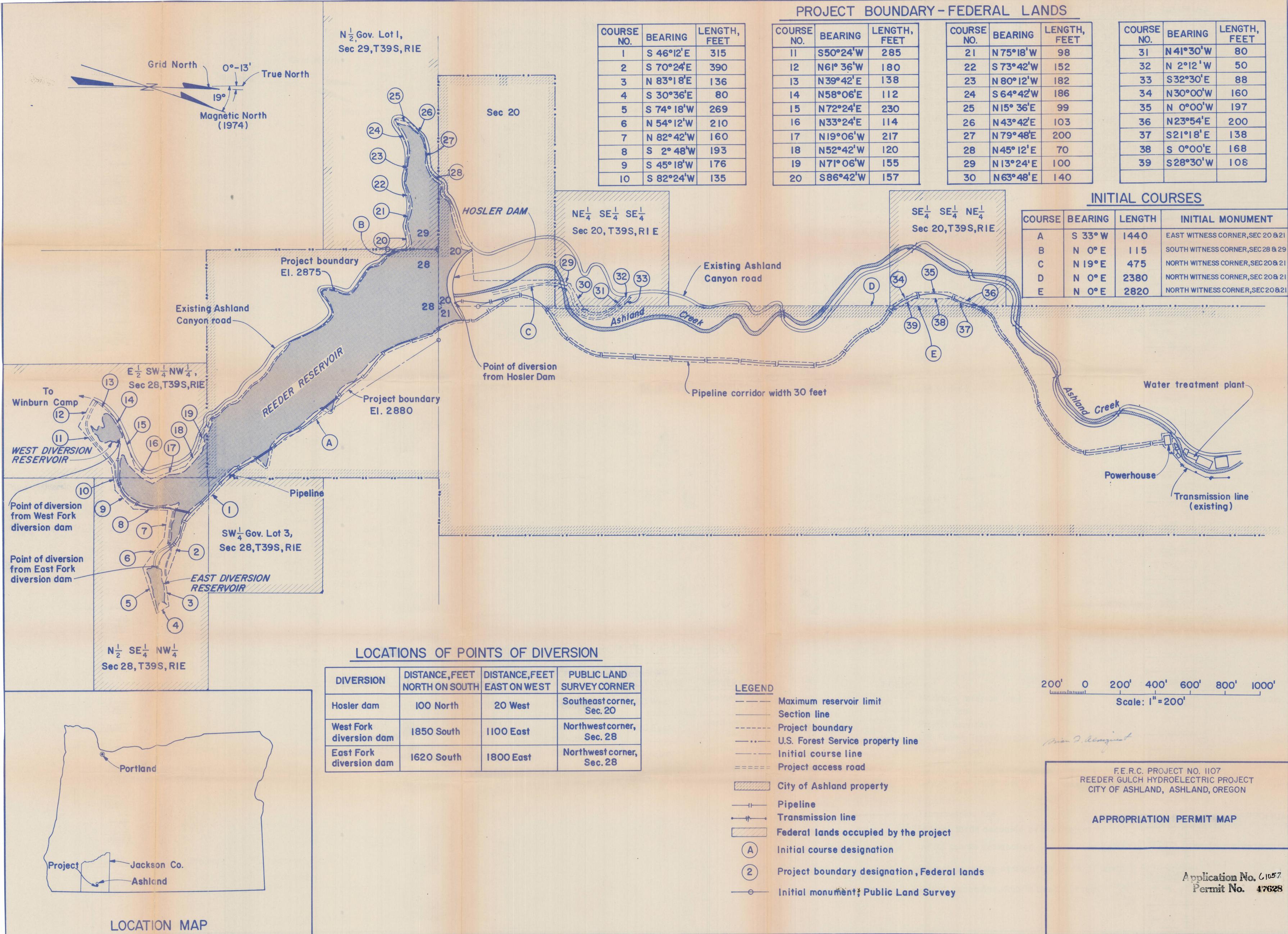
December 8, 1980

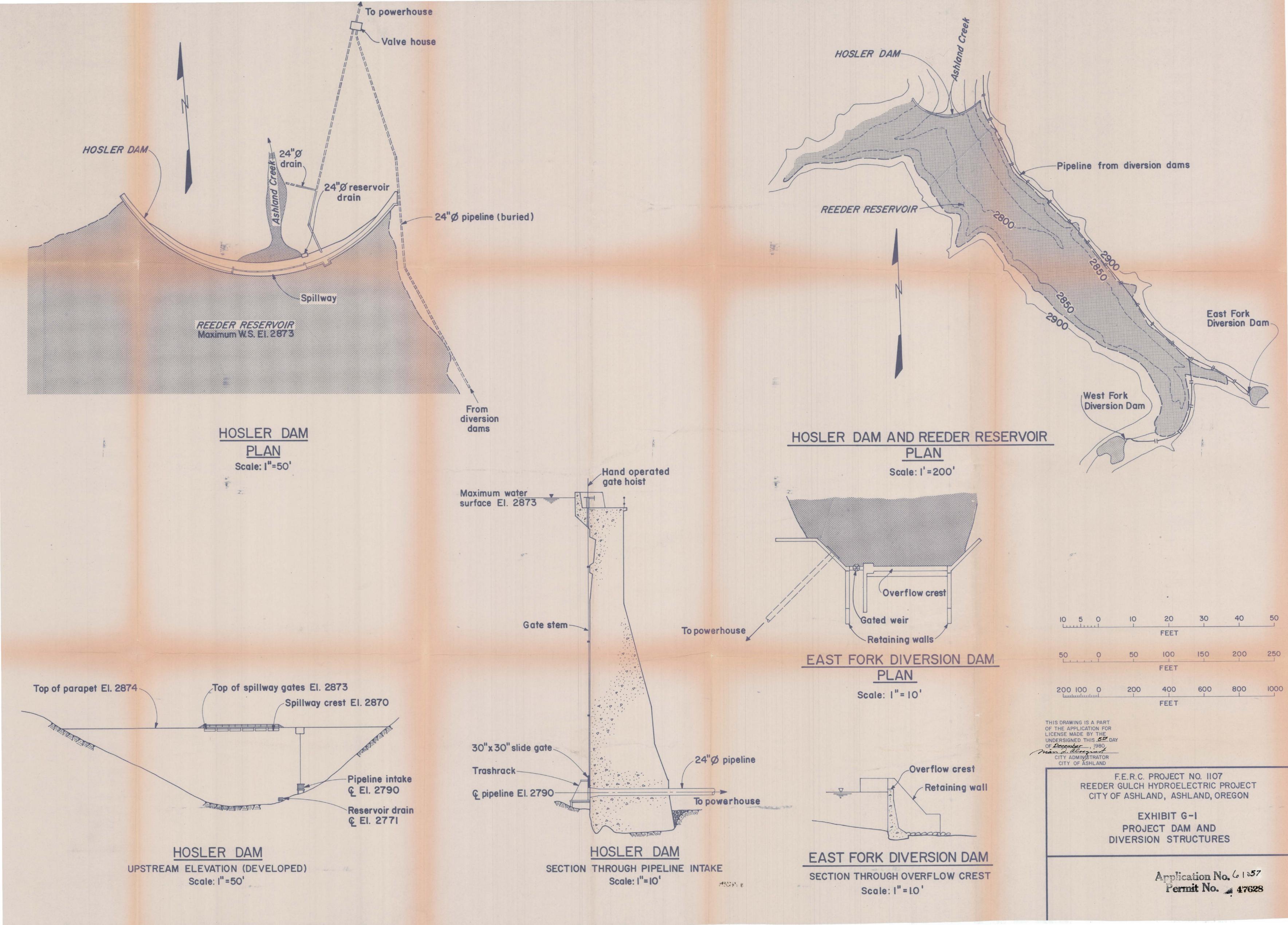
Application No. 47628

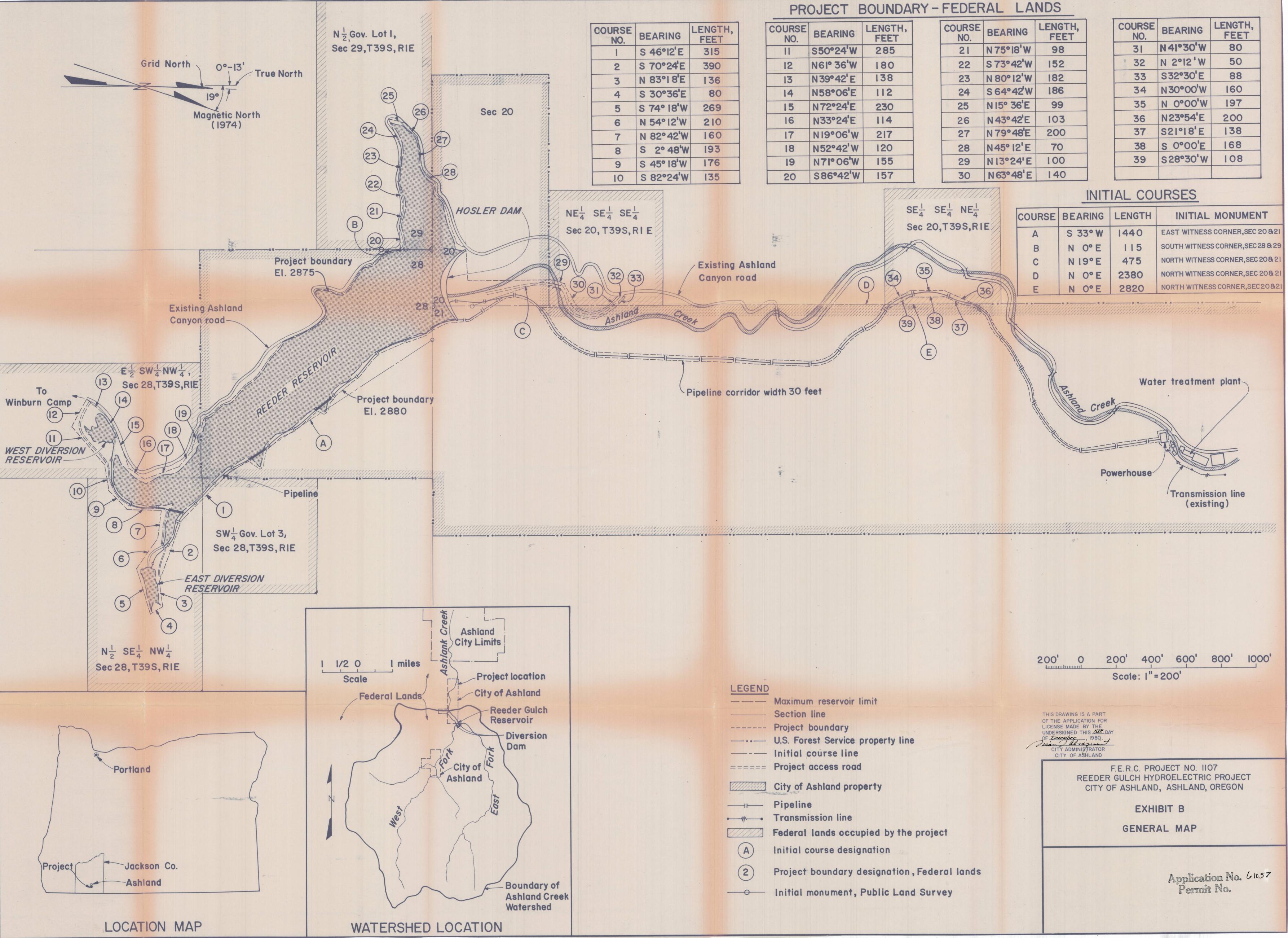
Name City of Ashland Address City Hall Ashland, OR 97520
Address City Hall Ashland, OR 97520
Assigned
Address
Beginning construction SEP 2.0 1984 Completion of construction OCT 1 1985
Completion of construction OCT 1 1985
Extended to
Complete application of water 0CT 1 1986
Extended to

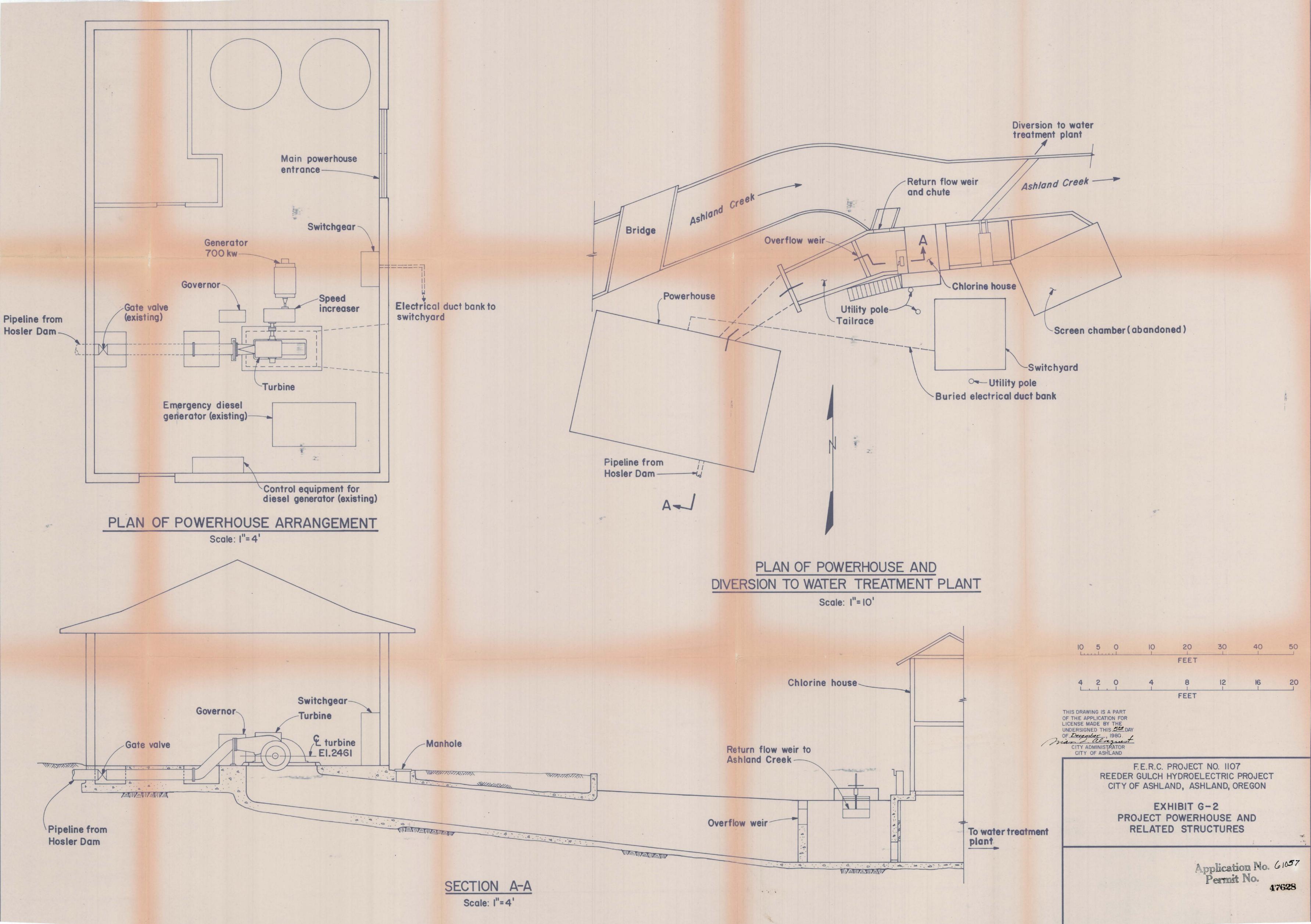


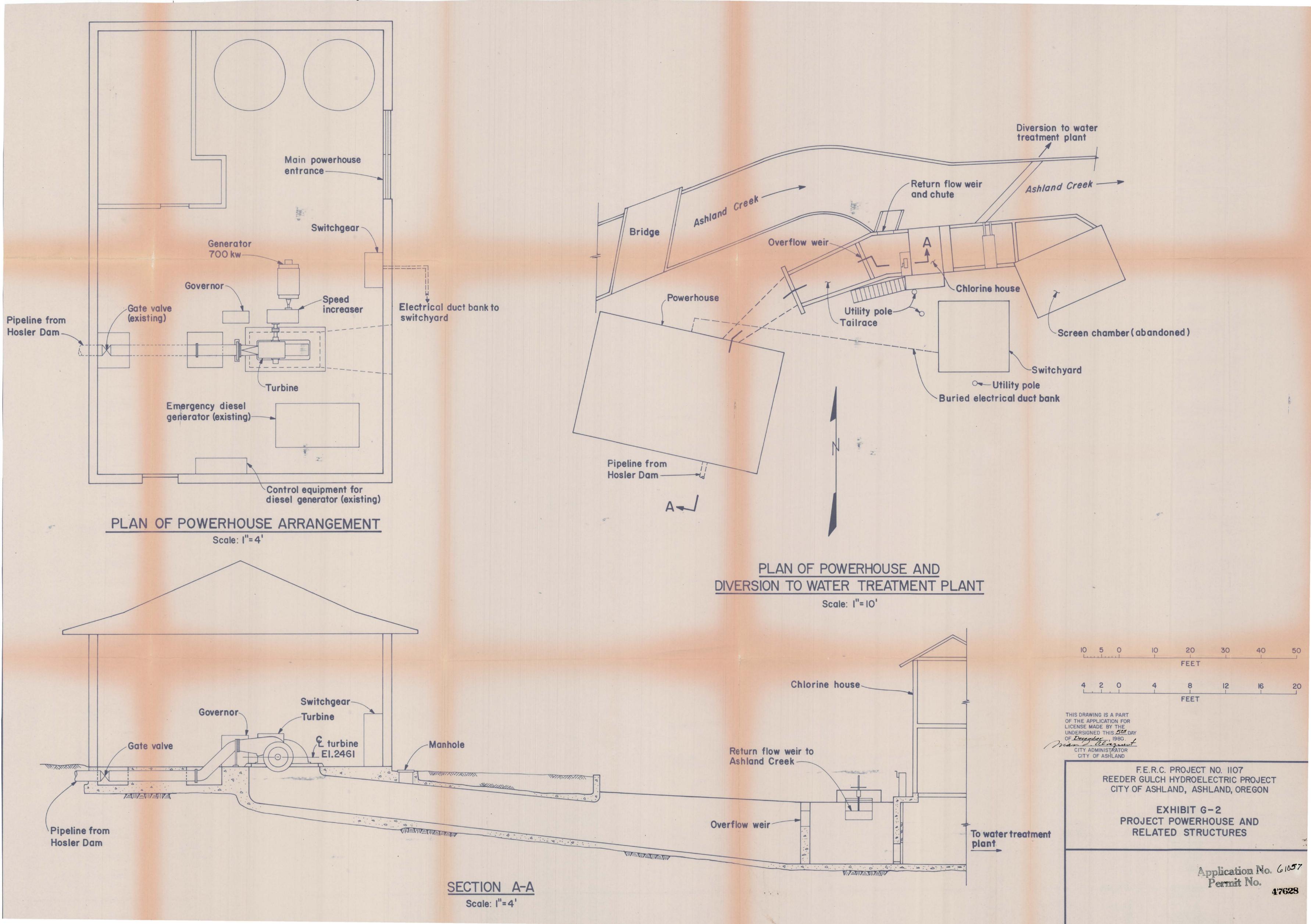


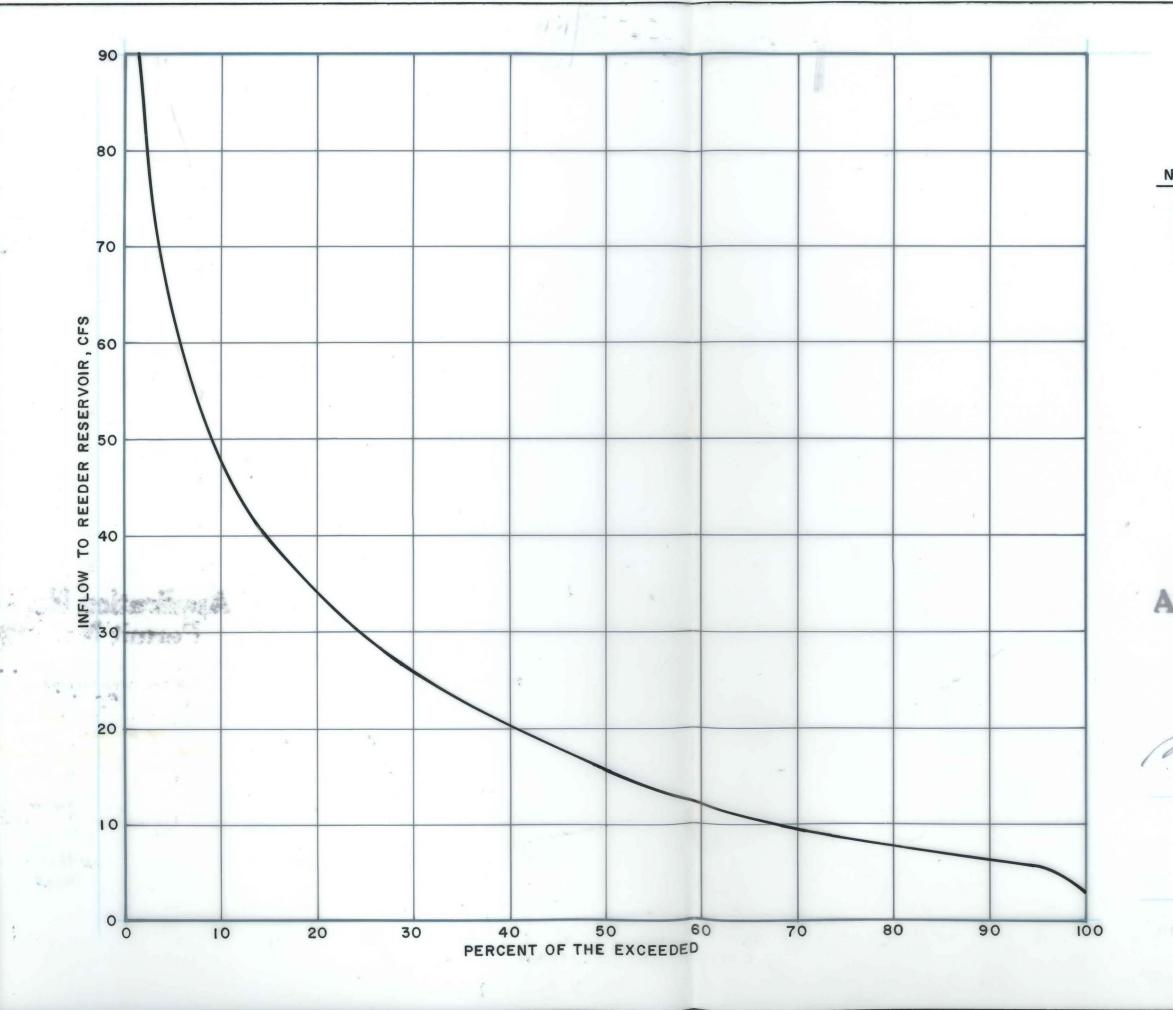












NOTE:

This curve is base on reconstructed monthly inflows to Reeder Reservoir for the period October 1918 through September 1978.

Application No. 61057 Permit No. 47628

THIS DRAWING IS A PART
OF THE APPLICATION FOR
LICENSE MADE BY THE
UNDERSIGNED THIS 5th DAY
OF DECEMBER, 1980.

CITY ADMINISTRATOR CITY OF ASHLAND

FERC PROJECT NO. 1107
REEDER GULCH HYDROELECTRIC PROJECT
CITY OF ASHLAND, ASHLAND, OREGON

FLOW DURATION CURVE