



March 24, 2017

BRENT SMITH
TRECO INVESTMENTS LLC
PO BOX 98
WOODBURN, OR 97071

Reference: File G-18327

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 the water-use permit application and to describe the 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 supplied, the Water Resources Department has made the following preliminary determinations:

Initial Review Determinations:

1. The application proposed the appropriation of 0.73 cubic foot per second (CFS) of water from Well 1 (MARI 2068) and Well 2 (MARI 2105) in Pudding River Basin; and Well 3 (MARI 65739/L116763) in Farmer Creek Basin for irrigation of 58.6 acres March 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 appropriation of water from Well 1 (MARI 2068), and Well 2 (MARI 2105) in Pudding River Basin; and Well 3 (MARI 65739/L116763) in Farmer Creek Basin for irrigation is allowable under the Willamette Basin Program (OAR 690-502).
4. Groundwater will likely be available within the capacity of the resource, and if properly conditioned, the proposed use of groundwater will avoid injury to existing groundwater rights.
5. The Department has determined, based upon OAR 690-009, that the proposed groundwater use will have the potential for substantial interference with Pudding River and Farmers Creek/Sam Brown Creek. Therefore, in accordance with OAR 690-400-0010(11)(a)(B), surface water availability must also be considered.

Surface water is not available during the period November 1 through May 31 of each year.

6. There is an unnamed stream affected by the points of diversion for Well 1 (MARI 2068) and Well 2 (MARI 2105) in Pudding River Basin that is withdrawn from further appropriation

except storage and appropriation of stored water, by order of the State Engineer dated July 25, 1951 (OAR 690-502-0120(1)©).

7. The proposed diversion falls within a high priority area for streamflow restoration under the Oregon Plan for Salmon & Watersheds.
8. The application is subject to Section 4(d) of the Endangered Species Act and as such subject to review under OAR 690-033.
9. The Department has determined that Well 2 (MARI 2105) does not meet current minimum well construction standards because of the following:
 - The annular seal material used for Well 2 (MARI 2105), puddled clay, is not an approved grout. In order to meet minimum well construction standards the well must be resealed with an approved grout to a minimum depth of 18 feet below ground surface.

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 Joel Jeffrey of the Department's Well Construction and Compliance Section at 503-986-0852 to determine how to proceed.

Please note that repair of the well(s) will not necessarily overcome the potential for substantial interference with surface water and may not result in the issuance of a permit.

Please also note that regardless of the outcome of this application, you will need to work with the Department to either repair or abandon the well(s) to comply with the minimum standards for the construction, conversion, alteration, maintenance, and abandonment of water supply wells in order to protect the state's ground water supply (OAR 690-200).

10. It appears that Well 1 (MARI 2068), Well 2 (MARI 2105), and Well 3 (MARI 65739/L116763) are already fully appropriated under Certificate 40026 and inchoate right T11837 CF. Any further appropriation of these wells constitutes "stacking" whereby the total rate of all appropriation must be evaluated. Under the total existing rates plus the rate proposed in this application, all wells have the potential for substantial interference with surface water.
11. The application proposes 2.3 acres of supplemental irrigation in NE SE Section 30; however, only 1.4 acres of this area are certificated for primary irrigation as evidenced by Certificate 40026. If a permit is issued, this discrepancy will require resolution.
12. The Department understands that the applicant has an existing certificated surface water right on the property that may be offered as off-set for mitigation purposes.

Summary of Initial Determinations

The appropriation of 0.73 CFS of water from Well 1 (MARI 2068) and Well 2 (MARI 2105) in Pudding Creek Basin for supplemental irrigation of 57.7 acres is not allowable. Because there is the potential for substantial interference with an withdrawn source (an unnamed stream), mitigation is not allowable. Please note that Well 2 (MARI 2105) will still need to be brought into compliance with applicable well construction standards.

The appropriation of 0.73 CFS of water from Well 3 (MARI 65739/L116763) in Farmer Creek Basin for supplemental irrigation of 57.7 acres is not allowable and it appears unlikely that you will be issued a permit without a suitable mitigation proposal prior to Proposed Final Order issuance. The Department has determined that an appropriate mitigation obligation to offset the appropriation of 0.73 CFS from Well 3 (MARI 65739/L116763) in Farmer Creek Basin is 0.73 CFS from an appropriate source.

At this time, you must decide whether to proceed or to withdraw the application as described below.

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.

Withdrawal Refunds:

If you choose not to proceed, you may withdraw the application and receive a refund (minus a \$225 processing charge per application). To accomplish this you must notify the Department in writing by **Friday, April 7, 2017**. For your convenience you may use the enclosed "STOP PROCESSING" form.

To Proceed With The Application:

If you choose to proceed with the application, you do not have to notify the Department. The 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.

If A Permit Is Issued It Will Likely Include The Following Conditions:

1. Measurement Devices, and Recording/Reporting of Annual Water Use Conditions:
 - A. Before water use may begin under this permit, the permittee shall install a totalizing flow meter at each point of appropriation. The permittee shall maintain the device in good working order.
 - B. The permittee shall allow the watermaster access to the device; provided however, where any device is located within a private structure, the watermaster shall request access upon reasonable notice.
 - C. The permittee shall keep a complete record of the volume of water diverted each month, and shall submit a report which includes 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.
 - D. The Director may provide an opportunity for the permittee to submit alternative measuring and reporting procedures for review and approval.
2. Static Water Level Conditions

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 Department may require the discontinuance of groundwater use, 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 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 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.

- 3. Groundwater production shall be only from the alluvial groundwater reservoir.
- 4. Well Identification Tag Condition

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.

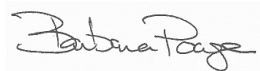
This initial review does not attempt to address various public interest issues such as sensitive, threatened, or endangered fish species. These issues will be addressed as the Department reviews comments from the public and other agencies, and prepares a Proposed Final Order. You should be aware that, if significant public interest issues are found to exist, such a finding could have an impact on the eventual outcome of the application.

The water source identified in the 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/programs/NaturalResources/Pages/AgWaterQuality.aspx> to learn more about the plans and how they may affect the proposed water use.

If you have any questions:

Feel free to contact me at Barbara.J.Poage@Oregon.gov or 503-986-0859 if you have any questions regarding the contents of this letter or the application. Please have the 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: Barbara Poage, Oregon Water Resources Department, 725 Summer St NE Ste A, Salem OR 97301-1266. Our fax number is 503-986-0901.

Sincerely,



Barbara Poage
Water Right Application Caseworker

enclosures: Application Process Description and Stop Processing Request Form

G-18327
WAB 2-151
POU 2-151
GW

APPLICATION FACT SHEET

Application File Number: G-18327

Applicant: BRENT SMITH/TRECO INVESTMENTS LLC

County: MARION

Watermaster: 16

Priority Date: JUNE 30, 2016

Source: WELL 1 (MARI 2068), AND WELL 2 (MARI 2105) IN PUDDING RIVER BASIN;
AND WELL 3 (MARI 65739/L116763) IN FARMER CREEK BASIN

Use: IRRIGATION OF 58.6 ACRES

Quantity: 0.73 CUBIC FOOT PER SECOND

Basin Name & Number: Willamette, #2

Stream Index Reference: Volume 13 PUDDING R

Point of Diversion or Well Location(s):

WELL 1: SESW SECTION 29, T5S, R1W, W.M.; 1200 FEET NORTH AND 3750 FEET WEST FROM SE CORNER, SECTION 29

WELL 2: SENE SECTION 30, T5S, R1W, W.M.; 940 FEET SOUTH AND 460 FEET EAST FROM SE CORNER, LOT 1, SWNE, SECTION 30

WELL 3: SENW SECTION 32, T5S, R1W, W.M.; 1920 FEET SOUTH AND 1795 FEET EAST FROM NW CORNER, SECTION 32

Place of Use:

SW $\frac{1}{4}$ NW $\frac{1}{4}$ 6.2 ACRES

SE $\frac{1}{4}$ NW $\frac{1}{4}$ 0.2 ACRE

NE $\frac{1}{4}$ SW $\frac{1}{4}$ 8.9 ACRES

NW $\frac{1}{4}$ SW $\frac{1}{4}$ 37.7 ACRES

SW $\frac{1}{4}$ SW $\frac{1}{4}$ 2.8 ACRES

SE $\frac{1}{4}$ SW $\frac{1}{4}$ 0.5 ACRE

SECTION 29

NE $\frac{1}{4}$ SE $\frac{1}{4}$ 2.3 ACRES

SECTION 30

TOWNSHIP 5 SOUTH, RANGE 1 WEST, W.M.

14 DAY STOP PROCESSING DEADLINE DATE: Friday, April 7, 2017

PUBLIC NOTICE DATE: Tuesday, March 28, 2017

30 DAY COMMENT DEADLINE DATE: Thursday, April 27, 2017

APPLICATION PROCESS DESCRIPTION FOR GROUNDWATER, SURFACE WATER AND REGULAR RESERVOIR APPLICATIONS

In order to take and use the waters of Oregon, a citizen must first obtain a permit from the Water Resources Department. The water must be used for beneficial purpose - without waste. To become well-informed about water right topics, weekly public notice, forms and fees please visit our web site at www.wrd.state.or.us

1. Pre-application considerations

- follow instructions in the application packet
- if you have questions about completing an application or would like to arrange a pre-application conference contact the Department's Water Rights Information Group (WRIG) at 503-986-0801

2. Application filing

- application with fee is received by the Department
- Department determines completeness of application
- if use is not allowed by statute (ORS 538), the application and fees are returned to the applicant
- incomplete application and fees are returned to the applicant
- only a complete application receives a tentative priority date, is assigned a caseworker, and moves forward for processing

3. Initial Review (IR)

- caseworker reviews application by considering basin plans, water availability, statutory restrictions and all other appropriate factors
- caseworker sends IR report to applicant
- contact the caseworker if you have questions about the IR
- seven days after date of the IR, it is included in Department's weekly Public Notice
- public comments must be submitted within 30 days after the Public Notice
- **administrative hold** may be requested in writing by applicant

4. Proposed Final Order (PFO)

- caseworker evaluates application against required criteria and develops draft permit, if appropriate
- PFO includes instructions for filing of protests

- caseworker considers public comments and mails PFO to applicant
- the PFO is included in Department's weekly Public Notice
- public protests to the PFO must be submitted within 45 days after the Public Notice

Stop Processing deadline is within 14 days of Initial Review - use the form below

- applicant may request no further action and fee refund of all but \$225

STOP PROCESSING REQUEST FOR

GROUNDWATER, SURFACE WATER AND REGULAR RESERVOIR APPLICATIONS

Applicant notification to withdraw Water Right Application # _____

After reviewing the Initial Review for my application, I request that processing be stopped and the fees be refunded (minus a \$225 examination fee.) I understand that without a valid permit I may not legally use the water as requested in my application

Signature _____ date _____

Signature _____ date _____

Under ORS 537.150 (5) and 537.620 (5) timely submission of this request authorizes that the water right application process be stopped and all filing fees (except \$225 examination fee) be returned.

This notice must be received at Water Resources Department by _____

Return the notice to: OWRD, Water Rights Division

STOP PROCESSING

725 Summer Street, NE - Suite A

Salem OR 97301-1271

5. *Final Order (FO)*

- if no protest is filed, Final Order is issued

The protest process

If one or more protests are filed, permit process consists of:

- settlement discussion
- contested case hearing
- proposed order
- period of time to file exceptions
- possible hearing by Water Resources Commission
- final order issued

Permit holder responsibilities

- comply with all water use conditions of the permit
- advise Department of address change or assignment to new permit holder
- if need arises, request extension of time or authorize cancellation of permit
- submit timely claim of beneficial use (COBU) to Department
- most permits require COBU to be prepared by a Certified Water Right Examiner
- permits may be canceled by the permit holder or by the Department for failure to comply with or one or more permit conditions