



Oregon

John A. Kitzhaber, MD, 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

KLAMATH COUNTY SCHOOL DISTRICT
10501 WASHBURN WAY
KLAMATH FALLS, OR 97603

March 2, 2012

BONANZA SCHOOL
31610 MISSION ST
BONANZA, OR 97623

Reference: File G-17496

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 an 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 appropriation of 400 gallons per minute of water, which is 0.89 cubic foot per second (CFS), from Well 1 (KLAM 13391), Proposed Well 2, and Proposed Well 3 in Lost River Basin for year-round geo-thermal (heating & cooling).
2. The proposed use is not prohibited by law or rule except where otherwise noted below.
3. Under ORS 536.340(1)(a), the Water Resources Commission may establish a basin program to classify sources of water supply as to the highest and best use and quantities of use, and that classification of sources of water supply has the effect of restricting the use and quantities of use thereof to the uses and quantities of uses specified in the classification. The Commission has not established a basin program for the Klamath River basin. Therefore, neither the proposed use nor the quantity of water is restricted as a result of this consideration.
4. Ground water will likely be available within the capacity of the resource, and if properly conditioned, the proposed use of ground water will avoid injury to existing ground water rights.

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. The Department has determined that Well 1 (KLAM 13391) does not meet current minimum well construction standards. Prior to the issuance of a permit, evidence demonstrating compliance with well construction standards must be submitted and approved by the Department. In repairing the well(s), you should work closely with the Department and/or a licensed well constructor to ensure that repairs are carried out in a manner that will not violate well construction or other rules. You are encouraged to contact Kris Byrd of the Department's Well Construction and Compliance Section at 503-986-0851 to determine how to proceed.
6. Please refer to the **Additional Information Required** section below for specific information regarding deficiencies with the application.
7. The Department interpreted the application maps to include an area in Section 9, Township 39 South, Range 11 East, W.M., as part of the place of use. If this is incorrect, please notify us in writing by Thursday, April 5, 2012, and disregard the second item in the **Additional Information Required** section below.
8. You are encouraged to contact Klamath County as you may need to obtain authorization to cross county roads.

Summary of Initial Determinations

The appropriation of 0.89 CFS from Well 1 (KLAM 13391), Proposed Well 2, and Proposed Well 3 in Lost River Basin for year-round geo-thermal (heating & cooling) is allowable, contingent upon the submittal of evidence demonstrating compliance with current minimum well construction standards for Well 1 (KLAM 13391).

Additional Information Required:

Additional information is required to process your application prior to issuance of any Proposed Final Order that may recommend permit approval. Please provide the following items:

- Documentation that demonstrates the proposed use complies with the local acknowledged comprehensive land-use plan, or that you are actively pursuing approval from the Klamath County Planning Department. The Land Use Information Form (LUIF) submitted with the application was signed so the Department could accept the application as complete. However, the LUIF does not indicate anything regarding the approval or lack thereof.

If the proposed use complies with the local acknowledged comprehensive land-use plan, the Department can proceed processing the application.

If discretionary land use approvals are needed and you can provide documentation demonstrating you're pursuing approval, the Department can proceed processing the application. However, before a permit will be issued the Department must receive documentation from the relevant planning jurisdiction that either 1) the proposed use is allowed outright or 2) that an approved land-use decision has been obtained, and that either no administrative appeals were received, or all such appeals have concluded.

If discretionary land use approvals are needed and you are not pursuing approval, you may want to consider requesting an administrative hold.

- The LUIF does not include the highlighted area on the application map in Section 9, Township 39 South, Range 11 East, W.M. Please provide a completed (signed and dated) LUIF demonstrating the proposed use complies with the local acknowledged comprehensive land-use plan, or that you are actively pursuing approval from the Klamath County Planning Department that includes this area.
- An additional \$500, based on the following:

Category	Fee
Base	\$1000
up to 1 CFS	\$250
2 add'l wells @ \$250 each	\$500
Recording fee	\$400
TOTAL FEES:	\$2150
Paid	\$1650

Please submit this information no later than Thursday, April 5, 2012. 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.

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.

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, March 16, 2012**. 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 at each production and injection well. The flow meters shall be located within 50 feet of the wellhead, and adjacent to each flow meter shall be a clearly visible monument with a sign noting the flow meter. The permittee shall maintain the meters 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; provided however, where any meter 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. 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.
3. If the number, location, source, or construction of any well deviates from that proposed in the permit application or required by permit conditions, this permit may be subject to cancellation, unless the Department authorizes the change in writing.
4. Prior to use of water under this permit, the permit holder must register the injection activity with the Oregon Department of Environmental Quality's Underground Injection Control Program, which can be contacted at 2020 SW 4th Ave, Ste 400, Portland OR 97201, or 503-229-6371.
5. The Department requires the water user to obtain, from a qualified individual (see below), and report annual static water levels for each well on the permit. The static water level shall be measured in the month of March. Reports shall be submitted to the Department within 30 days of measurement.

The permittee shall report an initial March static water-level measurement once well construction is complete and annual measurements thereafter. Annual measurements are required whether or not the well is used. The first annual measurement will establish a reference level against which future measurements will be compared. However, the Director may establish the reference level based on an analysis of other water-level data. The Director may require the user to obtain and report additional water levels each year if more data are needed to evaluate the aquifer system.

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. Measurements shall be submitted on forms provided by, or specified by, the Department. Measurements shall be made with equipment that is accurate to at least the standards specified in OAR 690-217-0045. The Department requires the individual performing the measurement to:

- A. Associate each measurement with an owner's well name or number and a Department well log ID; and
- B. Report water levels to at least the nearest tenth of a foot as depth-to-water below ground surface; and
- C. Specify the method of 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 a water-level decline of 3 or more feet;
- B. OWRD groundwater section staff approved static ground water level measurements at OWRD monitoring well KLAM 50318 at Bonanza Big Springs Park is below 4,106.72 ft elevation msl (note: 4,106.72 ft elevation msl is 6.0 feet below land surface at well KLAM 50318).

The period of restricted use shall continue until the water level rises above the decline level which triggered the action, or the Department determines, based on the permittee's and/or the Department's data and analysis, that no action is necessary because the use is not contributing to the decline or contributing to the groundwater level being below 4,106.72 ft elevation msl, or because the aquifer in question can sustain the observed declines without adversely impacting the resource or causing substantial interference with senior water rights. The water user shall not 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. **Dedicated Measuring Tube:** Wells with pumps shall be equipped with an unobstructed, dedicated measuring tube pursuant to figure 200-5 in OAR 690-200. For existing wells with a pump installed, installation of the measuring tube shall occur when the pump is removed or replaced and/or when the well is deepened or reconstructed or altered.
- 7. All wells shall be constructed to extract or inject groundwater from and to the same or adjoining water-bearing zone within the basalt unit below the basin sediments. To meet this criterion, each well shall have at minimum continuous casing and continuous seal from land surface, through the sediment to the productive portion of the basalt unit.

Additionally, there shall be no more than 100 feet difference when comparing the well bottom elevation for any two of the permitted wells.

8. This permit is valid if and only if 100 percent of the groundwater extracted from the production well(s) is injected in the authorized injection well(s) which can be confirmed by flow meter data. Otherwise, the use is invalid and subject to regulation, including possible immediate cancellation of the permit.
9. All water produced under this permit shall be injected into the authorized well(s). Prior to receiving a certificate of water right, the permit holder shall submit documentation affirming that any applicable additional requirements of the Department's Division 230 rules have been met.
10. 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.

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 503-986-0859 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: Jeana Eastman, Oregon Water Resources Department, 725 Summer St NE Ste A, Salem OR 97301-1266. Our fax number is 503-986-0901.

Sincerely,



Jeana Eastman
Water Right Application Caseworker

enclosures: Application Process Description and Stop Processing Request Form

G-17496
WAB 14-no psi
POU 14-
GW

APPLICATION FACT SHEET

Application File Number: G-17496

Applicant: KLAMATH COUNTY SCHOOL DISTRICT; AND BONANZA SCHOOL

County: Klamath

Watermaster: 17

Priority Date: October 19, 2011

Source: WELL 1 (KLAM 13391), PROPOSED WELL 2, AND PROPOSED WELL 3 IN LOST RIVER BASIN

Use: GEO-THERMAL (HEATING & COOLING)

Quantity: 0.89 CUBIC FOOT PER SECOND

Basin Name & Number: Klamath, #14

Stream Index Reference: Volume 2 LOST R

Point of Diversion or Well Location(s):

WELL 1 (KLAM 13391): NWSW, SECTION 10, T39S, R11E, W.M.;1990 FEET NORTH AND 640 FEET EAST FROM SW CORNER, SECTION 10

PROPOSED WELL 2: NESE, SECTION 9, T39S, R11E, W.M.;10 FEET SOUTH AND 25 FEET WEST FROM E1/4 CORNER, SECTION 9

PROPOSED WELL 3: NWSW, SECTION 10, T39S, R11E, W.M.;500 FEET SOUTH AND 620 FEET EAST FROM W1/4 CORNER, SECTION 10

Place of Use:

NE ¼ SE ¼
SECTION 9

NW ¼ SW ¼
SECTION 10

TOWNSHIP 39 SOUTH, RANGE 11 EAST, W.M.

14 DAY STOP PROCESSING DEADLINE DATE: Friday, March 16, 2012

PUBLIC NOTICE DATE: Tuesday, March 6, 2012

30 DAY COMMENT DEADLINE DATE: Thursday, April 5, 2012

Mailing List for IR Copies

Application #G-17496

IR Date: March 2, 2012

Original mailed to applicants:

KLAMATH COUNTY SCHOOL DISTRICT
10501 WASHBURN WAY
KLAMATH FALLS, OR 97603

BONANZA SCHOOL
31610 MISSION ST
BONANZA, OR 97623

Copies sent to:

1. WRD - File # G-17496
2. WRD - Water Availability: Ken Stahr

IR, Map, and Fact Sheet Copies sent to:

3. WRD - Watermaster # 17
4. ODFW - Bill Tinniswood
5. DEQ - Eric Nigg

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

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

1. Hanson, Andrew

Adkins Consulting Engineers, Inc, 2950 Shasta Way, Klamath Falls OR 97603

2. DEQ, Water Quality Division, David Cole, 2020 SW 4th Ave, Suite 400 Portland OR 97201

Caseworker: Jeana Eastman

COPYSHT.IR

REMINDER: Copy all IR's for uses in the Klamath Basin to DEQ and ODFW contacts, regardless of whether they are subject to Division 33. (If they are not subject to Division 33, do not include Division 33 forms.)