



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

WHITEWATER RANCH LLC
MCKENZIE RIVER RANCH LLC
43137 MCKENZIE HWY
LEABURG, OR 97489

November 13, 2009

Reference: File S-87538

Dear Applicants:

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 proposed the use of 2.0 cubic feet per second (CFS) of water from McKenzie River, tributary to Willamette River, for year-round agricultural use.
2. The proposed use is not prohibited by law or rule except where otherwise noted below.
3. The use of water from McKenzie River, tributary to Willamette River, for agricultural use is allowable under the Willamette Basin Program, OAR 690-502-0080(1)(e).
4. Surface water is available in the amount and for the full period requested.
5. Please refer to the **Additional Information Required** section below for specific information regarding deficiencies with the application.

Summary of Initial Determinations

The use of 2.0 CFS from McKenzie River, tributary to Willamette River, for agricultural use is allowable during the full period requested, year-round.

Because of these favorable determinations, the Department can now move your application to the next phase of the water-rights application review process, where public interest factors will be evaluated.

Additional Information Required:

Additional information is required to process your application prior to issuance of any Proposed Final Order that may recommend approval. Please provide documentation that demonstrates the proposed use complies with the local acknowledged comprehensive land-use plan, or that you are actively pursuing approval from the Lane County Planning Department.

Please submit this information no later than Thursday, December 17, 2009. 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.

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.

Withdrawal Refunds:

If you choose not to proceed, you may withdraw your application and receive a refund (minus a \$200 processing charge per application). To accomplish this you must notify the Department in writing by **Friday, November 27, 2009**. For your convenience you may use the enclosed "STOP PROCESSING" form.

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.
 - B. The permittee 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.

- C. The permittee shall allow the watermaster access to the meter or measuring device; provided however, where any meter or measuring device is located within a private structure, the watermaster shall request access upon reasonable notice.
 - D. The Director may provide an opportunity for the permittee to submit alternative measuring and reporting procedures for review and approval.
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-87538
WAB 2-528
POU 2-528
GW

APPLICATION FACT SHEET

Application File Number: S-87538

Applicant: WHITEWATER RANCH LLC & MCKENZIE RIVER RANCH LLC

County: LANE

Watermaster: 2

Priority Date: OCTOBER 15, 2009

Source: MCKENZIE RIVER, TRIBUTARY TO WILLAMETTE RIVER

Use: AGRICULTURAL USE

Quantity: 2.0 CUBIC FEET PER SECOND

Basin Name & Number: Willamette, #2

Stream Index Reference: Volume 2 MCKENZIE R

Point of Diversion Location(s): SENE, SECTION 1, T17S, R1E, W.M.; 1400 FEET SOUTH AND 650 FEET WEST FROM NE CORNER, SECTION 1

Place of Use:

SW $\frac{1}{4}$ NE $\frac{1}{4}$
SE $\frac{1}{4}$ NE $\frac{1}{4}$
SE $\frac{1}{4}$ SW $\frac{1}{4}$
NE $\frac{1}{4}$ SE $\frac{1}{4}$
NW $\frac{1}{4}$ SE $\frac{1}{4}$
SW $\frac{1}{4}$ SE $\frac{1}{4}$
SE $\frac{1}{4}$ SE $\frac{1}{4}$

SECTION 1

NW $\frac{1}{4}$ NE $\frac{1}{4}$
NE $\frac{1}{4}$ NW $\frac{1}{4}$

SECTION 12

TOWNSHIP 17 SOUTH, RANGE 1 EAST, W.M.

NE $\frac{1}{4}$ NW $\frac{1}{4}$
SW $\frac{1}{4}$ NW $\frac{1}{4}$
SE $\frac{1}{4}$ NW $\frac{1}{4}$
NE $\frac{1}{4}$ SW $\frac{1}{4}$
NW $\frac{1}{4}$ SW $\frac{1}{4}$

SECTION 6

TOWNSHIP 17 SOUTH, RANGE 2 EAST, W.M.

14 DAY STOP PROCESSING DEADLINE DATE: Friday, November 27, 2009

PUBLIC NOTICE DATE: Tuesday, November 17, 2009

30 DAY COMMENT DEADLINE DATE: Thursday, December 17, 2009

Mailing List for IR Copies

Application #S-87538

IR Date: November 13, 2009

Original mailed to applicant:

RICHARD HAAKE WHITEWATER RANCH LLC & MCKENZIE RIVER RANCH LLC, 43137
MCKENZIE HWY, LEABURG, OR 97489

Copies sent to:

1. WRD - File # S-87538
2. WRD - Water Availability: Ken Stahr

IR, Map, and Fact Sheet Copies sent VIA EMAIL to:

3. WRD -Watermaster # 2 (include Division 33 form)
4. ODFW: (include Division 33 form)
5. DEQ: (include Division 33 form)

IR, Map, and Fact Sheet Copies sent VIA EMAIL to:

6. Department of Agriculture

Affected Landowners (include "Notice of Initial Review--Affected Landowner"):

Copies sent to Other Interested Persons (CWRE, Agent, Well Driller, Commenter, etc.)

Reed Marbut 1107 Pawnee Cir. SE Salem, OR 97306

Walter Trimmer CWRE #332

<p>Copies Mailed By: _____ (SUPPORT STAFF) on: _____ (DATE)</p>

Caseworker: Joel Plahn

COPYSHT.IR