

**Oregon Water Resources Department
Water Rights Services Division**

Water Rights Application
Number S-87564

Prior to the issuance of a permit, the Department must receive permit recording fees in the amount of \$400.00. Please include your application number on your check made out to the Oregon Water Resources Department.

Proposed Final Order

Summary of Recommendation: The Department recommends that the attached draft permit be issued with conditions.

Application History

On December 28, 2009, Allan Elliott submitted an application to the Department on behalf of Carlton Nursery Company, LLC., for the following water use permit:

- Amount of Water: 1.0 CUBIC FOOT PER SECOND (CFS) AND 60.0 ACRE FEET (AF)
- Use of Water: NURSERY USE ON 261.8 ACRES
- Source of Water: PALMER CREEK, A TRIBUTARY OF YAMHILL RIVER, AND GORDON FARM IRRIGATION RESERVOIR (TO BE CONSTRUCTED UNDER APPLICATION R-87569), A TRIBUTARY OF PALMER CREEK
- Season of Use: NOVEMBER 1 THROUGH MARCH 31 FROM PALMER CREEK, AND YEAR-ROUND FROM GORDON FARM IRRIGATION RESERVOIR
- Area of Proposed Use: YAMHILL COUNTY WITHIN SECTION 4, SECTION 5, AND SECTION 8, TOWNSHIP 5 SOUTH, RANGE 3 WEST, W.M.

On June 11, 2010, the Department mailed the applicant notice of its Initial Review, determining that "The use of 1.0 CFS of water from Palmer Creek, tributary to Yamhill River, for nursery use on 261.8 acres may be allowed during the full period requested, November 1 through March 31 of each year. The use of 60.0 AF of water from Gordon Farm Irrigation Reservoir (to be constructed under Application R-87569), tributary to Yamhill River, for nursery use on 261.8 acres may be allowed during the full period requested, year-round, contingent upon approval of Application R-87569." The applicant did not notify the Department to stop processing the application within 14 days of that date.

On June 15, 2010, the Department gave public notice of the application in its weekly notice. The public notice included a request for comments, and information for interested persons about obtaining future notices and a copy of the Proposed Final Order. No written comments were received within 30 days.

In reviewing applications, the Department may consider any relevant sources of information, including the following:

- any applicable basin program
- applicable statutes, administrative rules, and case law
- the amount of water available
- the rate and duty for the proposed use
- pending senior applications and existing water rights of record
- any applicable comprehensive plan or zoning ordinance
- recommendations by other state agencies
- the Scenic Waterway requirements of ORS 390.835
- any comments received

Findings of Fact

The application remarks section indicated pond maintenance was requested in this application, but a rate was not specified nor examination fee paid for the additional use. However, pond maintenance is included in the related application G-17293.

Uses included in nursery use are fully included in irrigation and agriculture uses, both of which are allowed by OAR 690-502, the Willamette Basin Program. Therefore, the use of water from Palmer Creek and from Gordon Farm Irrigation Reservoir for nursery use is allowable.

The use of surface water from Palmer Creek for nursery use is allowable November 1 through April 30 under OAR 690-502-0100(4)(a).

Stored water is available for further appropriation for year-round nursery use from Gordon Farm Irrigation Reservoir (to be constructed under Application R-87569), contingent upon approval of Application R-87569.

Senior water rights exist on Palmer Creek, a tributary of Yamhill River, or on downstream waters.

Palmer Creek, a tributary of Yamhill River, and Gordon Farm Irrigation Reservoir, a tributary of Palmer Creek, are not within or above a State Scenic Waterway.

An assessment of water availability has been completed. This assessment compared a calculation of natural streamflow minus the consumptive portion of all relevant rights of record. A copy of this calculation is in the file. This calculation determined that water is available from

Palmer Creek for further appropriation (at an 80 percent exceedance probability) October 1 through June 30.

The Department finds that the amount of water requested, 1.0 CFS and 60.0 AF, is acceptable.

In accordance with OAR 690-033-0330, an interagency team reviewed this proposed use for potential adverse impacts on sensitive, threatened and endangered fish populations. This team consisted of representatives from the Oregon Departments of Water Resources (WRD), Environmental Quality (DEQ), Fish and Wildlife (ODFW), and Agriculture. WRD and ODFW representatives included both technical and field staff. The interagency team recommended that additional limitations or conditions of use be imposed on this application as follows:

The diversion of water from Palmer Creek shall be limited to November 1 through March 31 of each year.

If the riparian area is disturbed in the process of developing a point of diversion, the permittee shall be responsible for restoration and enhancement of such riparian area in accordance with ODFW's Fish and Wildlife Habitat Mitigation Policy OAR 635-415. For purposes of mitigation, the ODFW Fish and Wildlife Habitat Mitigation Goals and Standards, OAR 635-415, shall be followed.

The use may be restricted if the quality of the source stream or downstream waters decreases to the point that those waters no longer meet existing state or federal water quality standards due to reduced flows.

The permittee shall install, maintain, and operate fish screening and by-pass devices consistent with current Oregon Department of Fish and Wildlife (ODFW) standards. Fish screening is to prevent fish from entering the proposed diversion while by-pass devices provide adequate upstream and downstream passage for fish. The required screen and by-pass devices are to be in place and functional, and approved in writing by ODFW prior to diversion of any water. The permittee may submit evidence in writing that ODFW has determined screens and/or by-pass devices are not necessary.

Conclusions of Law

Under the provisions of ORS 537.153, the Department must presume that a proposed use will not impair or be detrimental to the public interest if the proposed use is allowed in the applicable basin program established pursuant to ORS 536.300 and 536.340 or given a preference under ORS 536.310(12), if water is available, if the proposed use will not injure other water rights and if the proposed use complies with rules of the Water Resources Commission.

The proposed use requested in this application is allowed in the Willamette Basin Program, or a preference for this use is granted under the provisions of ORS 536.310(12).

Water is available for the proposed use.

The proposed use will not injure other water rights.

The proposed use complies with other rules of the Water Resources Commission not otherwise described above.

The application is in compliance with the State Agency Coordination Program regarding land use.

For these reasons, the required presumption has been established.

Once the required presumption has been established, under the provisions of ORS 537.153(2) it may be overcome by a preponderance of evidence that either:

- (a) One or more of the criteria for establishing the presumption are not satisfied; or
- (b) The proposed use will impair or be detrimental to the public interest as demonstrated in comments, in a protest . . . or in a finding of the department that shows:
 - (A) The specific public interest under ORS 537.170(8) that would be impaired or detrimentally affected; and
 - (B) Specifically how the identified public interest would be impaired or detrimentally affected.

In this application, all criteria for establishing the presumption have been satisfied, as noted above. The presumption has not been overcome by a preponderance of evidence that the proposed use will impair or be detrimental to the public interest.

The Department therefore concludes that the proposed use will not impair or be detrimental to the public interest as provided in ORS 537.170.

When issuing permits, ORS 537.211(1) authorizes the Department to include limitations and conditions which have been determined necessary to protect the public interest. The attached draft permit is conditioned accordingly.

Recommendation

The Department recommends that the attached draft permit be issued with conditions.

DATED October 18, 2011

E. Timothy Wall.

E. Timothy Wallin, Water Rights Program Manager
for Phillip C. Ward, Director
Water Resources Department

Protests

Under the provisions of ORS 537.153(7) (for surface water) or ORS 537.621(8) (for ground water), you can protest this Proposed Final Order. Protests must be received in the Water Resources Department no later than **December 2, 2011**. Protests must be in writing, and must include the following:

- Your name, address, and telephone number;
- A description of your interest in the Proposed Final Order, and, if you claim to represent the public interest, a precise statement of the public interest represented;
- A detailed description of how the action proposed in this Proposed Final Order would impair or be detrimental to your interest;
- A detailed description of how the Proposed Final Order is in error or deficient, and how to correct the alleged error or deficiency;
- Any citation of legal authority to support your protest, if known;
- To affect the Department's determination that the proposed use in this application will, or will not, impair or be detrimental to the public interest ORS 537.153(2)(b) requires that a protest demonstrate, by a preponderance of evidence any of the following: (a) One or more of the criteria for establishing the presumption are, or are not, satisfied; or (b) the specific public interest in ORS 537.170(8) that would be impaired or detrimentally affected, and specifically how the identified public interest in ORS 537.170(8) would be impaired or be detrimentally affected;

- If you are the applicant, the protest fee of \$300 required by ORS 536.050; and
- If you are not the applicant, the protest fee of \$600 required by ORS 536.050 and proof of service of the protest upon the applicant.
- If you are the applicant, a statement of whether or not you are requesting a contested case hearing. If you do not request a hearing, the Department will presume that you do not wish to contest the findings of the Proposed Final Order.
- *If you do not protest this Proposed Final Order and if no substantive changes are made in the Final Order, you will not have an opportunity for judicial review, protest or appeal of the Final Order when it is issued.*

Requests for Standing

Under the provisions of ORS 537.153(7) (for surface water) or ORS 537.621(8) (for ground water), persons other than the applicant who support a Proposed Final Order can request standing for purposes of participating in any contested case proceeding on the Proposed Final Order or for judicial review of a Final Order.

Requests for standing must be received in the Water Resources Department no later than **December 2, 2011**. Requests for standing must be in writing, and must include the following:

- The requester's name, mailing address and telephone number;
- If the requester is representing a group, association or other organization, the name, address and telephone number of the represented group;
- A statement that the requester supports the Proposed Final Order as issued;
- A detailed statement of how the requester would be harmed if the Proposed Final Order is modified; and
- A standing fee of \$150. If a hearing is scheduled, an additional fee of \$350 must be submitted along with a request for intervention.

After the protest period has ended, the Director will either issue a Final Order or schedule a contested case hearing. The contested case hearing will be scheduled only if a protest has been submitted and either:

- upon review of the issues, the director finds that there are significant disputes related to the proposed use of water, or
- the applicant requests a contested case hearing within 30 days after the close of the protest period.

If you do not request a hearing within 30 days after the close of the protest period, or if you withdraw a request for a hearing, notify the Department or the administrative law judge that you will not appear or fail to appear at a scheduled hearing, the Director may issue a Final Order by default. If the Director issues a Final Order by default, the Department designates the relevant portions of its files on this matter, including all materials that you have submitted relating to this matter, as the record for purpose of proving a *prima facie* case upon default.

This document was prepared by Michele McAleer. If you have any questions about any of the statements contained in this document I am most likely the best person to answer your questions. You can reach me at 503-986-0853.

If you have questions about how to file a protest or a request for standing, please refer to the respective sections in this Proposed Final Order entitled "Protests" and "Requests for Standing". If you have previously filed a protest and want to know its status, please contact Patricia McCarty at 503-986-0820.

If you have other questions about the Department or any of its programs please contact our Customer Service Group at 503-986-0801. Address all other correspondence to:

Water Rights Section, Oregon Water Resources Department, 725 Summer St NE Ste A, Salem OR 97301-1266, Fax: 503-986-0901.

DRAFT

This is not a permit.

DRAFT

STATE OF OREGON

COUNTY OF YAMHILL

DRAFT PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS DRAFT PERMIT IS HEREBY ISSUED TO

CARLTON NURSERY COMPANY, LLC.
PO BOX 398
DAYTON, OR 97114

The specific limits and conditions of the use are listed below.

APPLICATION FILE NUMBER: S-87564

SOURCE OF WATER: PALMER CREEK, A TRIBUTARY OF YAMHILL RIVER, AND GORDON FARM IRRIGATION RESERVOIR (TO BE CONSTRUCTED UNDER APPLICATION R-87569), A TRIBUTARY OF PALMER CREEK

PURPOSE OR USE: NURSERY USE ON 261.8 ACRES

MAXIMUM RATE AND VOLUME: 1.0 CUBIC FOOT PER SECOND (CFS) FROM PALMER CREEK, AND 60.0 ACRE-FEET (AF) FROM GORDON FARM IRRIGATION RESERVOIR

PERIOD OF USE:

PALMER CREEK	NOVEMBER 1 THROUGH MARCH 31
GORDON FARM IRRIGATION RESERVOIR	YEAR-ROUND

DATE OF PRIORITY: DECEMBER 28, 2009

POINT OF DIVERSION LOCATIONS:

PALMER CREEK: NE $\frac{1}{4}$ NW $\frac{1}{4}$, SECTION 8, T5S, R3W, W.M.; 4020 FEET SOUTH AND 1350 FEET EAST FROM SE CORNER, DLC 42

GORDON FARM IRRIGATION RESERVOIR: SW $\frac{1}{4}$ NW $\frac{1}{4}$, SECTION 5, T5S, R3W, W.M.; 780 FEET SOUTH FROM SE CORNER, DLC 42

The amount of water used for nursery use under this right, together with the amount secured under any other right existing for the same lands, is limited to 0.15 cubic foot per second per acre and 5.0 acre feet per acre per year. For irrigation of containerized nursery plants, the amount of water diverted under this right, together with the amount secured under any other right existing for the same lands, is limited to one-fortieth of one cubic foot per second and 5.0 acre feet per acre per

year. For irrigation of in-ground nursery plants, the amount of water diverted under this right, together with the amount secured under any other right existing for the same lands, is limited to one-eightieth of one cubic foot per second and 2.5 acre feet per acre per year. The use of water for nursery use may be made at any time, during the period of allowed use specified above, that the use is beneficial. For irrigation of any other crop, the amount of water diverted under this right, together with the amount secured under any other right existing for the same lands, is limited to one-eightieth of one cubic foot per second and 2.5 acre feet per acre during the irrigation season of each year.

THE PLACE OF USE IS LOCATED AS FOLLOWS:

SW $\frac{1}{4}$ NW $\frac{1}{4}$ 3.0 ACRES
 NW $\frac{1}{4}$ SW $\frac{1}{4}$ 27.4 ACRES
 SW $\frac{1}{4}$ SW $\frac{1}{4}$ 10.2 ACRES
 SECTION 4

SW $\frac{1}{4}$ NE $\frac{1}{4}$ 11.5 ACRES
 SE $\frac{1}{4}$ NE $\frac{1}{4}$ 7.1 ACRES
 SW $\frac{1}{4}$ NW $\frac{1}{4}$ 1.3 ACRES
 SE $\frac{1}{4}$ NW $\frac{1}{4}$ 29.8 ACRES
 NE $\frac{1}{4}$ SW $\frac{1}{4}$ 37.7 ACRES
 NW $\frac{1}{4}$ SW $\frac{1}{4}$ 3.5 ACRES
 SW $\frac{1}{4}$ SW $\frac{1}{4}$ 0.5 ACRE
 SE $\frac{1}{4}$ SW $\frac{1}{4}$ 6.6 ACRES
 NE $\frac{1}{4}$ SE $\frac{1}{4}$ 40.0 ACRES
 NW $\frac{1}{4}$ SE $\frac{1}{4}$ 37.7 ACRES
 SW $\frac{1}{4}$ SE $\frac{1}{4}$ 32.7 ACRES
 SE $\frac{1}{4}$ SE $\frac{1}{4}$ 12.4 ACRES
 SECTION 5

NW $\frac{1}{4}$ NE $\frac{1}{4}$ 0.2 ACRE
 NE $\frac{1}{4}$ NW $\frac{1}{4}$ 0.2 ACRE
 SECTION 8

TOWNSHIP 5 SOUTH, RANGE 3 WEST, W.M.

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 diverted each month, and shall submit a report which includes the recorded report 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.

The permittee shall install, maintain, and operate fish screening and by-pass devices consistent with current Oregon Department of Fish and Wildlife (ODFW) standards. Fish screening is to prevent fish from entering the proposed diversion while by-pass devices provide adequate upstream and downstream passage for fish. The required screen and by-pass devices are to be in place and functional, and approved in writing by ODFW prior to diversion of any water. The permittee may submit evidence in writing that ODFW has determined screens and/or by-pass devices are not necessary.

STANDARD CONDITIONS

Failure to comply with any of the provisions of this permit may result in action including, but not limited to, restrictions on the use, civil penalties, or cancellation of the permit.

Where two or more water users agree among themselves as to the manner of rotation in the use of water and such agreement is placed in writing and filed by such water users with the watermaster, and such rotation system does not infringe upon such prior rights of any water user not a party to such rotation plan, the watermaster shall distribute the water according to such agreement.

If the riparian area is disturbed in the process of developing a point of diversion, the permittee shall be responsible for restoration and enhancement of such riparian area in accordance with ODFW's Fish and Wildlife Habitat Mitigation Policy OAR 635-415. For purposes of mitigation, the ODFW Fish and Wildlife Habitat Mitigation Goals and Standards, OAR 635-415, shall be followed.

The use may be restricted if the quality of the source stream or downstream waters decreases to the point that those waters no longer meet state or federal water quality standards due to reduced flows.

This permit is for the beneficial use of water without waste. The water user is advised that new regulations may require the use of best practical technologies or conservation practices to achieve this end.

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.

The use of water allowed herein may be made only at times when sufficient water is available to satisfy all prior rights, including prior rights for maintaining instream flows.

Completion of construction and application of the water shall be made within five years of the date of permit issuance. If beneficial use of permitted water has not been made before this date, the permittee may submit an application for extension of time, which may be approved based upon the merit of the application.

Within one year after making beneficial use of water, the permittee shall submit a claim of beneficial use, which includes a map and report, prepared by a Certified Water Rights Examiner.

Issued

DRAFT - THIS IS **NOT** A PERMIT

E. Timothy Wallin, Water Rights Program Manager
for Phillip C. Ward, Director
Water Resources Department

Mailing List for PFO Copies

Application #S-87564

PFO Date October 18, 2011

Original mailed to applicant:

CARLTON NURSERY COMPANY, LLC.
ALLAN ELLIOTT
PO BOX 398
DAYTON, OR 97114

Copies sent to:

1. WRD - File # S-87564
2. Water Availability: Ken Stahr

PFO and Map Sheet Copies sent to:

3. WRD - Watermaster # 16

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

4. Pacific Hydro- Geology Inc., Malia Kupillas, CWRE # 60772, 18477 S Valley Vista Rd, Mulino, OR 97042
5. Leland Hardy, H & R Engineering, 690 Loring Dr NW, Salem, OR 97304

"\$20 LETTER" sent to Interested Persons who have not protested or paid for copies

Copies Mailed By: _____ (SUPPORT STAFF) on: _____ (DATE)
--

Protest/ Standing Dates checked _____
--

CASEWORKER : Michele McAleer