



Oregon

Theodore R. Kulongoski, Governor

Water Resources Department

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

CERTIFIED MAIL Return Receipt Requested

VINEYARD HOLDINGS LLC
ATTN: ALLEN HOLSTEIN
PO BOX 280
DUNDEE, OR 97115

August 1, 2008

Reference: File S-87156

Dear Mr. Holstein:

THIS IS NOT A PERMIT AND IS SUBJECT TO CHANGE AT THE NEXT PHASE OF PROCESSING.

This letter is to inform you of the preliminary analysis of your water use permit application and to describe your options. In determining whether a water use permit application may be approved, the Department must consider the factors listed below, all of which must be favorable to the proposed use if it is to be allowed. Based on the information you have supplied, the Water Resources Department has made the following preliminary determinations:

Initial Review Determinations:

1. The application requested the use of 0.5 cubic foot per second (CFS) from an unnamed stream, tributary to King Creek, being 0.3 CFS for supplemental irrigation use on 135.9 acres from March 1 through October 31, and 0.2 CFS for year-round pond maintenance of Eola Reservoir. The application also requested the use of 36.7 acre feet (AF) from Eola Reservoir (Certificate 62251) for supplemental irrigation use on the same 135.9 acres from March 1 through October 31.
2. The proposed use is not prohibited by law or rule except where otherwise noted below.
4. The use of water from unnamed stream and Eola Reservoir, tributaries to King Creek, for supplemental irrigation use and pond maintenance is allowable under the Willamette Basin Program.
5. Surface water is available in the amount and for the full period requested.

- 6. The use of water from an unnamed stream, tributary to King Creek, for supplemental irrigation use is not allowed under the Willamette Basin Program from July 1 to August 31.
- 7. Your application requested a completion date of 2015. The Department requires completion of construction and complete application of the water to the use within 5 years from issuance of the permit under ORS 537.230.
- 8. The Department has determined there are deficiencies with the application. Please refer to the **Additional Information Required** section below for specific information.

Summary of Initial Determinations

The use of 0.3 CFS from an unnamed tributary to King Creek for supplemental irrigation use on 135.9 acres is not allowable.

The use of 0.2 CFS from an unnamed tributary to King Creek for pond maintenance is allowed during the full period requested, January 1 through December 31.

The use of 36.7 AF from Eola Reservoir tributary to King Creek for supplemental irrigation use on 135.9 acres is allowed during the full period requested, March 1 through October 31.

Additional Information Required:

Additional information is required to process your application. Please provide the following:

- The Department has determined additional fees are needed to continue processing your application. The Department must receive exam fees in the amount of \$200.00. Please include your application number on your check made out to the Oregon Water Resources Department. Your exam requirements consisted of:

Base fee	\$500.00
Up to 1 st CFS.....	\$200.00
One additional use.....	\$200.00
Appropriation of stored water.....	<u>\$417.00</u>
Total Exam Fee Required.....	\$1,317.00
Total Exam Fee Paid.....	\$1,117.00
- Please provide a new map showing the proposed 10.7 acres of supplemental irrigation in the NW of the SE Section 13, Township 6 South, Range 4 West, W.M. If you do not address this discrepancy, the total acreage for supplemental irrigation will be 125.2 acres.

Please submit this information no later than Thursday, September 4, 2008. If you are unable to submit the information listed above, you may request an administrative hold for up to an additional 180 days. You must submit the request in writing, stating how much more time you will need and why you need additional time. If an administrative hold is granted, your application will not be processed further until the requested information is received or the extended deadline has passed.

If we do not receive the items requested above or a request for an administrative hold by this date, the Department will likely proceed with a proposed final order recommending denial of the application.

Please reference the application number when sending any correspondence regarding the conclusions of this initial review. Comments received within the comment period will be evaluated at the next phase of the process.

Because of the Department's determination, your application can be moved to the next phase of the water rights application review process. However, due to #6 above, your application will likely be limited accordingly.

At this time, you must decide whether to proceed or to withdraw your application as described below.

Withdrawal Refunds:

If you choose not to proceed, you may withdraw your application and receive a refund (minus a \$150 processing charge per application.) To accomplish this you must notify the Department in writing by **Friday, August 15, 2008**. For your convenience you may use the enclosed "STOP PROCESSING" form.

To Proceed With Your Application:

If you choose to proceed with your application, you do not have to notify the Department. Your application will automatically be placed on the Department's Public Notice to allow others the opportunity to comment. After the comment period the Department will complete a public interest review and issue a proposed final order.

If A Permit Is Issued It Will Likely Include The Following Conditions:

1. Measurement, recording and reporting conditions:
 - A. Before water use may begin under this permit, the permittee shall install a totalizing flow meter or other suitable measuring device as approved by the Director at each point of diversion. The permittee shall maintain the meter or measuring device in good working order, shall keep a complete record of the amount of water used each month, and shall submit a report which includes the

recorded water use measurements to the Department annually or more frequently as may be required by the Director. Further, the Director may require the permittee to report general water-use information, including the place and nature of use of water under the permit.

- B. The permittee shall allow the watermaster access to the meter or measuring device; provided however, where the meter or measuring device is located within a private structure, the watermaster shall request access upon reasonable notice.
2. You may be required to install fish screens at the point of diversion to meet Oregon Department of Fish and Wildlife specifications for adequate protection of aquatic life.

This initial review does not attempt to address various public interest issues such as sensitive, threatened, or endangered fish species. These issues will be addressed as the Department reviews comments from the public and other agencies, and prepares a proposed final order. You should be aware that, if significant public interest issues are found to exist, such a finding could have an impact on the eventual outcome of your application.

The water source identified in your application may be affected by an Agricultural Water Quality Management Area Plan. These plans are developed by the Oregon Department of Agriculture (ODA) with the cooperation of local landowners and other interested stakeholders, and help to ensure that current and new appropriations of water are done in a way that does not adversely harm the environment. You are encouraged to explore ODA's Water Quality Program web site at http://www.oregon.gov/ODA/NRD/water_agplans.shtml to learn more about the plans and how they may affect your proposed water use.

If you have any questions:

Feel free to call me at 503-986-0815 if you have any questions regarding the contents of this letter or your application. Please have your application number available if you call. General questions about water rights and water use permits should be directed to our customer service staff at 503-986-0801. When corresponding by mail, please use this address: Joel Plahn, Oregon Water Resources Department, 725 Summer St NE Ste A, Salem OR 97301-1266. Our fax number is 503-986-0901.

Sincerely,



Joel Plahn
Water Right Application Caseworker

enclosures: Application Process Description and Stop Processing Request Form

S-87156
WAB 2-182
POU 2-182
GW

APPLICATION FACT SHEET

Application File Number: S-87156

Applicant: VINEYARD HOLDINGS LLC

County: Polk

Watermaster: 16

Priority Date: April 24, 2008

Source: UNNAMED STREAM, TRIBUTARY TO KING CREEK; EOLA RESERVOIR,
TRIBUTARY TO KING CREEK

Use: SUPPLEMENTAL IRRIGATION USE ON 135.9 ACRES AND POND MAINTENANCE

Quantity: 0.5 CUBIC FOOT PER SECOND (CFS), BEING 0.3 CFS FOR SUPPLEMENTAL
IRRIGATION AND 0.2 CFS FOR POND MAINTENANCE; 36.7 ACRE FEET FOR
SUPPLEMENTAL IRRIGATION

Basin Name & Number: Willamette, #2

Stream Index Reference: Volume 17 SPRING VALLEY CR & MISC

Point of Diversion Location(s):

SWSW, SECTION 13, T6S, R4W, W.M.; 450 FEET NORTH AND 950 FEET EAST FROM
SW CORNER, SECTION 13

SWSW, SECTION 13, T6S, R4W, W.M.; 450 FEET NORTH AND 950 FEET EAST FROM
SW CORNER, SECTION 13

Place of Use:

NE $\frac{1}{4}$ SW $\frac{1}{4}$ 9.9 ACRES
NW $\frac{1}{4}$ SW $\frac{1}{4}$ 21.5 ACRES
SW $\frac{1}{4}$ SW $\frac{1}{4}$ 36.2 ACRES & POND MAINTENANCE
NW $\frac{1}{4}$ SE $\frac{1}{4}$ 10.7 ACRES
SECTION 13

NE $\frac{1}{4}$ NE $\frac{1}{4}$ 32.3 ACRES
SECTION 23

NW $\frac{1}{4}$ NW $\frac{1}{4}$ 25.3 ACRES & POND MAINTENANCE
SECTION 24

TOWNSHIP 6 SOUTH, RANGE 4 WEST, W.M.

14 DAY STOP PROCESSING DEADLINE DATE: Friday, August 15, 2008

PUBLIC NOTICE DATE: Tuesday, August 5, 2008

30 DAY COMMENT DEADLINE DATE: Thursday, September 4, 2008

