



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

HLH FARMS, INC.
ATTN: JERRY LASSELLE
5120 SW BORLAND
TUALATIN, OR 97062

April 15, 2011

Reference: File G-17369

Dear Applicant:

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 0.33 cubic foot per second (CFS) of water from Well 1 (CLAC 9599), Well 2 (CLAC 51243/53399), and Well 3 (proposed), in Parrott Creek Basin, for primary irrigation of 5.0 acres and supplemental irrigation of 21.06 acres, from April 1 through October 31 of each year.

The application also proposed the storage of 10.0 acre feet (AF) of groundwater, from Well 1 (CLAC 9599), Well 2 (CLAC 51243/53399), and Well 3 (proposed), in Parrott Creek Basin, for storage for irrigation use, from April 1 through October 31 of each year.

2. The proposed use is not prohibited by law or rule except where otherwise noted below.
3. The use of water from Well 1 (CLAC 9599), Well 2 (CLAC 51243/53399), and Well 3 (proposed), in Parrott Creek Basin, for irrigation and storage of ground water is allowable under the Willamette Basin Program.
4. If properly conditioned, the proposed use of ground water will avoid injury to existing ground water rights and the resource.

The Department has determined, based upon OAR 690-009, that the proposed ground water use will not have the potential for substantial interference with any surface water source.

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 0.33 CFS of water, being 0.06 CFS for irrigation of 5.0 acres, and 0.26 CFS for supplemental irrigation of 21.6 acres, from Well 1 (CLAC 9599), Well 2 (CLAC 51243/ 53399), and proposed Well 3, in Parrott Creek Basin for irrigation of 5.0 acres and supplemental irrigation of 21.6 acres is allowable during the full period requested, April 1 through October 31.

The use of 10.0 AF of water from Well 1 (CLAC 9599), Well 2 (CLAC 51243/ 53399), and proposed Well 3, in Parrott Creek Basin, for storage of ground water for irrigation, is allowable during the full period requested, April 1 through October 31.

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. **The map submitted does not meet the requirements of OAR 690-310-0050(4)(a).** The following additional items is required:

- Please provide a map that shows the location of the center of the reservoir by reference to a recognized public land survey corner. The location may be shown by distance and bearing or by coordinates (distance north or south and distance east or west from the corner).
- Please indicate the number of acres per each quarter-quarter to receive both primary and supplemental irrigation, consistent with .
- Please provide the coordinates for the point of diversion of water for irrigation from the reservoir, with the location drawn on the map.
- Your application proposes the supplemental irrigation of 21.06 acres, but the map shows 21.6 acres (the difference being 0.3 acres allowed each in the SESW, Section 24, and in the NENW, Section 25, as projected within Vickers DLC 44, under Certificate 50567, as opposed to 0.03 acres allowed in each quarter-quarter). If you do not submit clarification by Thursday, May 19, 2011, we will rely on the acreage shown on your map.

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, April 29, 2011**. 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 appropriation. The permittee shall maintain the meter or measuring device in good working order.
 - 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.
 - C. The Director may require the permittee to keep and maintain a record of the amount (volume) of water diverted and stored, and may require the permittee to report water use and water storage on a periodic schedule as established by the Director. In addition, the Director may require the permittee to report general water-use information, the periods of water use and the place and nature of use of water under the permit.
 - D. The Director may provide an opportunity for the permittee to submit alternative measuring and reporting procedures for review and approval.
2. Prior to using water from any well listed on this permit, the permittee shall ensure that the well has been assigned an OWRD Well Identification Number (Well ID tag), which shall be permanently attached to the well. The Well ID shall be used as a reference in any correspondence regarding the well, including any reports of water use, water level, or pump test data.
3. The wells shall produce water only from the alluvial ground water reservoir.
4. If substantial interference with a senior water right occurs due to withdrawal of water from any well listed on this permit, then use of water from the well(s) shall be discontinued or reduced and/or the schedule of withdrawal shall be regulated until or unless the Department approves or implements an alternative administrative action to mitigate the interference. The Department encourages junior and senior appropriators to jointly develop plans to mitigate interferences.
5. To monitor the effect of water use from the well(s) authorized under this permit, the Department requires the water user to obtain, from a qualified individual (see below), and report annual static water level measurements. The static water level shall be measured in the month of March. Reports shall be submitted to the Department within 30 days of measurement.

Measurements must be made according to the following schedule:

Before Use of Water Takes Place

Initial and Annual Measurements

The Department requires the permittee to report an initial water level measurement in the month specified above once well construction is complete and annually thereafter until use of water begins; and

After Use of Water has Begun

Seven Consecutive Annual Measurements

Following the first year of water use, the user shall report seven consecutive annual static water level measurements. The first of these seven annual measurements will establish the reference level against which future annual measurements will be compared. Based on an analysis of the data collected, the Director may require the user to obtain and report additional annual static water level measurements beyond the seven year minimum reporting period. The additional measurements may be required in a different month. If the measurement requirement is stopped, the Director may restart it at any time.

All measurements shall be made by a certified water rights examiner, registered professional geologist, registered professional engineer, licensed well constructor or pump installer licensed by the Construction Contractors Board and be submitted to the Department on forms provided by the Department. The Department requires the individual performing the measurement to:

- A. Identify each well with its associated measurement; and
- B. Measure and report water levels to the nearest tenth of a foot as depth-to-water below ground surface; and
- C. Specify the method used to obtain each well measurement; and
- D. Certify the accuracy of all measurements and calculations reported to the Department.

The water user shall discontinue use of, or reduce the rate or volume of withdrawal from, the well(s) if any of the following events occur:

- A. Annual water level measurements reveal an average water level decline of three or more feet per year for five consecutive years; or
- B. Annual water level measurements reveal a water level decline of 15 or more feet in fewer than five consecutive years; or
- C. Annual water level measurements reveal a water level decline of 25 or more feet; or
- D. Hydraulic interference leads to a decline of 25 or more feet in any neighboring well with senior priority.

The period of non-use or restricted use shall continue until the water level rises above the decline level which triggered the action or until the Department determines, based on the permittee's and/or the Department's data and analysis, that no action is necessary because the aquifer in question can sustain the observed declines without adversely impacting the resource or senior water rights. The water user shall in no instance allow excessive decline, as defined in Commission rules, to occur within the aquifer as a result of use under this permit. If more than one well is involved, the water user may submit an alternative measurement and reporting plan for review and approval by the Department.

6. Surface water shall not be appropriated to fill or maintain the reservoir without a water right permitting the diversion and use of such surface water.
7. The storage of water allowed herein is subject to the installation and maintenance of an outlet pipe, or the provision of other means to evacuate water when determined necessary by the Water Resources Director to satisfy prior downstream rights.
8. The permittee is required to pass all surface water flow for which a water-use authorization does not exist.

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 503-986-0853 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: Michele McAleer, Oregon Water Resources Department, 725 Summer St NE Ste A, Salem OR 97301-1266. Our fax number is 503-986-0901.

Sincerely,



Michele McAleer
Water Right Application Caseworker

enclosures: Application Process Description and Stop Processing Request Form

G-17369
WAB 2- (n/a -no psi)
POU 2- 181
GW

APPLICATION FACT SHEET

Application File Number: G-17369

Applicant: HLH FARMS, INC.

County: CLACKAMAS

Watermaster: 20

Priority Date: April 29, 2010

Source: WELL 1 (CLAC 9599), WELL 2 (CLAC 51243/53399), PROPOSED WELL 3, AND HLH RESERVE, IN PARROTT CREEK BASIN

Use: IRRIGATION OF 5.0 ACRES AND SUPPLEMENTAL IRRIGATION OF 21.6 ACRES, AND STORAGE OF GROUND WATER FOR IRRIGATION

Quantity: 0.33 CUBIC FOOT PER SECOND AND 10.0 ACRE FEET

Basin Name & Number: Willamette, #2

Stream Index Reference: Volume 16 PARROTT CR MISC

Reservoir Location:

HLH RESERVE (PROPOSED): NENW, SECTION 25, T3S, R1E, W.M.; **NONE GIVEN (REQUESTED)**

Point of Diversion from Reservoir:

NONE GIVEN (REQUESTED)

Well Location(s):

WELL 1 (CLAC 9599): NENW, SECTION 25, T3S, R1E, W.M.; 40 FEET SOUTH AND 1480 FEET EAST FROM NW CORNER, SECTION 25

WELL 2 (CLAC 51243/53399): NWNW, SECTION 25, T3S, R1E, W.M.; 650 FEET SOUTH AND 680 FEET EAST FROM NW CORNER, SECTION 25

WELL 3 (PROPOSED): NENW, SECTION 25, T3S, R1E, W.M.; 175 FEET SOUTH AND 2490 FEET EAST FROM NW CORNER, SECTION 25

Place of Use:

SW $\frac{1}{4}$ SW $\frac{1}{4}$	8.5	ACRES	SUPPLEMENTAL	IRRIGATION
SE $\frac{1}{4}$ SW $\frac{1}{4}$	1.5	ACRES	IRRIGATION	
SE $\frac{1}{4}$ SW $\frac{1}{4}$	0.3	ACRE	SUPPLEMENTAL	IRRIGATION
			SECTION 24	

Place of Use, continued:

NE $\frac{1}{4}$ NW $\frac{1}{4}$	1.5	ACRES	IRRIGATION	
NE $\frac{1}{4}$ NW $\frac{1}{4}$			STORAGE	
NE $\frac{1}{4}$ NW $\frac{1}{4}$	0.3	ACRE	SUPPLEMENTAL	IRRIGATION
NW $\frac{1}{4}$ NW $\frac{1}{4}$	2.0	ACRES	IRRIGATION	
NW $\frac{1}{4}$ NW $\frac{1}{4}$	12.5	ACRES	SUPPLEMENTAL	IRRIGATION
SECTION 25				
TOWNSHIP 3 SOUTH, RANGE 1 EAST, W.M.				

14 DAY STOP PROCESSING DEADLINE DATE: Friday, April 29, 2011

PUBLIC NOTICE DATE: Tuesday, April 19, 2011

30 DAY COMMENT DEADLINE DATE: Thursday, May 19, 2011

Mailing List for IR Copies

Application #G-17369

IR Date: April 15, 2011

Original mailed to applicant:

*HLH FARMS, 5120 SW BORLAND, TUALATIN, OR 97062

*Do Not Mail Hard Copy to Applicant - Caseworker to send to applicant via e-mail at:
JLASSELL@PCC.EDU

Copies sent to:

1. WRD - File # G-17369
2. WRD - Water Availability: Ken Stahr

IR, Map, and Fact Sheet Copies sent to:

3. WRD - Watermaster # 20
4. Department of Agriculture
5. NW Region Well Inspector

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

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

6. Craig Collins, via e-mail at: COLLINSAGR@MSN.COM

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

Caseworker: Michele McAleer

COPYSHT.IR