



United States Department of the Interior



BUREAU OF RECLAMATION
Pacific Northwest Region
1150 North Curtis Road, Suite 100
Boise, Idaho 83706-1234

IN REPLY REFER TO:
PN-3324
WTR-4.00

JUN 16 2010

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JUN 21 2010

WATER RESOURCES DEPT
SALEM, OREGON

CERTIFIED – RETURN RECEIPT REQUESTED

Sun Ray Farms
c/o Kenneth Krebs
3642 Wintel Road South
Jefferson, OR 97352

Subject: Termination of Willamette Basin Project Water Service Contract No. 7-07-10-W0026

Dear Mr. Krebs:

This letter serves as official notification that we are hereby terminating Contract No. 7-07-10-W0026, dated April 25, 1977, which provides for an irrigation water supply from the Willamette River Basin Project (Project).

On three separate occasions, we informed you of actions the Bureau of Reclamation was taking to implement changes to the water marketing program for the Project as a result of the Biological Opinion issued by the National Marine Fisheries Service (NMFS) in July 2008. Of particular note is a requirement that all existing contract diversions must have fish protection devices that comply with NMFS design criteria by an established date in order for the contractor to maintain eligibility to receive irrigation water from the Project. To effect this requirement, you were informed of a fish screen assessment process, which identified associated fees and participation deadlines, developed to assist contractors in obtaining the needed review and approval of their contract diversions. Additionally, you were advised that failure to meet the payment and participation deadlines would result in contract termination.

Unfortunately, a review of our records indicates that you have not met the participation criteria established in the process identified above. Consequently, your contract is being terminated.

For information regarding further assessments or refunds for 2010 water service payments, if applicable, to be made by the United States under this contract, contact Ms. Corinne Whitmore at 208-378-5055.

If you have any questions regarding this action, please contact Mr. Bill Parks, Economist, at the above address or by telephone at 208-378-5344.

Sincerely,

Karl E. Wirkus
Regional Director

cc: See next page