

Dear Lisa Howard,  
Oregon Department of Land Conservation and Development  
Salem, Oregon

I am submitting testimony in support of designating the Metolius River Basin an Area of Critical State Concern, and in support of prohibiting the siting of Destination Resorts in the Metolius River watershed.

The Metolius is an Oregon treasure. It is a federally designated wild & scenic river and an Oregon scenic waterway. Large scale development in the Metolius basin, including its larger watershed, will have devastating environmental impacts, including destruction of habitat necessary for wildlife and rare and endangered plants, fisheries destruction (including the federal 'threatened' bull trout), ground water and stream flow depletion caused by groundwater pumping, significant risk to water quality and water temperature, and unjustifiable burdens on local infrastructure.

Walking along the Metolius River and seeing that spectacular turquoise-blue trout-filled water, with a backdrop of sunrise-gold ancient Ponderosa Pines, is an experience too precious to sacrifice. Developments not allowed under current law on forest lands and in unincorporated communities should not be allowed under the ACSC.

Sincerely,  
Karen Lillebo  
Bend, Oregon

# Oral Testimony before DLCD Committee on Metolius River Basin ACSC

## Submitted by:

Rick Thomas  
26345 Metolius Meadows Drive  
Camp Sherman, OR 97730

(541) 595-1417      [rthomas26345@msn.com](mailto:rthomas26345@msn.com)

### 1) Should resorts and other large-scale development be allowed in the Metolius basin?

Absolutely not - not in the areas DLCD has mapped as Zones 1, 2, or 3.

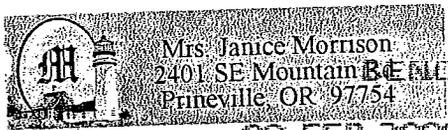
If ever there was a time to err on the side of caution the decision to site destination resorts in the Metolius Basin is it. There is no conclusive evidence regarding the extent of the impact on river flow created by placing a development that will draw three or more times the amount of ground water as the city of Sisters. That there will be an impact is clear, though. It is instructive to note that the wells that Ponderosa Property is currently operating on Green Ridge draw water from a depth of approximately 750 feet. Follow the contours on a map down and you quickly discover that that is the level of the springs at the nearby Head of the Metolius. It would be naïve to assume that the impact of ten or more such wells would not be significant. Be conservative!

### 3) Should an ACSC provide relief to property owners if they are unable to proceed with resort development as a result of the ACSC?

This question gets to the issue of fairness. I would, however, cast the question somewhat differently, and look at the issue in a broader context. Is it fair to the community at large to have to compensate any property owner for expenses incurred in the process of seeking zoning changes that would allow the property's development? The answer is clearly, "No." Both Dutch Pacific and the Ponderosa Land & Cattle Company made it very clear that they wanted to develop the land they bought in the basin as destination resorts. In fact, it was reported in the *Sisters Nugget* at the time of the Ponderosa purchase in 2003 that the owners wanted to create "the most fabulous resort the West has ever known." It is also true that they bought land that was zoned for and, as your Draft Management Plan acknowledges, is still zoned for timber management and forest-related uses. There has been no change for the worse in their conditions of ownership because of zoning changes. Their property today has value commensurate to what it had when it was purchased and they have all rights pertaining to its use that applied when it was purchased. This is not a case of the proverbial grandmother being denied the opportunity to divide her land amongst her children because of zoning changes put in place long after the property came into her hands. This is a case of two large businesses speculating on the possibility of being able to develop their property in a manner that is not consistent with zoning laws in place when they invested. More to the point this is a case of two large businesses speculating on the possibility of being able to develop their property in a manner that is not consistent with the environmental interest of the Metolius Basin nor in the recreational interests of the people of Oregon now and into the future. Is a land swap appropriate allowing development in a less sensitive area? Possibly so, but do not ask me or other Oregonians to bear the financial burden to cover the speculative losses of Dutch Pacific and Ponderosa Land & Cattle Company.

To whom it may concern:  
Mrs Davis wrote one  
of the most intelligent  
letters to the Bend Bulletin  
that I have seen and  
I'm indrawing it as  
to the concerns of the  
Metaline basin.

Have any of you  
people ever spent time  
fishing or hiking that  
river of I'm 83, a native  
of Oregon, and love this  
state with all my heart.  
That is being down to it  
is breaking my heart.  
Please do not destroy  
what nature has left.  
Sincerely,  
Mrs Jan Morrison



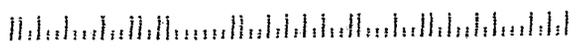
Mrs. Janice Morrison  
2401 SE Mountain Bend, OR 977  
Prineville, OR 97754

09 FEB 2009 PM 1 T



J.C.D.C.  
635 Capitol St. N.E.  
Salem,  
Oregon  
97301-2540

Suite 150



# In My View

## The Metolius River Basin is one of the last special places in Oregon

By Linda L. Davis

Bulletin guest columnist

**H**umans have compunction to exploit, alter — and even destroy — the Earth and the very resources that provide sustenance. Throughout history, power, greed and survival have driven the pattern of settlement, exploitation and development.

The difference between ages past and today is that we now better understand the impacts we have on the Earth, and the resources are rapidly diminishing. We are driven less by survival than by power and greed. In spite of our understanding, the forces of exploitation at any cost seem insurmountable because vested interest is seen as more legitimate than environmental conscience. While we have had historic moments when our wisdom prevailed, it is an ongoing battle to keep wisdom alive and do what is right.

So it is with Oregon. A moment of wisdom, coupled with strength and courage, drove Gov. Tom McCall and the Legislature to adopt land use laws in 1973. The issues ranged from saving Oregon's farmland and forests and preserving the amenities of the Oregon Coast to preserving our environment and ensuring urban development occurred in urban growth boundaries, where it would be more cost-effective and efficient to provide services.

During the recession of the 1980s, land use laws became a scapegoat for the state's economic woes. To compensate rural counties suffering from timber job and revenue losses, the destination resort law was passed to stimulate a tourist-oriented economy and permit development outside UGBs.

The strategy was effective but ill-conceived and shortsighted for its overall

impacts on our land use principles. In the past 25 years, we have seen 10 new destination resorts approved in Central Oregon, and now two are proposed in Jefferson County in the Metolius basin.

The resorts are not just tourist attractions — they are suburban sprawl developments of high-income housing distant from urban centers. This concept is totally out of sync with UGBs.

This loophole has been exploited by destination resort developers. Building outside UGBs costs less than inside — the land is cheaper, and development fees are either absent or far less than within UGBs. Also absent are many of the urban development standards required in UGBs.

Developers of destination resorts are looking for the last great places to build these elitist communities using impressive, politically correct adjectives to sway us — like "eco-friendly" and "sustainable." One of those last great places is the Metolius basin. They have found a willing partner in Jefferson County, which is enticed by the prospect of additional property taxes the new development will generate, while having to pay very little of the costs. The sites proposed are more geophysically a part of Deschutes County by virtue of transportation routes and access to urban centers. U.S. Highway 20 and the cities of Sisters and Bend are more apt to feel the effects of several thousand more people than will Madras. As anyone who has traveled over Sanham Pass on a busy weekend in the summertime knows, the two-lane highway is already inadequate to handle major traffic volumes. The recent controversy over passing lanes between Sisters and Black Butte will pale compared with the inevitable debate to widen the highway to four or more lanes from Bend west-

ward if these resorts are approved.

The big losses will be to the very resources that attracted development — the Metolius and Whychus stream systems. The Metolius contains world-class fish resources, almost pristine. However, the endangered bull trout are at extremely high risk from increased development — inevitable degraded water quality, lower flows from diversion of groundwater for residential, golf course and other uses, pollution from septic tanks, soil erosion, herbicides and pesticides, and the increased presence of humans and their vehicles trampling over the landscape. And then there is the real increased risk of wildfire. Try as they might to entice us, development is development.

Portland General Electric, the ratepayers, and many public agencies are investing millions of dollars into restoring steelhead and Chinook salmon in the Deschutes River system to ameliorate the negative impacts of dams and diversions. The approval of more destination resorts would seriously compromise these efforts. The risk is not worth the inevitable costs.

Keeping the wisdom alive — those promises for future generations — takes far more diligence and commitment than it takes to erode them. In no time, a decision can be made that will forever alter the future of the Metolius and other precious areas. We do not need destination resorts in Central Oregon for our economic survival, and we especially don't need any in the Metolius basin. We must stay the course, and we must avoid caving in to greed and power that threatens to destroy our last remaining special places.

Linda L. Davis lives in Sisters.

**Lisa Howard - P.S. re Metolius testimony**

**From:** Brian Hines <brianhines1@gmail.com>  
**To:** HOWARD Lisa <Lisa.Howard@state.or.us>  
**Date:** 02/10/2009 11:34 AM  
**Subject:** P.S. re Metolius testimony

---

Lisa, here's a slightly revised version of the message I just sent you. Noted some typos after sending the email, so please substitute this for my first message.

-----  
 I'm not sure why the DLCDC web site says that testimony on the designation of the Metolius Basin as an Area of Critical State Concern had to be in last Friday, when the last hearing on this issue isn't until March 11. Why should someone be able to testify in person a month from now, but I can't submit a comment today?

So I'm assuming that this email message can be entered into the record. If not, let me know why; I live a long ways from Madras and Sisters, and won't be able to attend the hearings. I note that the web page says that February 6 was the deadline for comments on the Feb. 11-12 public hearings, not the subsequent hearings. But this still doesn't make sense, since people can testify in person later than people can testify via email. There doesn't seem to be a reason for this.

At any rate, I want to express my strong support for designating the Metolius Basin as an Area of Critical State Concern. My wife and I are part owners of a forest service cabin on the Metolius (Tract C). We are deeply familiar with the area, and with Camp Sherman. I've followed the debate over the destination resorts since 2007, and have written several blog posts on the subject, most recently a few days ago:

<http://hinessight.blogs.com/hinessight/2009/02/keep-resorts-out-of-the-metolius-river-basin.html>

Proponents of the resorts like to say that Jefferson County is in favor of them. This is misleading. We're members of the Metolius River Forest Homeowners Association and Friends of the Metolius. We also chat with local Camp Sherman residents when we visit our cabin.

I've been told that when Jefferson County held a public hearing in Camp Sherman, opposition to the rezoning that allowed the resorts was almost unanimous. Yet the county commissioners went ahead and pushed through the plan anyway.

As noted in the above-mentioned blog post, commissioner Bill Bellamy gave this reason for approving the rezoning: "Whether or not you like what destination resorts have done, it's phenomenally significant what they do to property tax revenues."

This shows how short-sighted and tax-revenue-focused decision makers in Jefferson County have been. Environmental and local concerns have been given short shrift. So designating the Metolius Basin as an ACSC is entirely justified, given that this area is a unique state treasure at risk of being trashed by money hungry county commissioners -- who are willing to allow long-term harm to the Metolius Basin in exchange for a promise of increased property taxes.

It simply makes no sense to allow 3,000 homes to be added to a "wild and scenic" recreation area where currently only several hundred people live. The proposed destination resorts would damage the character of the Metolius Basin -- regardless of the eco-friendly verbiage that one of the would-be

developers likes to throw out in support of his resort.

The only people in favor of the destination resorts appear to be a few county elected officials, those standing to profit from the developments, and a decided minority of local residents. The Metolius Basin truly is of statewide concern and shouldn't be endangered by the self-centered actions of a few individuals.

Sincerely,

Brian Hines  
10371 Lake Drive SE  
Salem, OR 97306

(please use email address below; others I've used may be inactive soon)

-----  
Brian Hines  
[brianhines1@gmail.com](mailto:brianhines1@gmail.com)  
[www.brianhines.com](http://www.brianhines.com) (web site)  
[www.thehinessight.com](http://www.thehinessight.com) (blog)  
[www.churchofthechurchless.com](http://www.churchofthechurchless.com) (other blog)

## Lisa Howard - Fwd: Destination Resorts in the Metolius Basin

---

**From:** Jon Jinings  
**To:** Howard, Lisa  
**Date:** 02/10/2009 4:19 PM  
**Subject:** Fwd: Destination Resorts in the Metolius Basin

---

Lisa,

Please add this to the list of testimony.

Thanks,

Jon

Jon Jinings  
Regional Representative  
Department of Land Conservation and Development  
888 NW Hill Street, Ste. 2  
Bend, OR 97701  
(541) 318-2890 - Office  
(541) 325-6928 - Cell  
(541) 318-8361 - Fax

>>> "Bill Smith" <bill@wspi.net> 2/10/2009 3:27 PM >>>

Please pass onto the Commissioners my comments. I am unable to attend the meeting in Sisters tomorrow. I know a personal appearance carries more weight. But hopefully my written comments will be "heard".

Thanks.

First to qualify myself, I was President of Brooks Resources during most of the development of Black Butte Ranch. I am also the managing partner of the Developer of The Old Mill District on the Deschutes River in Bend.

I know that sensitive development can be done. The two projects mentioned above are living proof. Both projects created positive impacts on their natural surroundings.

The Metolius Basin is special. But that does not mean that new development cannot be done and improve what is already there. As we increase in population, the area will be used more. It is better to accommodate the increase in use with development than to let unprogramed use run roughshod over the area. Both talked about "resorts" can help create the infrastructure needed to protect the Basin from uncontrolled use. That should be a factor in the Commission's deliberations.

Resorts also provide a positive balance of payment to the area. Witness when Black Butte Ranch was finished in the middle 1980's, the Ranch provided funding for over half of the Sisters School District while contributing almost no students. The Resort's self contained nature prevents them from becoming a burden on their neighbors. Water usage is a boogiemans. One golf course uses no more water than 110 horses. No one thinks of banning or limiting horses to protect the water supply in the Metolius Basin. We should not think of resorts as depleting the Basin's water supply unless we add horses to the mix too.

The Metolian is not a Destination Resort in the sense that Brasada and Pronghorn are. Metolian's size keeps it in the category of small accommodations. The project's proposed work on adjoining public land is a gift to the whole community. We should not preclude the community's acceptance of the gift by fear of boogiemen.

The Governor is off base in his proposed ban. Please don't blindly endorse it. We need development in the Basin to keep it from being overused.

Bill Smith  
c/o William Smith Properties, Inc.  
15 SW Colorado Avenue, Ste 1  
Bend, OR 97702  
(541) 382-6691  
(541) 388-5414 FAX  
[bill@wspi.net](mailto:bill@wspi.net)

## Lisa Howard - Development in the Metolius Basin

---

**From:** RAND SCHENCK <randschenck@msn.com>  
**To:** HOWARD Lisa <Lisa.Howard@state.or.us>  
**Date:** 02/10/2009 2:02 PM  
**Subject:** Development in the Metolius Basin

---

To: Lisa Howard  
From: Rand Schenck  
Date: February 9, 2009  
Subject: Development in the Metolius Basin

I am unable to attend the public meetings to be held and do want to urge decision makers NOT to allow development of resorts in the Metolius Basin. The Metolius is one of Oregon's natural wonders, a real gem. I love walking up and down the river and simply appreciating its beauty. Large scale resort development risks damaging the water supply and harming this important fisheries stream. I urge decision makers to do the right thing and act to ensure the long term protection of this marvellous resource.

Sincerely,

Rand Schenck  
2947 NE 31st Ave  
Portland, Or 97212

---

See how Windows connects the people, information, and fun that are part of your life. [See Now](#)

**Lisa Howard - Destination Resorts including Metolius**

---

**From:** Robin Vora <robinvora1@gmail.com>  
**To:** HOWARD Lisa <Lisa.Howard@state.or.us>, SEN Telfer <Telfer.Sen@state.or.us>, REP Stiegler <Stiegler.Rep@state.or.us>  
**Date:** 02/10/2009 12:11 PM  
**Subject:** Destination Resorts including Metolius

---

Feb. 9, 2009

Governor Kulongoski  
State Senator Chris Telfer  
State Rep. Judy Stiegler  
Oregon Land Conservation and Development Commission  
Oregon Department of Land Conservation and Development

I am very opposed to any more destination resorts in Central Oregon, including the Metolius Basin. My understanding is that the purpose of destination resorts is to boost economic development. Central Oregon has more than enough economic development of this kind. Resorts and tourist services provide few high paying jobs once the initial construction is completed. Revenue from a potential increase in taxes should be weighed against losses in quality of life and what is special about Central Oregon. We don't need any more traffic. The two Metolius proposals, for example, would generate a lot of traffic on Hwy 20 which is already overloaded going through Sisters. We need to conserve precious water and protect its quality. The pure spring-fed water of the Metolius River is especially important for fisheries and related recreation. I value what little of our open space, natural habitats, and rural environments we have left. The area is important deer winter range and provides habitat for many important species including white-headed woodpecker. More development means higher cost to the taxpayer to provide protection from the wildfires that impact the Camp Sherman-Sisters area each summer.

The Metolius Basin is special from a statewide perspectives and should receive special protection (e.g., area of critical statewide concern). We don't need any more of our natural environments replaced by golf courses, subdivisions, and roads. While an "eco-friendly" destination resort may be preferable to one that is not "eco-friendly", I have difficulty seeing any conversion of forest and rangelands to a destination resort as an "eco-friendly" act.

I hope we can enact legislation that not only makes the Metolius Basin off-limits to destination resorts but also rescinds the 1980s legislation permitting destination resorts, at least in Central Oregon. I also support legislation blocking any Measure 49 claims pertaining to a change in law or regulations pertaining to destination resorts while possibly providing landowners involved with some monetary relief. Also, please don't allow developers to skirt Oregon's outstanding land-use laws by using destination resorts as a means to achieve more "sagebrush subdivisions." Remove all lands zoned for destination resorts and return those lands to some kind of rural agriculture or forestry zoning.

Robin Vora  
1679 NE Daphne Dr.  
Bend, OR97701

## Lisa Howard - the metolius

---

**From:** "Bert and Carol Swift" <swifts@bendbroadband.com>  
**To:** HOWARD Lisa <Lisa.Howard@state.or.us>  
**Date:** 02/09/2009 5:08 PM  
**Subject:** the metolius

---

It took me a while to understand what the Beatles meant when they sang that song "Let it Be". Finally, at the age of 78, I know what they meant. The Metolius: Let it Be. Let it be left to grow, to thrive, to live, or to die on it's own, without the destructive interference of another development designed to benefit the few, while leaving out the many who would gain from a sense of being, at least for a few moments, or a few hours, a part of nature. Please, let it be.

Bert Swift  
Bend

**Lisa Howard - Metolius Basin**

---

**From:** "Fritz Johnston" <fritz.johnston@advantagebend.com>  
**To:** JININGS Jon <Jon.Jinings@state.or.us>  
**Date:** 02/09/2009 3:47 PM  
**Subject:** Metolius Basin

---

Land Conservation & Development Commission  
c/o Jon Jinings, DLCD  
888 N.W. Hill Street, Suite 2  
Bend, OR 97701  
[jon.jinings@state.or.us](mailto:jon.jinings@state.or.us)

Dear Commissioners,

This letter is written to pledge my support for Jefferson County to choose its own policy direction. The Governor's and LCDC's plan to designate an Area of Critical Concern (ACC) in the Metolius Basin is of concern. Jefferson County followed the rules as set forth in the Oregon Revised Statutes to designate two properties as Destination Resort Eligible.

Oregon's Planning System requires local planning documents to comply with the Statewide Planning Goals and Guidelines but assures that local land use decisions are rendered locally. Jefferson County considered the merits of the two sites and adopted a map identifying the sites as destination resort eligible consistent with state law (ORS 197.455).

The Land Conservation and Development Commission should not be adopting state law that is in direct conflict with the policy choices of Jefferson County that were developed through a lawful public process.

Thank you,

Fritz Johnston

**Lisa Howard - planned resorts in the Metolius area**

---

**From:** Allison Oseth <ao@oregonwild.org>  
**To:** HOWARD Lisa <Lisa.Howard@state.or.us>  
**Date:** 02/09/2009 2:56 PM  
**Subject:** planned resorts in the Metolius area

---

Dear Ms. Howard,

I am writing to express my deep concerns regarding the destination resorts planned for Oregon's Metolius region, and to ask for your help. I am sickened and saddened to envision the drastic, irreversible changes that will affect the Metolius as a result of either of these projects coming to fruition. I am a native Oregonian, and the wild areas of central Oregon are intrinsic to my personal and family history. No project, even one that is supposedly "green" in nature, is the right choice for the Metolius. WE MUST protect these areas before it is too late. There are many more suitable areas for resorts or increased tourism in our state. We won't be a state worth visiting, however, if we don't protect the areas that make us special. Like the Metolius.

Thank you for your time.

--

Allison Oseth  
Director of Development, Oregon Wild  
5825 N. Greeley Avenue  
Portland, OR 97217  
503-283-6343 x223  
[www.oregonwild.org](http://www.oregonwild.org)

**Lisa Howard - Metolius ACSC and Destination Resorts issue**

---

**From:** "Tim Lillebo" <tl@oregonwild.org>  
**To:** "Tim Lillebo" <tl@oregonwild.org>, HOWARD Lisa <Lisa.Howard@state.or.us>  
**Date:** 02/09/2009 2:24 PM  
**Subject:** Metolius ACSC and Destination Resorts issue

---

Dear Lisa Howard,  
Oregon Department of Land Conservation and Development  
Salem, Oregon

Concerning; Metolius Area of Critical State Concern designation and siting of destination resorts and housing developments.

On behalf of Oregon Wild (OW), we would like to submit comments in opposition to siting any destination resorts or housing developments in the Metolius Basin and the support for designation of the Metolius as an Area of Critical State Concern.

Oregon Wild has long been involved in trying to improve management of the unique Metolius Basin. Oregon Wild supports protection of the Metolius Watershed's Wilderness, old growth, soil, water, fisheries, wildlife and wildlife habitat, and quality recreation for all publics.

On behalf of Oregon Wild (OW), we would like to submit comments in opposition to siting any destination resorts or housing developments in the Metolius Basin and the entire Metolius watershed.

Oregon Wild believes that destination resorts or housing developments in the Metolius Basin would:

1. degrade wildlife habitats and wildlife migration corridors due to fragmentation of habitat, unavoidable wildlife harassment and disruption of wildlife use due to excessively increased human, domestic pet, roads, and vehicular use.
2. degrade water resources due to excessive increases in water usage for housing, facilities, and golf courses.
3. Increase risk of fire damage to homes, properties and lives, due to increased housing and facilities in the middle of the forest
4. Increase the burden of fire protection on local entities due to increased housing, facilities, and roads.
5. take significant areas of land out of designated "forest" land use planning zones.
6. degrade the unique quality recreation experience currently available due to increased constant human activity .

Oregon Wild supports the designation of the Metolius as an "Area of Critical State Concern" and beyond that, opposes any new destination resorts or housing developments in the Metolius Watershed.

Thank you for this opportunity to comment.

Tim Lillebo  
Oregon Wild  
16 NW Kansas Ave  
Bend, OR 97701

541 382-2616

**Lisa Howard - Metolius Resorts**

---

**From:** "Steve Turner" <steve@steveturnerranches.com>  
**To:** HOWARD Lisa <Lisa.Howard@state.or.us>  
**Date:** 02/09/2009 1:50 PM  
**Subject:** Metolius Resorts

---

Ted Kulongoski consistently shows a total disregard for those Oregonians not born and raised within the I-5 corridor. His statement was classic when he announced that he has been taking his family camping on the Metolius for 40 years. For those of us born in Central and Eastern Oregon and who try to make our livings east of the Cascades, this is more than a campground for valley trash. We've watched as our timber industry assassinated by eco-nazi backed politicians. Ranching is now on the edge of extinction. Those that try to live on wages from tourism find themselves among the working poor.

Let the resorts complete the permitting process through the county and create jobs locally in construction and supply that will, hopefully, not be filled by illegals. I lived at Camp Sherman and my son and daughter attended class in the 2 room school there. Up until 1990, we lived a happy life and I supported a family by logging. The current laws will be safe guard the river. For the sake of our environment, limit the number of non-residents coming over the mountains each week to toss beer bottles, trespass, vandalize private property and public campgrounds and leave trash. Speaking of which, try to keep Kulongoski in the valley.

Steve Turner  
P.O. Box 31  
Powell Butte, OR 97753  
P: (541) 548-9600  
F: (541) 548-9604  
E: [steve@steveturnerranches.com](mailto:steve@steveturnerranches.com)

## THE PROPOSED METOLIUS RIVER BASIN AREA OF CRITICAL STATE CONCERN

1. To determine whether destination resorts and other large-scale uses should be prohibited, and if so, within what specific area.

### My Opinion

Destination Resorts and other large scale uses should be prohibited. The protection of the Metolius River Basin, the Metolius Watershed and the whole Deschutes River Basin should be ongoing and forever. Our Three Rivers, the Metolius, the Deschutes, and the Crooked River are important sources for our public use, not private use. We need to keep Oregon's water here for everyone's use and enjoyment.

A growing demand for water from other water impoverished states is increasing. If we give our water away or sell it to other states, we stand to lose our ground water and drain the aquifer. The same will happen with large developments. The infrastructure of a small city will have to be put in place and that will cause a considerable depletion and contamination of our ground water and aquifers. We have 18 golf courses using fertilizers and pesticides which leach down into the aquifer and spread to the streams which lead to the rivers. Pollutants are rampant. Our fish and wildlife are sacrificed and all of us who have wells have lost some of the purity of our water.

An average of 2.5 people in a family can use more than 2400 gallons of water a week. If we allow 3,500 houses &/or unites to be built in the Metolius Watershed and Basin in the Ponderosa Unit, we will have 875 wells drawing down our aquifer. The most units you can put on one well is 4. The only other way to furnish water to this many people is to build a city infrastructure. It would be unacceptable for this private for profit outfit to use our Metolius Watershed area to serve this private operation, no matter how much money they paid for its use. Calculations = 124,500 Gallons a year per unit - 3,500 units = 3 billion 797million 250 thousand gallons a year + a restaurant, + a golf course + ? Now think of sewers. Everybody's sewer has a leakage problem. Now think of 3,500 sewers + a restaurant, + a golf course and they want to build right in the Metolius Watershed Area.

The population which is allowed to flow into our state with now lax land use laws, is allowing our water to be used as if we had an endless supply. Ask geologists who know the land, who know that snow melt takes 17 years to replenish the normal aquifer that is not being depleted. Actually, for every bucket of water we take out of our well, it will take 17 years to replace it. So, you see, water is not a "renewable resource". Climate is changing. Our desert is getting warmer. We have less water resources by mid summer. We have to think 7 years ahead, or even more. I don't want Oregon to end up like California. In the L A area where the rivers are non-navigable, polluted, devoid of beauty. 95% of Arizona's rivers & streams run only part of the year. New Mexico's Santa Fe River is often a stagnant trickle. In Arizona, the Santa Cruz River is just parched and sandy.

Wildlife Migration will be disturbed. Even though some of us, not I, do not care for wild animals, except to look at behind bars, they are an undeniable part of our existence. Deer, elk, cougars, bob cats, need paths for migration, large acreages. We need to save these large backwoods acreages untouched, and inaccessible. If we loose our wildlife, we will die inside, and I believe we will become a hardened race. The fish, the birds are being killed off by our management and use of the wild areas.

Automobiles and off-road vehicles are a big concern. We who live here in the desert know how destructive off-road vehicles are. They pulverize the earth, cause dust bowls, leave garbage, don't stay on the existing roads and drive over birds nests, scare the habitat away and general disregard by most for the natural beauty of sage and juniper. Juniper trees are used for target practice. Traffic congestion with 6 to 10,000 more vehicles in the area will cause, air and noise Pollution.

## THE PROPOSED METOLIUS RIVER BASIN AREA OF CRITICAL STATE CONCERN

2. To provide means for resort development to move forward in Jefferson County (in terms of jobs and tax base).

### My Opinion

I don't know the extent of Jefferson County. It must include Culver, Lake Billy Chinook, and Madras. Lake Billy Chinook is a great destination resort that everyone can enjoy whether they are large income or lower income people. I believe we have to keep our lands free for all to enjoy, and for all to have the best experience of the best and most beautiful places in Oregon. I believe in a policy of "everyone come and enjoy the beauty and make the least impact on our land that is Oregon." I would say to build something smaller would be more manageable. People do not like to get away to parks and find them overflowing and crowded. I would suggest Culver and Madras might like to have another small destination resort close to them to bring more people to the downtown area.

3. To provide some relief for the owners of the two sites that have been identified as eligible for resort siting, To the extent that they are not allowed to proceed.

### My Opinion

I don't think it is necessary. We do not owe them any compensation. Our tax dollars should not go to supporting everyone who has an idea that can't be supported. They should know better than to choose our best waters and forests that need to be preserved and protected. What we have done in the past does not need to be perpetrated in the future. This is a time for change. Preserve Oregon and its open spaces for the people - come and go - enjoy the wilderness and leave it for the next person. Remember our former governor Tom McCall. We can thank him we have some open beaches.



Carol Jacquet  
PO Box 2088  
Terrebonne, OR 97760



*The*  
**SISTERS**  
*Country*

 **VISION** 

We have a modern western community that honors and preserves its history. Sisters is a safe community with an authentic village atmosphere, and a variety of public gathering places, that invites walking and cycling. We especially support our youth and elders and provide social services for all. We have a belief in all aspects of education and the presence of community institutions that foster individual and community growth.

We create our future through a strong planning process that protects the town character, encourages environmental sustainability, and defines future development including housing options for all citizens.

The surrounding natural environment provides a spectacular setting for the community, and there are strong connections to it for personal, social, and economic purposes.

We have a strong tourism economy because of this beauty. But we are also a diversified entrepreneurial economy that includes arts and culture, light industry, natural resource-based businesses, and small retail. This economy especially supports locally conceived and owned businesses that provide a wide variety of year-round family wage jobs. Highly developed local leadership and an active and informed citizenry make Sisters a fine example of community self-sufficiency and grassroots democracy.



As a citizen of the U.S., it is my right and obligation to demand the preservation and protection of our land for future generations.

As an Oregonian, it is in my interest that my state preserves its natural beauty; instead of new development, please work with existing development to create more environmentally sustainable recreational centers.

As a mother of 3 young children, preservation becomes very personal. I do not want to tell my children nostalgic stories of what Oregon and the Metolius use to be like; nor do I want to apologize for development with “we meant well...”

We must remember that we are discussing developments that will affect water-precious water-the very staple of our existence! Have we not progressed enough to understand the significance of water to us as individuals and as a global community? How can we justify playing Russian roulette with a local river?

We should know by now that the decision to alter, disrupt or accidentally destroy a unique pristine environment in the name of money or temporary economic progress is NOT ours to make! It is NOT worth the risk to future generations or the theft of our children’s right to their earth. John Muir once said: “When one tugs at a single thing in nature; he finds it attached to the rest of the world” Who among us has the right to make that tug?

Sasha Lawless, Bend resident, OSU Cascades student, mother of three

To the Oregon Department of Land Conservation and Development,

Simply put, the Metolius River Basin, is one of the jewels of the Cascades. It deserves our protection, for those who enjoy it now and future generations. It is becoming increasingly difficult in today's world to find such special places; places that have the beauty and majesty, the pure waters, the wildlife habitat and the social environment of Camp Sherman and the Metolius River. The impact of the proposed destination resort development in this region would negatively affect it's' fragile ecosystems. Any development that would even potentially affect groundwater and/or diminish water flow in the Metolius River cannot be allowed. After all, there will be no second chances once irreversible harm is done. Therefore we urge that no development be allowed in or around the Metolius River Basin.

Thank you,  
Wendy and Alan Holzman  
324 E. Wapato Loop  
Sisters, OR 97759



## Native Fish Society Statement - ACSC, Sisters, 02/11/09



### Summary

- The ACSC has been a powerful, protection tool for 35 years since SB 100 initiated Oregon's land use program in 1973, but has never or seldom been used to protect special places like the Metolius. This is a major flaw in Oregon's program implementation. If the Metolius is the catalyst for activating the tool that's great, but the Draft Plan fails to do what's needed for the Metolius.
- The management Plan has three zones. It might adequately prohibit development in **Zone 1** so Dutch Pacific (DP) might not be allowed. It would allow Ponderosa Land and Cattle (PLC) to develop outside the surface-water watershed within **Zone 3**. This is within the Metolius **groundwater zone of influence (i.e. the groundwater watershed)**. **Zone 2** could have recreation associated with a destination resort.
- The USGS groundwater analysis and modeling by Marshall Gannett (USGS lead) of the entire Upper Deschutes and the more specific application of the model by a local, registered hydrogeologist (Mark Yinger, R.G.) clearly indicate that the well field proposed by PLC in Zone 3 for three times the annual amount of water used by the City of Sisters **would reduce flows throughout the Metolius system, and the Whychus – Indian Ford systems**. Flows in the western tributaries of the Metolius are particularly critical for redband habitat, spawning by bull trout and kokanee/sockeye, and probably for Chinook spawning. Bull trout, Chinook salmon and kokanee/sockeye in the Metolius would be adversely affected, as would the pure native redband DNA reserve in Fly Creek (ODFW references provided).
- Currently, DP is promoting the use of "snowmelt", i.e. surface flows, for water supply. The likely sources would be Lake or First Creeks (or other tribs). DP claims this is "eco"-friendly. But such diversions just cut out the groundwater "middleman", which makes cause-effect analysis simpler. Surface water diversions directly reduce flows and adversely affect habitat for existing and reintroduced fish.
- Erosion-sedimentation, water pollution, the need for costly wildfire damage prevention at more urban interface zones, road construction impacts, and traffic problems would all increase by PLC developing in Zone 3 or anywhere else on the PLC property. As the Draft Plan clearly states, they have no development rights now. They speculated and bet on a horse that should lose, and is losing.
- The Draft Plan inadequately considers the \$250 to \$300 million being invested on salmonid reintroduction and flow restoration above the Pelton – Round-Butte dam complex. A conservative allocation of that to salmon and steelhead for the Metolius and Whychus systems would be \$100 million. This is a small part of the long-term economic value of reintroduction, but likely surpasses the financial gain anticipated by developers and Jefferson County through the development of resorts at the PLC or DP properties. Oregon must protect this investment by prohibiting watershed activities that threaten its success.
- A very important statement is on page 13 of the "Draft Plan". *"The current owners are not, nor were they ever, entitled to develop a destination resort or any other type of intensive development in the Basin. Under the zoning in effect when they acquired their property, and still in place today, the properties are zoned for timber management and forest-related uses. Depending on the specific area, new dwellings would be allowed only on parcels of between 240 and 320 acres or more."*

H. Tom Davis\*, PE  
Volunteer River Steward - Upper Deschutes  
69217 Tapidero, Sisters, OR, 97759

**1. Existing Fisheries** – The Metolius River contains one of the healthiest populations of the ESA threatened bull trout in the western U.S. Present and healthy are native redband (rainbow) trout and kokanee salmon that are the progeny of sockeye salmon isolated by Pelton Round Butte. Wild, pure-native redbands are present in Fly Creek according to fish biologists. The small Metolius tributaries such as First and Lake Creek are important for spawning. Redband trout are present in Whychus Creek. The alevins of bull trout stay in their gravel refuge for up to eight months, so they are very susceptible to damage from erosion-sedimentation (More in **11**).

**2. Native Redband Genetic Resources** – An important resource at risk is the wild, pure-native redband (rainbow) trout in Fly Creek. Hatchery stocking and hybridization have made the genetic resource of pure, native Metolius redbands rare. Because of the isolation of certain pools in Fly Creek, the small redbands there are wild, native stock, so they are of exceptional value for native fish recovery. The small, isolated pools and reaches depend on good water quality and the meager groundwater inflow during dry periods. Much of the groundwater and surface water from PLC property flows toward Fly Creek.

According to Brett Hodgson, District Fisheries Biologist for ODFW (email provided): *"Trout Creek and Fly Creek are two streams that harbor small redband populations and have never been stocked. Therefore, from a purity standpoint they are probably the best."* Fly Creek redbands are also discussed in the Deschutes National Forest, 1998 "Fly Creek, Level 2 Stream Inventory".

**3. Reintroduced Fisheries** – Chinook salmon are being reintroduced and many kokanee will become sockeye again with the new passage facility at Pelton Round Butte. Most biologists are of the opinion that the majority of Chinook spawning will take place in the mainstem. The habitat modeling done in conjunction with the reintroduction effort identifies Lake Creek, which runs near the DP site, as one of the big producers. Steelhead are being reintroduced to Whychus Creek, a small stream that has suffered from low flows and high water temperatures for decades, so it is very sensitive to nutrient and other pollutant loads. The good news is that flow and passage restoration is occurring and will be of significant value for the existing fisheries and reintroduced steelhead. Flow and passage restoration is the result of Three Sisters Irrigation District, Deschutes River Conservancy and Upper Deschutes Watershed Council projects.

**4. Public and Private Investment** – Approximately \$300,000,000 is being invested, or planned for investment, to restore habitat in the upper Deschutes system, including Whychus Creek, and to reintroduce salmon and steelhead to the Deschutes up to Big Falls, the Metolius, Whychus Creek and Crooked River. Of this total, at least \$100,000,000 would logically be allocated to the Metolius and Whychus.

**5. Size** - The PLC property includes 30,000 acres. The owners asked for approval of zoning for 10,000 acres to develop a resort on Green Ridge five miles east of Camp Sherman. The lands drain primarily to the lower Metolius and tributaries such as Fly Creek, but also Indian Ford Creek, a Whychus tributary, and the Middle Deschutes. PLC suggested that it might limit development to 2500 units on 3500 acres. Black Butte Ranch is about 1,800 acres and the proposed Thornburgh destination resort is to be a little less than 2,000 acres. The City of Sisters is less than 1,200 acres. A map is at <http://noresorts.blogspot.com/2007/05/map-of-metolius-landwatch.html>

If the PLC property is fully developed as a destination resort with 50% open space, the 10,000 acres could have more than 7,500 homes assuming it would be built at the same density as other resorts. Assuming two people per house, the PLC resort could have a population of over 15,000 people at times, and a number of golf courses.

PLC applied for a well system with an annual production of 2,422 acre-feet. This is equivalent to 789 million gallons per year (mgy). The annual Sisters water use in according to the Sisters Public Works Department is 258 mgy, so PLC is planning on using water three times that of the City of Sisters. Assuming a moderate water use of 200 gallons per person per day, the 789 mgy is equivalent to 10,800 people. PLC has applied for a peak rate of 8.8 cfs.

PLC well pumping would reduce critical groundwater/spring flow to the Metolius, Middle Deschutes, Whychus-Indian Ford Creeks, and important Metolius tributaries such as, Lake and Fly Creeks. Oregon Water Resources Department policies would do little to avoid or mitigate such impacts. Eroded sediment from PLC construction and stormwater runoff, and discharges to groundwater from wastewater treatment systems (see **9**) would also affect those streams.

The Dutch Pacific (DP) destination resort would be located on 640 acres three miles WSW of Camp Sherman and one mile north of Suttle Lake. It drains into First and Lake Creeks, which drain into the upper Metolius. For water supply it wants to divert streamflow. There could be hundreds of homes and many more people than now live in the Camp Sherman area.

Such developments would create more urban interface wildfire problems, and the roads in Deschutes County, Sisters and Camp Sherman would be crowded because of the increase in traffic.

**6. Groundwater, Spring Flow and Streamflow** – Well pumping would reduce the groundwater/spring flow to the Metolius system. The shallow groundwater below the destination resort properties flow in the same general direction as the surface water flow.

The deep groundwater is discussed in the USGS Report "Ground - Water Hydrology of the Upper Deschutes Basin, Oregon, BY MARSHALL W. GANNETT, KENNETH E. LITE JR., DAVID S. MORGAN, AND CHARLES A. COLLINS; Water-Resources Investigations Report 00-4162. The flow map is at [http://or.water.usgs.gov/pubs\\_dir/WRIR00-4162/fig28\\_eps\\_040402.pdf](http://or.water.usgs.gov/pubs_dir/WRIR00-4162/fig28_eps_040402.pdf).

The USGS, in response to a question from Senator Ben Westlund's office, stated: *"In the Metolius River Basin, ground-water pumping most likely will result in diminished discharge at principal spring complexes that occur at the head of the Metolius, along the main stem, along many of the tributaries, and near the confluence of the Metolius and Deschutes Rivers."*

Mark Yinger, R.G. is a hydrogeologist experienced in the hydrogeology of the upper Deschutes basin. He has applied the USGS model to the Metolius-Whychus system and has stated (letter provided)-\*--: *"I can state with reasonable certainty that the primary surface water impact of the Ponderosa Land & Cattle Company resort's groundwater pumping will be to reduce spring discharges to the Metolius River and its tributaries upstream of Jefferson Creek. The pumping will also reduce flows from springs that discharge to lower Whychus Creek. Other waters that may be impacted include Fly Creek and Indian-Ford Creek. ... It is reasonable to conclude that the pumping water level in the production wells of the proposed resort will be well below the elevation of the Metolius River headwater springs. The primary surface water influence due to pumping of the production wells will be on the springs that discharge to the Metolius River."*

Groundwater, including future discharges from wastewater systems, flows toward First and Lake Creeks from the DP property. From the PLC property the deep groundwater system flows toward the Middle Deschutes, the lower Metolius and Fly Creek. Much of the shallow system below the property would flow toward Indian Ford Creek.

- 7. Endangered Species Act (ESA)** – Bull trout are listed as threatened under the ESA. The reduction in flow in the Metolius and tributaries such as First and Lake creeks constitutes a "take" under the Endangered Species Act. "Take" is defined in the Endangered Species Act (ESA) as harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect any threatened or endangered species. Harm may include significant habitat modification where it kills or injures a listed species through impairment of essential behavior (e.g., spawning or reproduction) so the proposed destination resorts are not in compliance with the ESA.

According to ODFW's Brett Hodgson: *"Bull trout have never been stocked in the Deschutes basin. Therefore native (pure) bull trout are present in the Metolius-Lake Billy Chinook ecosystem (and middle Deschutes up to Big Falls) and in the upper Deschutes Basin in Odell Lake-Trapper Creek and Odell Creek. As you are aware historically they were much more widely distributed in the upper Deschutes, however, habitat degradation and water management led to their extirpation outside of Odell."*

- 8. Wild and Scenic Rivers Systems** - The Metolius was added to the national system in 1988 in the Omnibus Oregon Wild and Scenic Rivers Act of 1988. It was added to the State Scenic Waterways Program at the same time and is included in the Warm Springs Wild and Scenic Rivers System.

The purpose of the Wild and Scenic River designation as stated in the original Wild and Scenic Rivers Act of 1968 is to ensure that *"certain selected rivers of the Nation, which with their environments, possess outstandingly remarkable scenic, recreation, geologic, fish and wildlife, historic, cultural, or other similar values, shall be preserved in free-flowing condition, and that they and their immediate environs shall be protected for the benefit and enjoyment of present and future generations."* Both the federal and state programs encourage cooperation between agencies to protect the river and its values.

Special protection is also provided in the WARM SPRINGS TRIBAL CODE; CHAPTER 401; WARM SPRINGS WILD AND SCENIC RIVERS ACT; 401.110 Designation of River Protected Areas. The following rivers and the land adjacent thereto are hereby designated as components of the Warm Springs Wild and Scenic Rivers System: (1) Metolius River. The Metolius River from its headwaters to Lake Billy Chinook. (2) Deschutes River. The Deschutes River from its headwaters to its mouth.

- 9. Wastewater** – These two resorts would bring thousands of people into a watershed draining into one of the world's highest quality streams and fisheries – the Metolius River. Thousands of toilets discharging to the groundwater from wastewater systems would kill the Golden Egg Goose.

Assuming 2-persons/dwelling, the people contributing sewage to the watersheds could range from 5,400 to 16,000 at the two resorts during peak occupancy. At 50 gal/person/day wastewater; 7.0 lbs N/person/yr (46 mg/l) and 90% leaching to groundwater – the two resorts would contribute approximately 34,000 to 100,000 lbs of nitrogen to the groundwater annually. The amount depends on a number of factors, including the type of treatment systems, number of units, quality of installation and maintenance, and soil/geology, but the nitrogen loading would be significant. Sewers and central treatment would need advanced, or tertiary, treatment to reduce the threat and disposal would still be an issue. Golf courses, lawns and landscaping would add more nitrogen to the groundwater.

**10. Water Quality** – The impacts on groundwater quality from pollutants such as nitrogen, household chemicals and bacteria would be significant, but the primary threat would be to the surface waters that the groundwater systems discharge to. These include the Metolius; tributaries such as First, Fly and Lake Creek; Whychus Creek and its tributary Indian Ford Creek. Additional nitrogen, even in extremely low quantities, can cause algal blooms, excessive plant growth, oxygen depletion, changes in pH, and other important changes that are detrimental to aquatic ecosystems. It is important to note that the guideline for nitrates in drinking water is 10 mg/L, but the guideline for total nitrogen in freshwater (i.e., streams) is 0.12 mg/L, or 1/80<sup>th</sup> the drinking water guideline.

Metolius water quality is generally excellent, but it and some of the tributaries are currently on the Oregon "303d Listed Streams" list, meaning that they are in violation of Oregon water quality standards. In a letter dated November 2, 2007 to Governor Kulongoski the Oregon Department of Environmental Quality stated, "*Subsurface discharge to shallow soils or land application to the surface of soils may be allowed. Even with substantial removal of nutrients and other constituents from this wastewater prior to discharge, small amounts of nutrients may reach the Metolius River or its tributaries through runoff or seepage to groundwater that flows into the Metolius. The river is sensitive to nutrients, and small increases in nutrients could result in some degradation of water quality, such as decreased dissolved oxygen, increased aquatic plant growth, and changes in pH, among others.*"

**11. Erosion and Sedimentation** – The soil disturbances necessary during construction activities create exceptionally high surface erosion rates. The soils in the area are very erodible and construction would occur over a long period. The erosion, i.e. the initial movement, of soil and the resulting particle transport and sedimentation of spawning gravels in the Metolius and tributaries would be severe and enduring. Since most of the worst impacts result from bed-load particle movement, much of the phenomenon isn't detected through standard water quality monitoring per se so it avoids Oregon water quality regulations.

---

**\*Tom Davis' Related Experience** - 35 years experience as an Environmental/Water Resources Engineer - 20 years as a consultant with consulting firms; 15 years in staff positions with local, state, federal and regional agencies. Now retired.

- MSCE degree in Water Resources Engineering – University of Idaho, 1967 (Thesis - surface water – groundwater relationships);
- Registered Civil and Environmental Engineer in Oregon;
- 30-year Oregon resident.

### **Types of Projects**

- Soil disturbance, erosion, stream-sedimentation and forest practices projects for DEQ, US EPA, Pacific Northwest Regional Council, the City of Ashland, Oregon and the Flathead 208 Council, Montana.
- Seven stormwater management plans for five Willamette Valley local jurisdictions including Salem and Portland.
- Project manager of numerous stormwater and flood control designs; and the combined sewer overflow study of the Columbia Slough; as the Stormwater Design Section Supervisor and Environmental Planning Division Manager respectively for the Portland Bureau of Environmental Services ('83 to '89).
- Project Manager for studies and policy actions regarding on-site wastewater systems, nitrate, groundwater and surface water at Boise, Idaho and Washoe County, Nevada
- Management of the engineering facilities and cost analyses subconsultant team for three Portland Metro Area Urban Growth Boundary studies (Metro and City of Hillsboro).
- Staff manager for the Idaho Water Resources Board of groundwater programs, and statewide studies by three Idaho agencies of streamflow needs for a) fish, b) recreation and c) water quality in all major Idaho Rivers.
- Consultant and staff management of flood plain hydrology-hydraulic studies in Oregon, Washington and Idaho.
- Watershed, forest management and erosion analysis of the Ashland Municipal Watershed as a consultant to the City of Ashland, Oregon.
- Water availability evaluation of four potential water sources (Columbia, Clackamas, Willamette and Trask Rivers) as the Project Manager for a consultant project for the Portland Water Bureau.
- Idaho Coordinator of Federal-State Wild & Scenic Rivers Studies – 1971 to 1975.
- Construction management and inspection at a large federal water project in Montana.
- Consultant and staff manager of numerous engineering planning studies in Oregon, Idaho and Nevada concerning municipal drinking water and wastewater.



# Oregon

Theodore R. Kulongoski, Governor

## Department of Fish and Wildlife

High Desert Region  
61374 Parrell Road  
Bend, OR 97702  
(541) 388-6363  
FAX (541) 388-6281

January 27, 2009

E. Timothy Wall  
Oregon Water Resources Department  
725 Summer St. NE, Suite A  
Salem, OR 97301-1266

Re: Proposed Final Order for Water Right Application G-16674

The purpose of this letter is to provide Oregon Department of Fish and Wildlife's (department) comments on Oregon Water Resources Department's (OWRD) Proposed Final Order (PFO) for groundwater application G-16674 submitted by Ponderosa Land and Cattle Company, LLC. Department comments focus upon potential impacts to fish populations and habitats resulting from the proposed ground water withdrawals.

### Proposed Final Order

The PFO recommends issuance of a groundwater right for quasi municipal use between the Metolius River and Whychus Creek watersheds. The PFO would authorize the use of 10 wells in Jefferson County.

The total volume of groundwater used is 8.8 cubic feet per second (CFS), with a maximum annual volume of 2422 acre feet. OWRD has determined the proposed use is within the Deschutes Ground Water Study Area, and is subject to the Deschutes Ground Water Mitigation Rules (OAR 690-505). OWRD has further determined the proposed use will have the potential for substantial interference with the Deschutes River (OAR 690-09) and consequently, the applicant must mitigate for the proposed use.

OWRD identified the required mitigation obligation as 968.8 acre feet which must be provided in the General Zone of Impact, located anywhere in the Deschutes Basin above the Madras gage.

### Issues

The department has identified the following fishery related issues associated with PFO G-16674.

- Existing hydrologic reviews and analysis suggest the proposed well field will diminish surface flows in the Metolius River, Whychus Creek and Fly Creek watersheds. However, the analysis to date has been insufficient to quantify the magnitude of reduced flows and its potential fishery affects.
- Each of the affected streams harbors important fish populations, including federally listed bull trout in the Metolius River and Whychus Creek and Mid-Columbia summer steelhead in Whychus Creek. Redband trout are present in all three watersheds. In addition, there is an exceptionally important recreational fishery in the Metolius River and redband trout in Fly Creek are genetically unique due to their isolated nature and limited distribution.
- Reductions in surface flow will likely adversely impact the productivity and viability of fish populations in each watershed limiting the department's ability to meet its legally mandated conservation and recreational goals under the Metolius River Basin Fish Management Plan (OAR 635-500-1820), the Upper Deschutes River Basin Fish Management Plan (OAR 635-500-3120), the Anadromous Fish and Bull Trout Management Plan in the Upper Deschutes, Crooked and Metolius River Subbasins (OAR 635-500-6000 through 6060) and the Native Fish Conservation Policy (OAR 635-007-0502 through 0509).
- The State holds instream water rights for each stream and Scenic Waterway flows are protected in the Metolius River. Scenic Waterway flows in the Metolius River have been designated to protect indigenous fish as an "Outstandingly Remarkable Resource". The proposed groundwater withdrawal will likely diminish these remarkable resources.

- OWRD's PFO prescribes mitigation only in the general zone of impact (anywhere in the Deschutes Basin above the Madras gage). This fails to adequately mitigate for the loss of cold spring-fed surface water in the Metolius River and Whychus Creek local zones of impact.
- The department recommends OWRD conduct further hydrologic analysis to assess the impact to surface flows in the Metolius River, Whychus Creek and Fly Creek watersheds. Based upon the results of this assessment, the mitigation requirement associated with G-16674 should be modified accordingly to address local impacts and protect fisheries resources. Without this critical information issuance of a Final Order authorizing development of the well field is premature.

## **Hydrologic Impacts**

### Zone of Impact/Mitigation

The OWRD's groundwater review of application G-16674 found that there will likely be localized impact on the Metolius River, Whychus and Fly Creeks. Of these streams, Fly Creek is the closest to the proposed well field, and could proportionally be the most affected due to already low base flows.

Despite evidence of hydrologic connection between groundwater extracted from the proposed wells and surface waters in both the Metolius and Whychus *local* zones of impact, application of the current groundwater mitigation rules fails to recognize the impact on local springs and streams by requiring mitigation in the *general* zone of impact only in the PFO for G-16674.

The department recommends additional analysis be conducted to determine estimated volumes of surface water impacted in the Metolius and Whychus local zones. The required mitigation for the applicant should be applied in the *local* zone of impact at the appropriate ratios.

### Timing of Mitigation

The current mitigation rules allow for the use of irrigation water as mitigation. This allows a seasonal use to mitigate for year around use which will improve flows in the mainstem Deschutes during the irrigation season but will lead to an eventual reduction in groundwater levels and spring flows in the non irrigation season. Diminishment of spring flows through reduced groundwater levels will have an impact on fish habitat year around. The department recommends the PFO include mitigation requirements that provide year around instream flow proportionally into the streams impacted by G-16674 rather than seasonally during the April 15 – October 31 irrigation season.

### Water Quality

Groundwater in the Deschutes Basin resurfaces in the watershed as springs. These springs discharge cold water into the receiving streams. The hydrology of the Deschutes basin is greatly altered by water management and irrigation withdrawals. This results in significantly reduced stream flows in most reaches and water temperatures exceeding the state standard. The Deschutes River and Whychus Creek are both on the State 303d list as water quality limited for temperature. In both of these streams spring recharge serve as important thermal refugia for salmonids. The Metolius River is unique in that natural flows are largely unaltered, with the majority of stream flow originating from groundwater surfacing as springs. The result is stream flows and temperatures that support highly productive salmonid populations.

PFO G-16674 would remove 8.8 cfs of groundwater which in turn has the potential to affect the volume of groundwater available to feed local springs. This would result in an undetermined decrease in the volume of cold spring water contributing to flows in the Metolius River and Whychus and Fly Creeks. The PFO proposes to

mitigate with 964 acre of surface water elsewhere in the basin. The likely mitigation water would be surface water which is warmer than spring water and does not provide equal fisheries or water quality value.

### **Water Rights**

The State of Oregon holds instream water rights for each of the three watersheds that may be hydrologically connected to the proposed well field. These water rights are to provide migration, spawning, egg incubation, fry emergence and juvenile rearing of salmonids (ORS 537.341). The Instream Water Rights Act states instream water rights are granted the same legal standing as all other rights. ORS 537.350. Thus, OWRD needs to ensure in permitting Water Right Application G-16674 that the instream water rights in the affected local streams are not injured by reductions in stream flows from this proposed junior water right. ORS 537.621.

Potentially affected instream water rights include:

- IS 70698 Metolius River from Canyon Creek (River mile 35.6) to Lake Billy Chinook.
- IS 70699 Metolius River from Metolius Springs (River mile 41) to Canyon Creek (River mile 35.6)
- IS 70753 Whychus Creek from Indian Ford Creek (River mile 19.5) to mouth (River mile 0).
- IS 70761 Fly Creek from Meadow Creek to the mouth.

### Wild and Scenic Designations

Sections of the Metolius River are designated a “Scenic Waterway” under the Oregon Scenic Waterways Program. In 1991 Scenic Waterway flows were established for both the Deschutes and Metolius Rivers. The program is designed to protect and enhance scenic, aesthetic, natural, recreation, scientific, and fish and wildlife qualities along scenic waterways. New development or changes in existing uses proposed within a scenic waterway are reviewed before they may take place.

The Scenic Waterway Act states that the highest and best uses of water within scenic waterways are recreation, fish and wildlife uses. (ORS 390.835). When a groundwater application has been found to measurably reduce stream flow, mitigation must ensure the maintenance of the free-flowing character of the scenic waterway in quantities necessary for recreation, fish and wildlife.

The Metolius River was added to the national Wild and Scenic Rivers System in 1988. Wild and scenic river designation strengthens protection given under the state scenic waterways program.

Scenic Waterway flows in the Metolius River have been designated to protect indigenous fish as an “Outstandingly Remarkable Resource”. The proposed groundwater withdrawal and prescribed mitigation in the general zone of impact will likely diminish this remarkable resource.

### **Affected Fish Populations**

The proposed removal of 8.8 cfs of groundwater could potentially impact fish species in three watersheds: Metolius River, Whychus Creek and Fly Creek.

### Metolius River

The Metolius River subbasin is inhabited by bull trout (*Salvelinus confluentus*) a federally threatened species under the Endangered Species Act. Bull trout have a strong affinity for cold water. The abundant discharge of groundwater surfacing as springs in the Metolius Basin results in favorable water temperatures supporting a

robust bull trout population. This population is one of the healthiest in the state and is critical to meeting conservation and recovery goals of the species.

Redband trout (*Oncorhynchus mykiss*), a state and federal sensitive species are present in the Metolius River and tributaries. The healthy redband trout population supports a very popular catch and release, fly angling only fishery. The Metolius River is nationally renowned as a premier angling destination.

Kokanee salmon (*Oncorhynchus nerka*), a landlocked form of sockeye salmon, migrate between the Metolius River and Lake Billy Chinook to complete their life history. The kokanee salmon population supports a popular recreational fishery in Lake Billy Chinook. The species is also the primary forage base for the threatened bull trout population. Data suggests that kokanee salmon abundance has a direct impact on bull trout abundance.

The Metolius River subbasin was historically inhabited by mid- Columbia spring Chinook salmon (*Oncorhynchus tshawytscha*). This species was extirpated in the mid 1960s following completion of the Pelton-Round Butte Dam complex when early attempts at fish passage failed. As a condition of the Federal Energy Regulatory Commission (FERC) license issued in 2005, the project licensees in collaboration with multiple stakeholders, including the department, are re-introducing spring Chinook salmon into historic habitats, including the Metolius River subbasin. The initial releases of Chinook salmon fry took place in 2008 and will continue annually until self sustaining populations are established. The FERC license and the department Subbasin Fish Management Plans also direct the re-establishment of a sockeye salmon population in the Metolius River subbasin. The existing kokanee salmon population is the preferred founder stock.

Each of these salmonid species thrive in cold, clear water. Diminishment of spring flows would lead to a reduction in valuable cold water habitat for these species leading to less robust populations.

#### Whychus Creek

Whychus Creek is inhabited by redband trout from the confluence with the Deschutes River upstream to the Three Sisters Irrigation District dam. The population abundance of these trout is significantly reduced as a result of water quantity and quality issues. Whychus Creek is on the 303d list as water quality limited for temperature. The strongest redband trout populations are associated with areas receiving inputs of cold water from springs.

Mid-Columbia summer steelhead trout and spring Chinook salmon were historically present in Whychus Creek. Similar to Chinook salmon in the Metolius subbasin, both species were extirpated as a result of the Pelton-Round Butte Dam complex. Mid-Columbia River steelhead trout are listed as threatened under the federal Endangered Species Act. Both steelhead trout and Chinook salmon are being reintroduced into Whychus Creek, with steelhead trout fry releases initiated in 2007 and the first Chinook salmon releases targeted for 2009. Success of these efforts will largely be dependent upon availability of spawning and rearing habitat for both species.

#### Fly Creek

Fly Creek is a small watershed which historically was a tributary of the Metolius River before the lower reaches of the Metolius were inundated by Lake Billy Chinook as a result of construction of Round Butte Dam. The creek has intermittent flows with sections being dry most of the year. These dewatered sections have served to effectively isolate the small population of redband trout inhabiting Fly Creek from the remainder of the Metolius River subbasin. Fly Creek has never been stocked with hatchery trout. As a result of these two factors, Fly Creek harbors one of the most genetically pure populations of redband trout in the Deschutes basin. Preserving this unique genetic material is important for the long term viability of the species. Conservation biology principles identify the vulnerability of small, isolated populations to both deterministic and stochastic events. Reductions in stream flows here will have a detrimental effect on this population.

## Potential Fisheries Impacts

Potential declines in stream flow resulting from groundwater withdrawal could limit available spawning and rearing habitat for resident redband and bull trout as well as reintroduced steelhead trout, Chinook and sockeye salmon. If reduced streamflows result in elevated water temperatures, reductions in productivity could be exacerbated by reduced survival and ultimately species viability.

### Redband Trout

Research conducted by the department from 1991-1993 demonstrated that 86% of redband trout spawning in the Metolius subbasin occurred in the two mile reach from the headwater springs to Camp Sherman. The department and the U.S. Forest Service annually monitor redd counts in this reach of stream.

Surveys from 2001 to 2007 show a direct relationship between the abundance of redband trout redds and streamflow of the Metolius River as measured at Grandview gage (Fig. 1). During drought periods with reduced streamflow the number of redds observed declined by 32% in 2005 from a mean of 906 redds over the seven year period. Chronic reductions in streamflow resulting from groundwater withdrawals and reduced spring discharge would be anticipated to reduce productivity of redband trout in the Metolius River.

Natural low flows in Fly Creek render this genetically important redband trout population particularly vulnerable to activities that would further reduce streamflow. If projections of hydrologic connection are correct, wells authorized in the PFO could permanently reduce flows in Fly Creek. This could constitute injury to the instream water right and adversely impact the redband trout population.

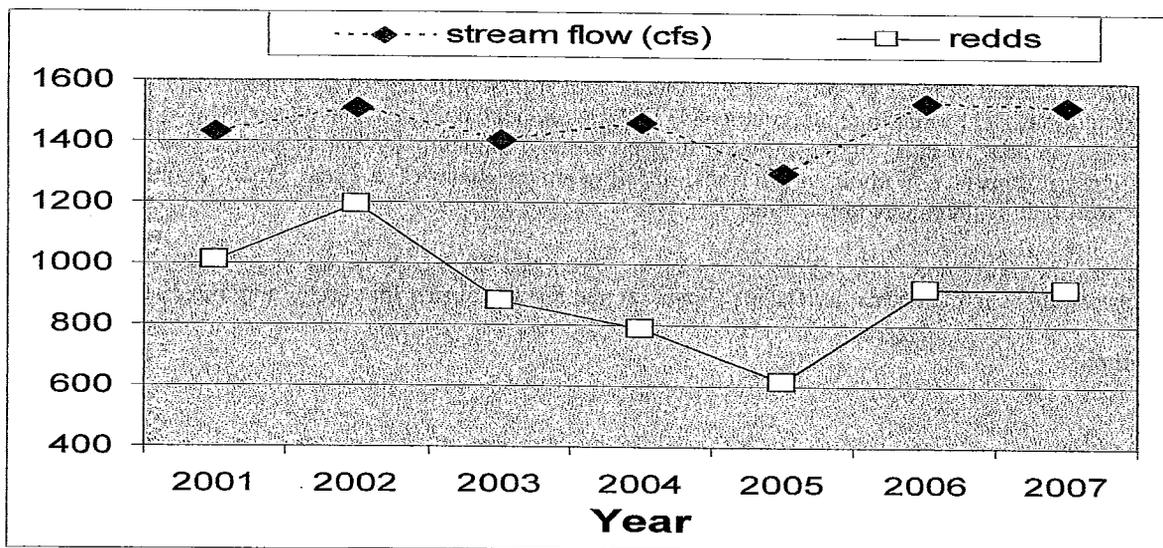


Figure 1. Comparison of redband trout redds observed in the upper Metolius River subbasin and stream flow (cfs) measured at the Grandview gage, 2001-2007.

### Bull Trout

Bull trout are unique among native Oregon salmonids in being particularly dependent upon cold water temperatures (10-14 C). Temperatures rising above 14 C will initially result in reduced productivity and growth and ultimately lead to local or regional extirpation. The unique hydrology of the Metolius River basin, dominated by groundwater surfacing as cold springs, is a key factor supporting its robust population of bull trout. Scientists predict this species could be particularly vulnerable to the effects of global climate change. As such, the spring-dominated Metolius River is particularly critical to overall species conservation

### Anadromous Fish Re-introduction

As a condition of their FERC license, the co-licensees of the Pelton Round Butte Hydroelectric Project, Portland General Electric and Confederated Tribes of the Warm Springs, in collaboration with multiple stakeholders including the department, USFWS, NMFS, US Forest Service, Deschutes Resource Conservancy, Deschutes Land Trust and area Watershed Councils are reintroducing native anadromous salmonids into their historic habitats in the Upper Deschutes River Basin.

Spring Chinook and sockeye salmon are being reintroduced into the Metolius River while spring Chinook and summer steelhead trout are being reintroduced in to the Metolius River and Whychus Creek. The success of this effort will be largely dependent upon the available adult spawning and juvenile rearing habitat. Activities that result in decreases in streamflow and degraded water quality will adversely impact reintroduction goals and compromise the considerable investment in this effort.

### **Summary**

The department has identified unique and valuable fisheries in the Metolius River and Whychus and Fly Creek watersheds. Hydrologic review of the PFO associated with G-16674 indicates there is a likely, yet unquantified, impact to surface waters in each of these streams. Reductions in stream flow will negatively impact resident and anadromous fish populations. The department recommends OWRD conduct a comprehensive analysis to quantify the relative hydrologic impact to each of the streams and prescribe mitigation by the applicant within the respective *local* zones of impact. Without this critical information issuance of a Final Order authorizing development of the well field is premature at this time.

The department appreciates the opportunity to comment on the proposed final order and other OWRD issues pertinent to fisheries resources in the Deschutes Basin. Please contact me for further input regarding this issue.

Respectfully submitted,



Brett Hodgson  
Deschutes District Fish Biologist  
Oregon Department of Fish and Wildlife  
61374 Parrell Road, Bend, OR 97702  
541-388-6363  
brett.l.hodgson@state.or.us

Hi Tom,

You are correct bull trout have never been stocked in the Deschutes basin. Therefore native (pure) bull trout are present in the Metolius-Lake Billy Chinook ecosystem (and middle Deschutes up to Big Falls) and in the upper Deschutes Basin in Odell Lake-Trapper Creek and Odell Creek. As you are aware historically they were much more widely distributed in the upper Deschutes, however, habitat degradation and water management led to their extirpation outside of Odell.

Concerning redband the genetic picture is less clear. Hatchery rainbow were widely released throughout most of the Deschutes, Crooked and Metolius subbasins. For the most part hatchery stocking in streams was terminated in 1977 in the Deschutes, 1978 in Little Deschutes, 1972 in Tumalo Creek, 1955 in Whychus and 1991 in the Crooked. The Deschutes below Wickiup and Fall River are still stocked and there are some hatchery fish leaving Crane into the upper Deschutes. Therefore, there is some level of hatchery introgression in most of our redband populations. That being said, the genetic analysis that has been done on redband from streams throughout the basin have shown low to moderate hatchery influence. Even the genetic work done a couple of years ago on redband upstream from Crane showed very low levels of introgression. Apparently the hatchery rainbow and native redband have different enough life histories that they maintained fairly good separation.

You are correct that Trout Creek and Fly Creek are two streams that harbor small redband populations and have never been stocked. Therefore, from a purity standpoint they are probably the best. Another area likely to have pure redband (although not tested) is the South Fork Beaver Creek drainage on the the eastern edge of the Crooked. There are likely a number of small creeks in the Ochocos that have close to pure populations.

Whychus was stocked from 1952-1955 with steelhead smolts. It is likely these fish outmigrated and had little to any impact on the redband population in Whychus. Of course it is unknown what percentage of the historic *O. mykiss* population in Whychus was steelhead versus resident redband.

We collected *O. mykiss* genetic samples a couple of years ago from several locations in the upper and lower Deschutes to evaluate the pedigree of steelhead and redband from throughout the basin. Samples were taken from the lower Crooked below Hwy 97, McKay Creek, Whychus Creek and I believe the middle Deschutes. Hopefully, we will see the results of the analysis in 2010.

Hope this helps.

Brett

**From:** H. Tom Davis [mailto:tomlin2@bendcable.com]  
**Sent:** Friday, December 26, 2008 12:20 PM  
**To:** Brett Hodgson  
**Subject:** Native Redbands & Bull Trout

Brett -

A friend asked me what streams in the upper Deschutes had native redbands and native bull trout. He's not a purist, i.e. mostly native genetics are OK.

The Metolius is the primary native bull trout source that I'm aware of, but I believe bull trout are in some of the upper lakes and presumably the streams. I don't know if there were ever hatchery and stocking of bull trout in the upper Deschutes streams - I've heard they're hard to successfully propagate/raise in a hatchery. Any additional streams or information you could provide on native bull trout in the upper (not lower) Deschutes (Central Oregon) streams would be appreciated.

For redbands I've been told by knowledgeable fish bios that some pools in lower Fly Creek and in the upper reaches of Trout Creek have redbands with native DNA. Since he's flexible on purity the question is what about the Metolius, Whychus (I've seen redbands there), tribs like upper Indian Ford, Crooked, upper tribs of the Crooked, the upper and middle reaches of the Deschutes etc.

My guess for redbands is that the ones in Whychus may be few, but that hatchery stocking hasn't occurred much if any, so the ones there, particularly in the upper reaches may be close to pure native DNA. The main Metolius and Crooked have been heavily stocked so the native strain is probably lost in those. There are a lot of Crooked tribs though that I'm not familiar with. and I'm definitely not familiar with the upper tribs of the Little Deschutes or main Deschutes.

Any enlightenment you can provide without an arm and leg worth of work would be appreciated.

thanks,

Tom

Groundwater & Environmental Consultants  
**Mark Yinger Associates**

69860 Camp Polk Road, Sisters, OR 97759 – 541-549-3030

January 12, 2009

H. Tom Davis  
69217 Tapidero  
Sisters, OR 97759

Ref: Proposed Final Order for the Ponderosa Land & Cattle groundwater use permit.

Dear Mr. Davis:

This letter concerns the potential impact of groundwater use by a destination resort being proposed by Ponderosa Land & Cattle Company. The large, 10,000 acre, resort would be located on Green Ridge approximately 2 to 4 miles east of the Metolius River and northeast of Black Butte.

I am a hydrogeologist experienced in the geology and hydrogeology of the upper Deschutes basin. I have and am currently managing projects that evaluate the impacts of development on groundwater levels and groundwater discharges to rivers and creeks in the basin. These projects in part rely on the use of the U.S. Geological Survey's numerical groundwater flow model of the upper Deschutes basin (Gannett and Lite, 2004). I have been a consulting geologist and hydrogeologist for approximately 25 years.

I can state with reasonable certainty that the primary surface water impact of the Ponderosa Land & Cattle Company resort's groundwater pumping will be to reduce spring discharges to the Metolius River and its tributaries upstream of Jefferson Creek. The pumping will also reduce flows from springs that discharge to lower Whychus Creek. Other waters that may be impacted include Fly Creek and Indian-Ford Creek.

Ponderosa Land & Cattle Company has a proposed water well (point of diversion) located approximately four miles south-southeast of the headwater springs of the Metolius River. And they currently have one exploratory well in the resort area (JEFF 50887). This well reportedly produces only 35 gallon per minute with 690 feet of drawdown. It is apparent that production wells will need to be drilled much deeper.

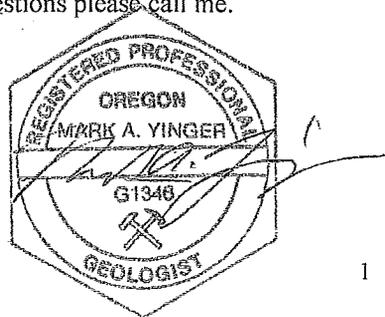
It is reasonable to conclude that the pumping water level in the production wells of the proposed resort will be well below the elevation of the Metolius River headwater springs. The primary surface water influence due to pumping of the production wells will be on the springs that discharge to the Metolius River.

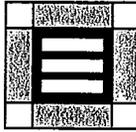
Under the groundwater mitigation rules the primary zone of mitigation should be the Metolius River sub-basin, not the general zone. The approval of this Final Order will result in unmitigated impact to the Metolius River.

If you have any questions please call me.

Sincerely,

Mark Yinger, R.G.  
Hydrogeologist





## ECONOMIC DEVELOPMENT FOR CENTRAL OREGON

EXCELLENCE IN BUSINESS DEVELOPMENT

February 11, 2009

Department of Land Conservation & Development  
635 Capitol Street, N.E.  
Suite 150  
Salem, OR 97301-2540

Dear Chair and Members of the Subcommittee:

I would like to provide written testimony regarding the proposal by Governor Kulongoski to designate the Metolius Basin as an Area of Critical State Concern (ACSC). Economic Development for Central Oregon (EDCO) is a private, non-profit regional economic development corporation charged with helping to diversify and strengthen the economy in the tri-county area that includes Crook, Deschutes and Jefferson.

We understand that your subcommittee is looking for feedback about whether large scale development should be prohibited in and around the Metolius basin. Generally speaking, we believe that longstanding Oregon land use laws governing destination resorts and rural residential developments are adequate for protection of productive farm and forest lands, big game migratory areas, and unique scenic areas. The Goal 8 mapping and destination resort siting processes are rigorous and offer many opportunities for public comment, input and legal appeal. We are concerned that the designation of a new ACSC has the intent of prohibiting or seriously restricting future destination resort development within both the watershed boundary and buffer zone. Specifically, such restriction or prohibition would have negative consequences for the opportunity to generate new property tax revenue from destination resort development in Jefferson County.

Destination resorts have played a very significant role in Central Oregon's economic development success. These amenity-rich developments provide an opportunity to expose visitors and potential future residents to the area with a high quality experience. Many of these visitors return to purchase second homes, and a good share of these part time residents later decide to become full time residents. A portion of those bring their businesses with them. This importation of new residents with resources, talent, education, work experience and contacts is the defining element that has fueled a healthy portion of our economy, business and job growth. Of those manufacturing and technology-based

recruitment projects that inquire with EDCO about relocation, approximately 70% of the principals of those companies say that they were first tourists to the area. Many stayed or owned property at a destination resort.

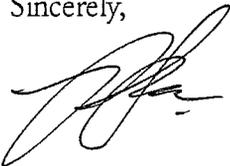
For local jurisdictions, there is a very positive net balance between property tax revenues and impact on local special districts that overlay our resorts. Destination resorts in both Deschutes and now Crook counties are among the top 10 largest taxpayers in each area. Property tax revenue from resorts have served to stabilize local public services used and enjoyed by all residents, not just the resorts, their visitors and property owners. For example, the Deschutes County Sheriff has in the past testified in support of destination resorts and the low impact they have on their operations versus revenues realized.

Quality of life and the collective lifestyle amenities this region offers have been an important factor in Central Oregon's population, job growth and diversification. Consequently, we, along with probably a solid majority of the region's residents, don't support large-scale development along the banks of the Metolius River, which certainly is a special place. However, neither resort development currently being proposed would be along the river (both are miles away), and even at full build-out neither development would be visible from anywhere on the river or its banks. Furthermore, the vast majority (88%) of land ownership in the Metolius basin is in public ownership and therefore is highly unlikely for any future development of any kind. This fact, along with Oregon's robust existing land use statutes, are powerful built-in protections for preserving this unique natural asset.

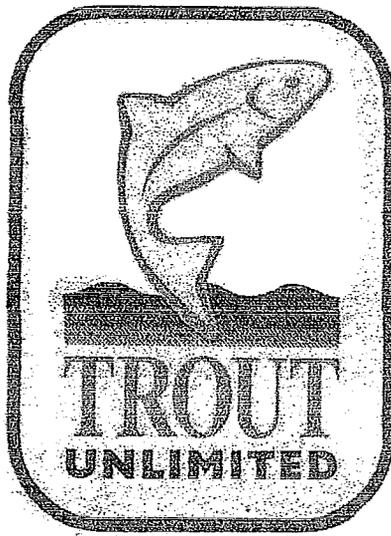
Thank you for the opportunity to provide testimony on this important project. Our Board of Directors, which is comprised of 34 top business and public leaders throughout the tri-county area, will be discussing this issue further and may provide additional testimony.

We look forward to being involved in this and future stages of the process.

Sincerely,

A handwritten signature in black ink, appearing to read 'Roger J. Lee', with a stylized flourish at the end.

Roger J. Lee  
Director



*Feb. 11, 2009*

*To: Oregon Department of Land Conservation and Development,*

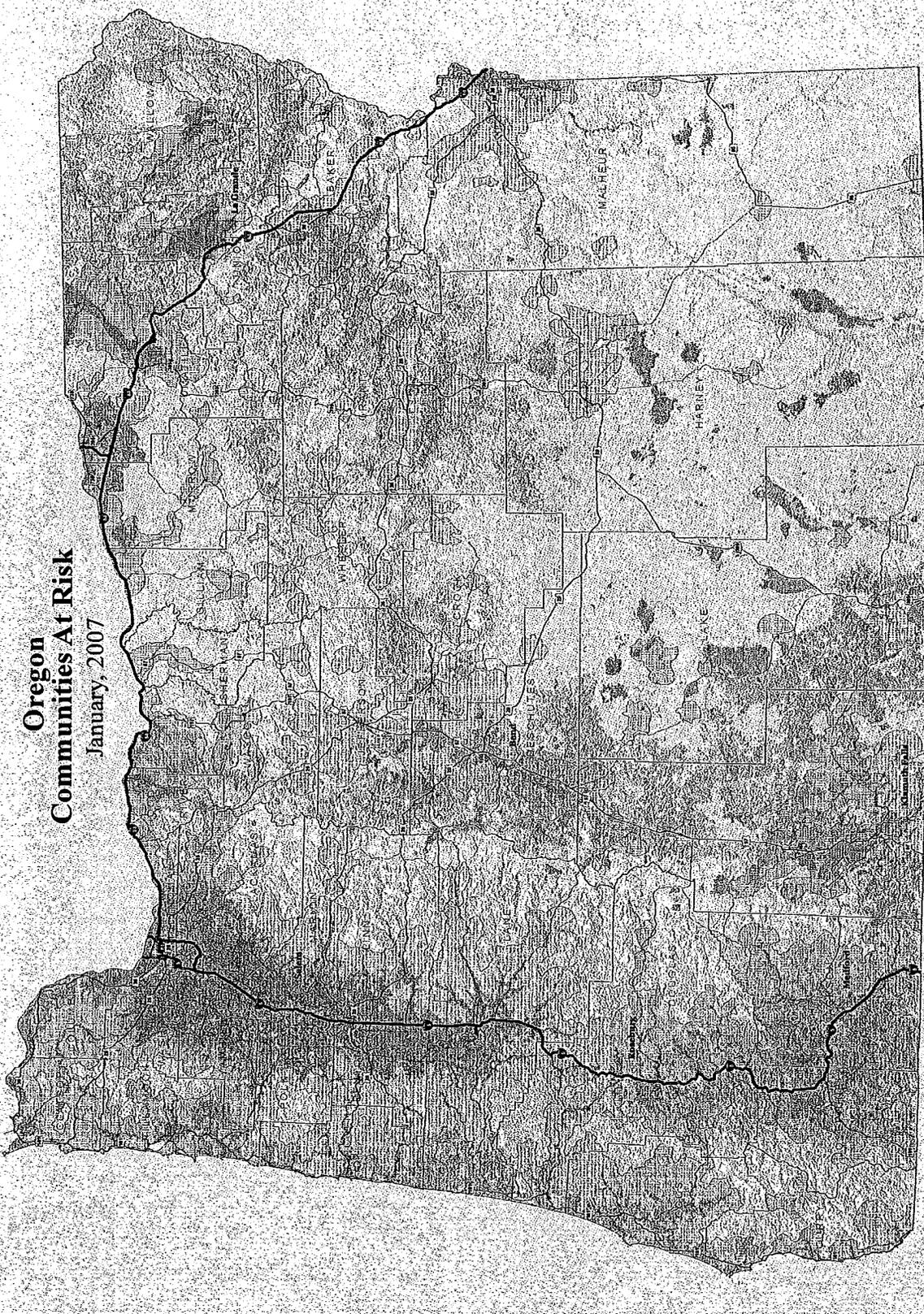
*Good evening. My name is Lou Duncan and I represent the Deschutes Chapter of Trout Unlimited. The Metolius watershed is a unique and pristine place that deserves protection. We oppose any introduction of destination resorts to the Metolius watershed.*

*Thank you,*

*Lou Duncan  
Deschutes Chapter - Trout Unlimited  
PO BOX 65  
Maupin, OR 97037*

Continued from page 2/13/07

# Oregon Communities At Risk January, 2007

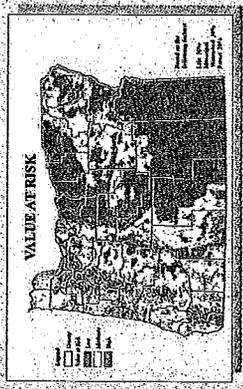
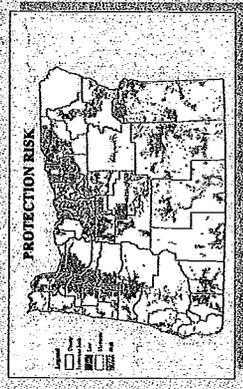
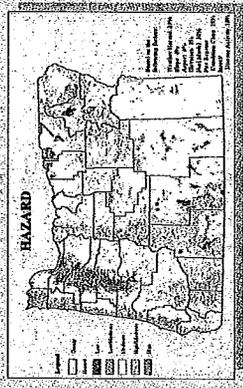


- Legend**
- Interstate
  - US Highway
  - State Highway
  - Municipal
  - County
  - Jurisdictions (populated)
  - Community Extent
  - Lakes
  - Landscape Rating
    - Low
    - Moderate
    - High

Landscape Rating  
Composite Risk:  
Overall risk based upon the following factors:  
Risk: 10%  
Hazard: 40%  
Protection: 14%  
Value: 36%



Oregon Department of Forestry (ODF) is the lead agency for forest management and fire protection in Oregon. ODF is a division of the Oregon Department of Agriculture (ODA). ODF is located at 1000 NE Oregon Street, Salem, Oregon 97331. Phone: 503-325-2300. Fax: 503-325-2301. Website: www.oregon.gov/ODA/forestry



Version 1

Matt Cyrus  
16925 Green Drake Ct.  
Sisters, OR 97759

February 11, 2009

Land Conservation and Development Commission  
635 Capitol St. NE, Suite 150  
Salem 97301-2540

Re: Hearing on Destination Resorts

Commissioners,

I have farmed in Central Oregon all of my life. My family homesteaded in Central Oregon in the 1880's after moving from the Willamette Valley (they homesteaded there in the 1840's). I am currently the President of Deschutes County Farm Bureau and have served on that board in various positions for the past 25 years. I serve on the board of Water for Life as well as the Oregon Farm Bureau Water Advisory Committee. I have been a volunteer for the Cloverdale Rural Fire Protection District for the past 27 years and currently hold the rank of Lieutenant. My education background includes Bachelor of Science degrees in Business Management as well as Agricultural and Resource Economics from Oregon State University. Living in the Sisters area, I have had the opportunity to observe the growth of destination resorts in Central Oregon and would offer the following observations.

**Destination Resorts are good for the economy**

Destination Resorts are good for the economy and, when concentrated in an area, create a regional destination. Limiting construction of new resorts would hurt the local economy and be counterproductive to both the local and statewide tourism efforts.

Black Butte Ranch is a good example of what a destination resort can do for a local community. When Black Butte Ranch was started in the early 1970's, Sisters was a dying timber town. The mills that had been its lifeblood closed, the whole industry was in decline, and the timber jobs simply disappeared. At the time, Sisters had no high school and was not a place that most people would want to raise their kids.

Along came Brooks Resources and the development of Black Butte Ranch. Brooks Resources gave the businesses in Sisters money to install western facades on their buildings in order to create the western theme that is its trademark today. It also developed the Tollgate and Crossroads subdivisions in order to have affordable housing for future employees.

Today, Black Butte Ranch is a mature resort that represents roughly 50% of the tax base for the Sisters school district while contributing very few students. It is completely self contained and uses virtually no outside public services. In fact, the Black Butte fire, ambulance, and police routinely leave the ranch to assist other service districts far more than they receive, for a net export of services. Most people don't realize that generally the first ambulance on the scene of any major accident on the Santiam Pass is from Black Butte Ranch and that Black Butte Ranch's ladder truck routinely leaves the ranch to assist neighboring fire departments in Western Deschutes County.

It was the Black Butte tax base that has allowed Sisters to have one of the best school districts in the state. Prior to Measure 5, Sisters was also one of the richest districts in the state. Now, with Measure 5, all the schools in the state are benefitting from the taxes generated by this resort because only a portion of the millions of dollars in Black Butte tax dollars are returned to the Sisters School District. Thanks to the tax base in Black Butte Ranch, Sisters can still build state-of-the-art schools (construction bonds were not affected by Measure 5) and continues to have one of the top school districts in the state in spite of Measure 5's reallocation tax dollars.

Sisters has been the beneficiary of the success of Black Butte Ranch and become a thriving Resort Community. The western theme, the diversity of shops, and decades of promotion of Black Butte Ranch have made Sisters a draw in itself. So much so, that this growth has generated some of the backlash toward continued growth as the community tries to define itself.

### **Concentrations of Resorts are good for the region**

Individual resorts can create a draw to themselves, but concentrations of resorts can create a regional draw. The construction of multiple resorts in Central Oregon has allowed Central Oregon to promote itself both nationally and worldwide as a destination. This critical mass of resorts has allowed the Central Oregon region of the state to achieve what no single, or even small group of resorts could accomplish. Central Oregon is now ranked nationally and internationally as a golfing destination. Just as Palm Springs, Aspen, Vale, Whistler, and others, Central Oregon is finally able to compete as a nationally known destination. The Pacific Amateur golf tournament is a good example of multiple resort properties working together to promote a multi-course tournament that brings millions of tourist dollars to Central Oregon.

As the timber economy disappeared and the agricultural economy declined, tourism became the driving force in Deschutes County. Without it, Deschutes County would be in the same dire straights as many of the other rural counties that have lost their primary industries. Destination resorts have become Deschutes County's primary industry.

### **Resorts' impacts on Farm Land, Water, and Public Services**

There has been criticism that resorts cover good farm land, use water, use public services, and have become excuses for more "sagebrush subdivisions". Resorts are already prohibited from

being placed on the best farmland and may not be sited near “high value crop areas” in order to protect farming areas that have already been deemed important to the state. Deschutes County has already determined that none of these areas exist in the county. And rightly so. Deschutes County has only marginal soils and a short growing season that severely limits the types of crops that can be grown in the area. Fifty years ago, Deschutes County had a thriving potato industry, but improved transportation and a growing global economy has made it economically impossible to compete with more efficient production areas. Destination Resorts are sited on land that is beautiful, and generally less productive for farming.

It is a common myth that destination resorts use huge amounts of limited water resources. It is true that golf courses do use water to irrigate the grass. What most people don't realize is that per acre, golf courses use less water than most agricultural crops, but generate far more economic value per acre and homes use even less water.

If we assume a typical golf course has 120 acres of irrigated turf and generates 25,000 rounds per year at \$60 per round. It generates a gross revenue of \$1.5 million, employs 30 to 40 people, and pays tens of thousands of dollars in property tax. That same 120 acres in hay would produce 4 tons per acre or less at \$200 per acre (current value assuming no rain). This would generate gross revenue of \$96,000, employ one to two people, and pay only a few thousand in property taxes. Keep in mind that the majority of the 25,000 people who play the course come from outside Central Oregon and have to stay in local motels, buy their meals, and generally make a significant impact in the local economy.

As mentioned in the case of Black Butte Ranch, destination resorts use far less public services than they pay for. For the most part, destination resorts are self contained, in that they use little or no outside public services. For example, they typically have their own water and sewer systems. Those that don't have their own emergency systems, pay more in taxes to the affected taxing districts than they receive in services. The emergency service districts that I am familiar with are delighted to have resorts in their service areas. Recent discussions with the Deschutes County Sheriff's office revealed that they have very few calls into the Eagle Crest resort, but receive a considerable amount of tax dollars from that area. Destination resorts actually subsidize the public services enjoyed by the rest of us.

Destination Resorts are not your typical sagebrush subdivisions. While there are a number of permanent residents in destination resorts, many are second homes that are occupied only weeks or sometimes months per year. These homes are often valued in excess of a million dollars and generate thousands of dollars in tax base for a home that is not even occupied and using little or no services. For the affected taxing district this is “free money.”

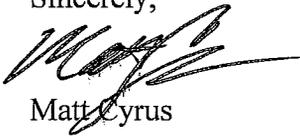
Because the economic multiplier for Central Oregon is over 2, each million dollar home that is built, generates more than two million dollars in the local economy. There are many thousands of ancillary jobs that are reliant on the Central Oregon construction industry, from contractors, to home furnishing companies, to sign makers, and fertilizer suppliers. I would argue that the majority of the Central Oregon economy is now reliant on construction and resort development.

For those people who are permanent residents of the resort, they are often retired professionals who are apt to donate their time and money to the local charities and causes, or they are business owners and community leaders who create the living wage jobs that keeps the economy working.

**Destination Resorts are critical to the Central Oregon Economy**

In short, destination resorts are a good, clean, industry that use few resources, but create jobs, tax revenue, and improve the overall livability of the communities where they're located. The Central Oregon economy was especially hard hit in the 1980s with the decline of the timber industry. It was fortunate to be able to transition its economy to the tourism base that it now enjoys. Destination resorts are a critical component of that tourism economy and should be encouraged. Imposing a moratorium on additional resorts in Central Oregon would be the same as the state stepping in and creating a similar moratorium on any new high tech manufacturing in the Portland Metro area. It simply doesn't make sense for the state to limit an area's ability to determine its own economic vitality and future.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Cyrus", with a stylized flourish extending to the right.

Matt Cyrus

11 February 2009

Lisa Howard  
Oregon DLCD  
635 Capitol Street  
Suite 150  
Salem, OR 97301

Dear Lisa,

I would like to enter the following testimony into the record of the hearings on the designation of the Metolius Basin as an ACSC.

I strongly support this designation. I find persuasive the many arguments put forward by others. In particular, the Metolius Basin is one of those rare natural resources -- unique in Oregon and perhaps in the US -- that should be protected. Allowing extensive development -- whether resorts or housing subdivisions -- on or around the Metolius would be akin to putting a golf course next to Old Faithful, allowing big hotels on the rim of the Grand Canyon, or allowing big houses on the moraine along Wallowa Lake. Once there, such developments would despoil a unique resource forever -- they cannot be undone.

Economic times today are tough. But that is no reason to sell off our natural assets -- in fact, it is during times like these that we should especially protect all the things than money can never buy, and all the things in nature that cost nothing to enjoy. The various proposed developments will certainly bring profits to a few businessmen -- while all the rest of us pay the price. Private greed (including rampant land development) is widely believed to be one of the factors underlying our economic malaise. Why should we now believe that continuing to accommodate this greed will magically restore the economies of our rural areas?

On a personal note, my son is learning to fly fish on the Metolius -- one of the premier fly fishing streams in the country. Any development that mars the character of this river, by ruining watersheds or siphoning ground water to mention only two likely negative effects, may well mean that his son will never have the opportunity to hone his fishing skills on this river. While the well-being of a little boy cannot perhaps be compared to the tremendous financial gains of a few developers, he is, I think, a symbol of why we need to preserve what we have, for all of us, and for all the future.

Sincerely,



Charles Humphreys  
PO Box 653  
14985 Remuda Road  
Sisters, OR 97759  
541 549 1943



File Code: 1560

Date: February 10, 2009

State of Oregon  
Department of Land Conservation and Development  
Land Conservation and Development Committee

**To: LCDC Subcommittee, Metolius Basin Area of Critical State Concern**

The US Department of Agriculture, Forest Service, Deschutes National Forest manages the majority of lands in and adjacent to the Metolius Basin that surround the areas currently proposed for destination resorts. Both areas proposed for resorts are wholly within the boundary of the Sisters Ranger District.

The Forest Service does not take positions on local or state land use issues.

The Forest Service will comment when local planning decisions have the potential to affect public or Tribal Trust resources on the National Forest.

The Forest Service has responsibility under the Wild and Scenic Rivers Act to “prevent diminishment” of the Outstandingly Remarkable Values of the Metolius River. These “ORVs” include fish, water quality and quantity, wildlife, geology, scenery, cultural resources, and recreation.

During the Wild and Scenic River planning process in the mid-1990’s, the Forest Service and the public recognized that the Metolius Basin was largely at maximum capacity for recreational use. Recreational use and the resulting impacts on the natural environment were the dominating issues during the planning process.

Rather than setting visitor limits, limiting public access, or requiring reservation systems, the Forest Service decided to manage use by stringently restricting the development of new recreational and commercial facilities and activities on federal lands in the basin.

When evaluating the potential impacts of destination resorts on public and Tribal Trust resources, the Forest Service will consider effects to water quantity and quality, wildlife habitat, disturbance, and migration patterns, traffic on Forest Roads, forest management activities, and risk of wildfire to and from private land development.

Acting Sisters District Ranger Craig Letz is the responsible Forest Line Officer. Forest point-of-contact for this issue is Rod Bonacker, Sisters Ranger District, 541-549-7729,. E-mail at [rbonacker@fs.fed.us](mailto:rbonacker@fs.fed.us).





**JOHN E. HUFFMAN**  
State Representative - House District 59  
Oregon House of Representatives

February 11, 2009

Mr. Richard Whitman  
Director  
Dept. of Land Conservation & Development  
635 Capitol St, NE, Suite 150  
Salem, Oregon 97301-2540

Re: Metolius River Basin

Dear Mr. Whitman:

I am not able to attend in person, because of my schedule in Salem, the public hearings on the Metolius River Basin in Sisters and Madras today and tomorrow. I am attaching a copy of my statement which I also sent to the Jefferson County Commissioners, for the official record of the public hearings you are conducting in my district. It is not necessary to read into the record unless protocol requires it. It is just my desire to get this into the official record of these hearings.

Please let me know if you have any questions regarding my position on the matter.

Sincerely,

A handwritten signature in black ink, appearing to read "John E. Huffman".

REP. JOHN E. HUFFMAN  
House District 59

JEH:kh

Cc: Jefferson County Commissioners



**JOHN E. HUFFMAN**  
State Representative - House District 59  
Oregon House of Representatives

## **STATEMENT REGARDING METOLIUS**

The Metolius River Basin and the State's legal process is of great concern to me. Here are some facts on the history and the process surrounding the destination resort mapping of the Metolius River area.

The option of "Area of Critical Concern" was established in land use rules in 1973. Since that time, the ACC has never been invoked. I would also note that the ACC was never proposed during the county planning mapping process or during the DLCD reviewing process.

Jefferson County worked on mapping and zoning from January 2006 to December 2006. Thereafter, Jefferson County's destination resort plan was submitted to DLCD on December 28, 2006. DLCD then remanded the plan back to Jefferson County with questions regarding the traffic and roadway improvements and their impact on big game habitat and migration.

Senate Bill 30 was introduced in the 2007 Regular Session and was still in committee upon adjournment and did not go the Senate or House for a vote. Appeals were filed with LUBA and subsequently with the Court of Appeals and Jefferson County's position was upheld by both. It has now been appealed to the Oregon Supreme Court where it currently is pending. Though the process has so far taken years, it is still on going.

Jefferson County officials have done everything within the frame work designated by law, have gone through all the necessary avenues prescribed by the rules, laws or agencies and it is inappropriate and alarming that at this juncture in the process, the State wants to attempt to change the rules/zoning and invoke the ACC option.

I strongly urge everybody to allow the public process to continue under current statute without further interruption.

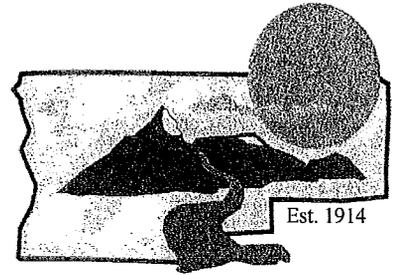
REP. JOHN E. HUFFMAN  
District 59

JEH:kh

# JEFFERSON COUNTY

## BOARD OF COMMISSIONERS

---



66 S.E. "D" St., Suite A • Madras, Oregon 97741 • Ph: (541) 475-2449 • FAX: (541) 475-4454

February 11, 2009

Jefferson County Board of County Commissioners  
Written Testimony Before The  
Land Conservation and Development Commission  
Sub-Committee On Metolius Basin

Dear Commissioners Jenkins and Pellett:

Welcome to Deschutes County. Jefferson County appreciates your time, experience and insight on Jefferson County's destination resort mapping process, an issue which continues to be raised at the State level.

As you may know, two years ago Jefferson County opposed Senate Bill 30, a bill which later died because the Governor expressed his preference to allow the local process to conclude to its lawful conclusion, unfettered by legislative interference. Two years later, we are now asked to consider a designation that has never been completed in the history of the State of Oregon based on a statute that has been on the books for over thirty years.

We understand and empathize with the aggressive time-frame and ambitious scale of planning the Governor's December 19, 2008 letter has thrust upon you. However, this "11<sup>th</sup> hour" request should not be an excuse for this subcommittee to ignore the general concepts of full public notice and full public involvement. This issue does not lend itself to a "quick" review and conclusion. Jefferson County produced in excess of 4,000 pages of record in support of its process that ultimately led to the destination resort mapping. It is unfathomable that this process will not allow for more than 4 hearings over the span of one month.

Jefferson County's mapping process has been the subject of much discussion, mostly by people who have never even read the County's destination resort ordinances, let alone the findings and supporting documents. We request that the subcommittee review this entire record from 2006 before making a recommendation to the full Commission; you owe the process you have been asked to supersede a full review and draw your own conclusions.

Our second request is that this subcommittee personally visits the two mapped sites to familiarize yourselves with the topography of the area and to see firsthand the potential impact, if any, to the Metolius River if these properties were developed under existing federal, state and local rules and regulations. This site visit should occur prior to your recommendation to the full Commission.

The County believes the Governor had it right two years ago when he deferred to the state's heralded land use system to resolve any issues with the destination resort mapping. The Oregon Supreme Court should be allowed to complete the job for which they were elected. Land use processes, such as the County's are expensive and time-consuming. The County began this process in January of 2006. If three years of land use process on one plan amendment can be ignored and trumped by the State, the stability of our land use system, including citizen participation and local government authority, will have been catastrophically compromised.

After reviewing the record of 2006, current rules and regulations, and visiting the sites, we believe this subcommittee and the full commission should require a clear showing of likely damage to the region before taking action to suspend the rule of law in Jefferson County. The precedent of moving forward while this case rests in the hands of the Oregon State Supreme Court does nothing less than seize authority of the rightfully elected members of the Supreme Court and the elected members of the Board of Jefferson County Commissioners. Do not allow the LCDC to be forever stained by participating in a "political land grab" orchestrated by a powerful State Senator and her friend, the Governor. If this "Area of Critical Concern" is allowed to proceed, the new role of the LCDC will undoubtedly become a new layer of review for land use disputes.

Jefferson County does not support the creation of an area of critical concern. Fully 88% of the designated Metolius Basin is already protected from development. From our first reading, Jefferson County cannot support the current draft management plan presented by DLCD. The plan's release on February 6<sup>th</sup> did not allow the County sufficient time to thoroughly review the plan. Just yesterday the County received a revised plan that includes a new boundary. We are unable to understand the reason this subcommittee has decided to draw the boundary in a manner that imposes new restrictions on a subdivision 28 river miles from the headwaters of the Metolius River and 8.5 miles beyond the termination of the natural river into Lake Billy Chinook. What method has this subcommittee used to notify the property owners of the Three Rivers subdivision that their property rights are in jeopardy? Should they be given at least 14 days notice of this hearing?

The County will reserve further specific comment about the draft plan for a future hearing. We welcome the opportunity to continue to work with the agency and the Commission to discuss the many issues presented by the Governor's endeavor.

Oregon Department of Land Conservation & Development  
Public Hearing on Designating the Metolius Basin an Area of Critical State Concern  
February 11, 2009, Sisters, Oregon

Good Evening:

I am Ned Austin, 63900 East Quail Haven Drive in Bend where my wife and I have lived since 1987. I was a volunteer for the Metolius River ballot initiative and helped develop the Metolius River environmental impact statement and management plan. I would like to offer the following comments regarding the question: Should resorts and other large-scale developments be allowed in the Metolius Basin under the designation, Area of Critical State Concern?

The people of Oregon have made it clear that the Metolius River is a place they want protected. They have expressed this not only by the public initiative that established the Metolius River as a State Scenic Waterway and federal Wild and Scenic River but also by thousands of volunteer hours in support of conservation, education and recreation projects on the river. Inspired many years ago by the leadership of school teacher Toni Foster and others, the Metolius River today is alive and well.

I believe destination resorts and other large scale developments in and adjacent to the Metolius Basin are inappropriate. They will put enormous pressure on the river's water, wildlife and recreation resources - the same values that prompted the public initiative to protect the river. They will also stress the infrastructure in the basin and in nearby communities, changing the character and setting of the Metolius River in a negative way.

If we want to protect the Metolius River for future generations to enjoy, I think designating the basin An Area of Critical State Concern can help, but only if it prohibits resorts and other large scale developments from the Metolius Basin and adjacent areas.

Sincerely,



Ned Austin

63900 E. Quail Haven Drive  
Bend, Oregon 97701

Feb. 11, 2009

## Comments to Oregon Dept. of Land Conservation & Development

RE: Designation of Metolius Basin as a state Area of Critical State Concern & Draft Management Plan

Please take immediate action to permanently protect the fragile Metolius Basin and its water resources from large-scale development. Here are the reasons this area should be put off limits to thousands of new houses and resort amenities.

1. **We have enough resorts in Central Oregon.** More visitor amenities in the Metolius area aren't needed. Camp Sherman, Sisters and the Metolius Basin already offer enough resort accommodations and amenities (Black Butte Ranch, Lake Creek Lodge, Kokanee Café, plentiful vacation home rentals). And policymakers need to look at the cumulative effects of Central Oregon resorts. Currently, Central Oregon resort developers have built over 14,500 homes. At build-out, the Central Oregon resorts currently in different stages of development could encompass 55 square miles and 18,000 housing units.
2. **The water use risks for the Metolius River, a pristine, world-renowned fish stream, are grave.** The size and scope of the Ponderosa Land & Cattle proposal—three times the area of Black Butte Ranch—make it impossible to provide adequate mitigation for the amount of groundwater that will be consumed. My understanding is that the water this resort would use annually would be three times what the entire city of Sisters uses each year. This water will come directly from sources that feed the Metolius, Middle Deschutes and Whychus Creek, all of which are also critical for on-going threatened steelhead and salmon reintroductions. The Metolian, located close to the headwaters, would also take water needed to recharge these critically-important, fragile waterways.
3. **Putting new, city-sized populations in this remote area will make some of the best rural routes for road cyclists in the state too dangerous to ride.** Cycling is a growing and major tourism draw in this area. In Central Oregon we have annual events such as the Cascade Cycling Classic, Cycle Oregon, the Cyclocross National Championships, USA Cycling's Road National Championships not to mention everyday touring by locals. The rural roads around the PCL and Metolian proposed resorts offer some of the most popular routes for riding in Central Oregon. They are narrow, curvy and will not accommodate heavy traffic and cyclists. Our region stands to lose cycling tourists if these resorts are allowed.
4. **The costs to the public of these resorts need to be quantified and compared to the value of the tax revenue they could bring in.** There has been no objective economic analysis of the overall costs to the public of destination resorts in Central Oregon. Costs to be factored in should include any degradation to publicly-owned natural resources, and infrastructure improvements, such as:

- a. Damage to water quality from construction runoff/sedimentation, nitrate runoff from golf courses, nonpoint source pollution from all the extra cars traveling formerly rural roads, and leaching from any septic systems into water courses,
- b. Detriment to fragile fisheries and resultant failure of steelhead and salmon reintroduction efforts,
- c. Loss of big game habitat, and encroachment on the habitat of species of concern,
- d. Costs of road maintenance and expansions that resorts do not bear because the traffic impacts are across county lines.

5. **It's an unfortunate fact for the owners of the Metolius properties in question that speculative land purchases have the same risks as other investments.** The value of such land can go up or down. Zoning and what is a permissible land use can and do change, based on society's changing priorities and will. Oregonians must retain the power to collectively preserve areas of critical concern from development.

I urge you to prohibit new, large-scale building within ten miles of the Metolius River. I do not support exemptions for developers who partner with native American tribes to build projects. That loophole would be certain to be exploited and would negate any protective legislation.

Thank you for considering my views.

Sincerely,



Merry Ann Moore  
69225 Hawksflight Dr.  
Sisters, OR 97759  
541.549.6006

merryann@bendcable.com

Metolius Basin Destination Resort Hearing, February 11, 2009

Mollie Eder  
10402 SW Fleming Road  
Powell Butte, Oregon 97753

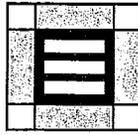
I'd like to state first that I am not from this immediate area, I live in Crook County. As you know, Crook County last year voted to prevent any more resorts from being placed there by removing the DR overlay map. There was in my county overwhelming sentiment that we have enough resorts, as three at that time had been approved, and a 4<sup>th</sup> was in the process.

From listening tonight, I think it safe to say public sentiment is the same in this geographic area. However, added to the general feeling that there are enough resorts, whether in Crook County specifically or in Central Oregon as a whole, is the clearly widespread belief that this Metolius basin is a special and especially treasured part of our area.

Counties desire DRs for their perceived economic benefits. For Jefferson County to maximize the benefits to their county, shouldn't their DR overlay exist nearer their one incorporated city, Madras? For economic factors to be most favorable, shouldn't resorts be in proximity to Madras' own labor pool, businesses, and main travel route? Resort placement at the edge of their county, here in this basin, is due to the developers' eagerness to supply the DR overlay to the county, and disregard for potential placement in other areas countywide. Many other areas in Jefferson County could very likely be less environmentally harmed and less opposed by area citizens. Negative impacts on roads, schools, and fire protection borne by neighboring counties could be minimized and thus opposition minimized as well.

Everyone speaks of the beauty of the river and its headwaters, and worries that the water used by the proposed resorts will harm it. Everyone speaks of the pristine meadows and forests and worries that resorts will bring pollution, overuse, and degradation. And above all, preserving the basin for future generations is spoken of.

In Crook County, the resorts have been approved on farming and ranching lands, which to me are also worth conserving, for a number of reasons. But I must admit that while they are worthy of protection, they are not unique in Crook County or in Oregon. For the sake of future generations, wouldn't it be wise to protect the Metolius basin, which is undeniably a very special place in Central Oregon?



## ECONOMIC DEVELOPMENT FOR CENTRAL OREGON

EXCELLENCE IN BUSINESS DEVELOPMENT

February 11, 2009

Department of Land Conservation & Development  
635 Capitol Street, N.E.  
Suite 150  
Salem, OR 97301-2540

Dear Chair and Members of the Subcommittee:

I would like to provide written testimony regarding the proposal by Governor Kulongoski to designate the Metolius Basin as an Area of Critical State Concern (ACSC). Economic Development for Central Oregon (EDCO) is a private, non-profit regional economic development corporation charged with helping to diversify and strengthen the economy in the tri-county area that includes Crook, Deschutes and Jefferson.

We understand that your subcommittee is looking for feedback about whether large scale development should be prohibited in and around the Metolius basin. Generally speaking, we believe that longstanding Oregon land use laws governing destination resorts and rural residential developments are adequate for protection of productive farm and forest lands, big game migratory areas, and unique scenic areas. The Goal 8 mapping and destination resort siting processes are rigorous and offer many opportunities for public comment, input and legal appeal. We are concerned that the designation of a new ACSC has the intent of prohibiting or seriously restricting future destination resort development within both the watershed boundary and buffer zone. Specifically, such restriction or prohibition would have negative consequences for the opportunity to generate new property tax revenue from destination resort development in Jefferson County.

Destination resorts have played a very significant role in Central Oregon's economic development success. These amenity-rich developments provide an opportunity to expose visitors and potential future residents to the area with a high quality experience. Many of these visitors return to purchase second homes, and a good share of these part time residents later decide to become full time residents. A portion of those bring their businesses with them. This importation of new residents with resources, talent, education, work experience and contacts is the defining element that has fueled a healthy portion of our economy, business and job growth. Of those manufacturing and technology-based

recruitment projects that inquire with EDCO about relocation, approximately 70% of the principals of those companies say that they were first tourists to the area. Many stayed or owned property at a destination resort.

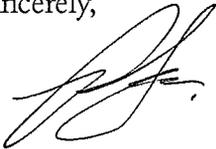
For local jurisdictions, there is a very positive net balance between property tax revenues and impact on local special districts that overlay our resorts. Destination resorts in both Deschutes and now Crook counties are among the top 10 largest taxpayers in each area. Property tax revenue from resorts have served to stabilize local public services used and enjoyed by all residents, not just the resorts, their visitors and property owners. For example, the Deschutes County Sheriff has in the past testified in support of destination resorts and the low impact they have on their operations versus revenues realized.

Quality of life and the collective lifestyle amenities this region offers have been an important factor in Central Oregon's population, job growth and diversification. Consequently, we, along with probably a solid majority of the region's residents, don't support large-scale development along the banks of the Metolius River, which certainly is a special place. However, neither resort development currently being proposed would be along the river (both are miles away), and even at full build-out neither development would be visible from anywhere on the river or its banks. Furthermore, the vast majority (88%) of land ownership in the Metolius basin is in public ownership and therefore is highly unlikely for any future development of any kind. This fact, along with Oregon's robust existing land use statutes, are powerful built-in protections for preserving this unique natural asset.

Thank you for the opportunity to provide testimony on this important project. Our Board of Directors, which is comprised of 34 top business and public leaders throughout the tri-county area, will be discussing this issue further and may provide additional testimony.

We look forward to being involved in this and future stages of the process.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Lee', with a stylized flourish at the end.

Roger J. Lee  
Director

## City of Sisters

February 11, 2009

Oregon Land Conservation and Development Commission

Re: Draft Metolius ACSC Staff Discussion Draft

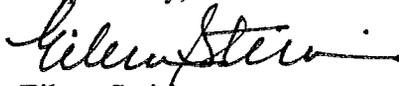
Dear Members of the Commission,

This testimony supplements that submitted by Mayor Lon Kellstrom, dated February 6, 2009. It reflects the opportunity of city staff to review the Metolius ACSC Staff Discussion Draft placed on the Department's website last week. Staff will defer to the Sisters City Council on the policy questions posed on pages 1 and 2 of the draft, and the City's position with respect to this designation in general. The Mayor's letter discusses the Council's intent to review City Resolution No. 2007-07 at an upcoming City Council meeting.

With respect to other aspects of the discussion draft, page 12 does a good job of summarizing the potential impacts of resort development near Sisters, whether in Jefferson or Deschutes counties, on the city of Sisters. The City is concerned about the impacts of further resort development on traffic, water, public safety and other essential public services on the city. We are particularly concerned about potential impacts on the Whychus Creek zone of impact and the implications of the 10 mile buffer on the city of Sisters.

At the same time, the City places a high priority on economic development to address the State's designation of Sisters as a 'severely distressed community'. If this process results in the ability to be flexible and negotiate the terms, conditions and location of resort development in the Metolius Basin, the potential exists that the Sisters community could be economically benefited by: 1) the ability to mitigate the impacts, and 2) the ability to receive benefit or compensate affected landowners in a way that mutually benefits the community and the landowner. We would appreciate the ability to be involved in the process as it continues and to share ideas with department staff at the appropriate time.

Respectfully,



Eileen Stein  
City Manager

Cc: Sisters City Council

520 E. Cascade Ave. ☐ P. O. Box 39, Sisters, OR 97759 ☐ (541) 549-6022 ☐ Fax (541) 549-0561  
☐ [www.ci.sisters.or.us](http://www.ci.sisters.or.us)

## Metolius Basin ACSC Hearing – February 11, 2009

### Department of Land Conservation and Development

#### Statement of Dennis Chapman

Thank you for the opportunity to make a statement.

I have been an Oregonian for 33 years, and currently live in Portland. I first came to the basin the first year I lived here, and have come back to the basin on and off ever since.

I thank the Governor for his support of the preservation of the basin, and for initiating the Area of Critical State Concern process and these hearings. I also applaud the DLCD staff for the draft management plan, although I do not think it goes far enough.

I would like to emphasize two points this evening, and then ask one question. The two points are: (1) that the Metolius basin (including a buffer zone in which natural resource usage affects its sensitive ecology) “deserves the highest level of protection” – to use the Governor’s words; and (2) that ‘destination resorts are not resorts at all – but actually **rural subdivisions**.

**Point #1:** In addition to the Governor, major newspapers, state department heads, scientists, the Confederated Tribes, many, many other Oregonians – and the draft management plan -- all seem to agree: that the Metolius basin is a unique location with remarkable – but very sensitive -- ecological features in areas such as hydrology, fisheries, wildlife, and more. Section C on pages 9 – 11 of the draft plan contains a listing of the basin’s remarkable features and acknowledges the delicateness of its ecology.

**Point #2:** The developments which are called ‘destination resorts’ in our current statute are not that at all -- they are **rural subdivisions**, and we should all be honest and refer to them as such in the ACSC process going forward.

1. These rural subdivisions contain many more homesites than overnight (‘resort’) lodgings – ranging from a ratio of 2.5 homesites to each 1 overnight (the original statute) to 1.5 homesites for each 1 overnight (the draft ACSC management plan). If these were truly ‘resorts’, this ratio would be increased to 4:1 or 6:1 and **reversed**.

## Statement of Dennis Chapman – Page 2

2. These rural subdivisions are not economically viable unless they contain mostly homesites. The developers have admitted this publicly – at the department’s field hearing in Prineville last October, and most recently in the article in the Sunday Oregonian about 10 days ago. Even the rural subdivision being considered for the Metolius basin which is claiming that it’s really not a rural subdivision (or that it’s a different type of rural subdivision) contains primarily homesites.
3. These rural subdivisions bring urban life to rural areas, with all the same demands – more roads, more schools, more water – and all the same impacts -- more traffic, more sewage, more commercial activities -- as urban life anywhere.

So, let me ask the question: All those in this room this evening who can say “I’m proud to be an Oregonian because we locate rural subdivisions in or near environmentally sensitive areas in our great state -- that this is the best land use solution Oregon can come up with – please raise your hand !!

In the hearing materials, you have asked for public comment on three important questions. My input is as follows:

1. Rural subdivisions and other large scale developments should not be allowed in or within 3 miles of the Metolius basin because it is a unique location with remarkable – but very sensitive -- ecological features. Oregon can do better !! This policy should be established through legislation, not the ACSC management plan.
2. Jefferson County should proceed with development of rural subdivisions in non-ecologically sensitive areas, after appropriate public input and evaluation of potential adverse impacts.
3. Whether – and how much – relief property owners should receive should be determined through existing procedures and statutes and separate from legislation currently being considered.

Thank you.

Feb. 11, 2009

Governor Kulongoski  
Oregon Department of Land Conservation and Development

Dear Governor and DLCD:

RE: Metolius Destination Resorts

I urge you to deny the applications for destination resort development within the 10-mile buffer zone that is designed to protect the Metolius watershed. We all know that this unique area should be protected.

The arguments put forward for resort development are flawed and short-sighted.

1. The tax revenue for Jefferson County and the economic advantages: The County Commission is not taking into consideration several factors. Even though they claim that the schools would benefit and the community helped, a resort is not a stable, productive business that really helps a community. Having lived in such a community I know the drawbacks. The ordinary citizens end up subsidizing the resort industry.

2. The labor force. Though the resort may provide some local jobs, much of the labor force will need to be imported. Most of the jobs will be low-paid, essential to the profitability of such a business. The possibility exists, as it did in the community in which I lived is that many workers will be illegal. A hotel keeper in my former hometown complained, as the Feds raided the hotels and dragged away the unfortunate illegals in chains, that "we cannot exist without illegal workers." Now how can Jefferson County enforce the laws on illegal workers? How can it ensure that workers have health insurance and proper housing? How many new children will crowd the schools? What happens in seasonal ebbs and recession times, when workers are laid off? The resort business is especially susceptible to boom and bust problems. Madras already has an unstable community and social problems to deal with.

With 2500 homes, how much will be added to the landfill, at what cost, and what environmental impacts? How many roads will disturb the land? And how much will all this cost the County in the long run?

And what happens if this resort fails? The land is ruined forever.

The impacts on the communities of Sisters and Camp Sherman will be unbelievable. A concentration of population from 2500 homes descending into these communities in the summer will destroy the peacefulness of Camp Sherman and exacerbate the traffic problems in Sisters. The doubling of the population in this part of Oregon in one fell swoop! Is this fair to these long-standing communities?

Taking water from the Deschutes for nonproductive purposes in the desert is also a luxury we cannot afford in light of changing climatic conditions. Water will become increasingly precious in the future. The fact that Ponderosa will use more water than the city of Sisters is unsustainable.

*Proposed*  
I hope that all decision-makers will look at all the impacts of these proposed resorts. The only compromise would be, not to decrease their size, but to site the resorts in another part of the County well away from the Metolius with some kind of land swap. The costs of these developments to millions of people of present and future generations far outweigh the costs of denial to a handful of land speculators.

Sincerely yours,



Robb Reavill  
1468 NW Kingston Ave.  
Bend OR 97701

cc. Jefferson County Commission  
Chris Telfer  
Judy Steigler

February 11, 2009

Re: Comments on the proposed resort developments in the Metolius River Basin

Submitted by: Raymond Duray (further information below).

Sirs:

I am a citizen of Bend, OR and I've lived in Central Oregon for 12 years. In that time, I've witnessed the astonishingly under-regulated boom-and-bust cycles that seem to be a national curse and of this region especially. From the euphoria of unbridled optimism about growth that we witnessed in 2005 we are now in the throes of what appears to be a glut of real estate developments and properties that have simply overwhelmed the actual market demand. Adding to the surplus of development concepts, no matter how high-minded the PR literature sounds is quite simply bad public policy.

The more I think about these two proposed developments the more outrageously inappropriate they begin to appear to me.

- 1) I find no provision for appropriate traffic amelioration. In view of Sisters' notorious traffic jams, this should be a show stopper immediately.
- 2) In view of the recent tragedy in Victoria, Australia we must be sensible about what these developments represent. They are fire disasters waiting to happen. They are being proposed in such a way as to create an urban-wildland interface that is the very worst situation for residential development. If I recall correctly, the Black Butte Resort has had to be evacuated three times in the last eight years. Putting two more resorts in an area that was devastated by the B&B Complex fire a few years ago seems to be tempting the fates in a most hubristic fashion.
- 3) What if any provisions for infrastructure improvement are the developers offering the adjoining communities which will be impacted with additional fire, police and other costs?
- 4) The great beauty of the Metolius River itself is exceptionally fragile and the hydrological cycle is little understood. Have any real scientific studies been done regarding the reduction in stream flow in the Metolius when large-scale aquifer pumping commences? In view of the climate changes we are facing and which must be regarded as all but inevitable, the Metolius water supply scheme seems to be more wishful thinking than well-considered planning. The future is going to bring us briefer winters, longer summers and droughts and less surface water than has been the case in the past. What will public authorities have to say in the years of great drought ahead when the surface catchment scheme of the Metolius proves inadequate? Does the Metolius system provide enough water in the case of conflagration, such as occurred in the 2003 B&B Complex fire? In view of the great potential for beetle infestations to damage and destroy the indigenous tree species in the Metolius basin, shouldn't the excess potential fuel loading be addressed by prudent planners?

With regard to any groundwater extraction, it seems to me we need to take a precautionary approach. Disasters have been reported in dozens of locations across America and internationally when thoughtless or greedy water withdrawals from aquifers have been permitted. Recently, the documentary "FLOW – For the Love Of Water" highlighted the plight of an entire county in central Michigan where a commercial operator was permitted to extract well water. The horrendous result was dramatically decreased stream flows, degradation of fisheries, dry wells for established community residents surrounding the commercial operation and subsequent economic damage to local farming, recreational and community interests. We must not let that happen here.

Submitted By: Raymond Duray, 98 NW Riverside Blvd. #1, Bend, OR 97701 – Central Oregon Progressive Alliance

## *Friends of the Metolius*

*Dedicated to protecting the legacy  
& the natural resources of the Metolius Basin*

11 February 2009

Land Conservation and Development Commission  
Department of Land Conservation and Development  
635 Capitol Street, Suite 150  
Salem, Oregon 97301-2540

Chair VanLandingham and Commission members:

*Friends of the Metolius* is a conservation group ardently protecting the Metolius Basin and larger watershed for over 20 years. Our membership stretches across the Pacific Northwest and America. We exist to educate, as well as to protect and to steward this precious and unique gem whose spring-fed waters engender wonder.

*Friends of the Metolius* is very glad that ACSC status is finally getting the public and legislative consideration begun by then-Governor Tom McCall as the 'Metolius Deer Winter Range' proposal in 1973. The U.S. Congress acted twice earlier to recognize this special place with the Mt. Jefferson Wilderness and wild & scenic status for the river.

State of Oregon action is long overdue.

Simply stated, given the national uniqueness and environmental sensitivity of the Metolius River, only full protection for the entire watershed and provision for, at least a three-mile surrounding buffer is scientifically defensible. No destination resorts should be allowed. Nor should there be any partitioning or development of forestland (the same zoning in force at the time of purchase by Dutch Pacific and Ponderosa Land & Cattle).

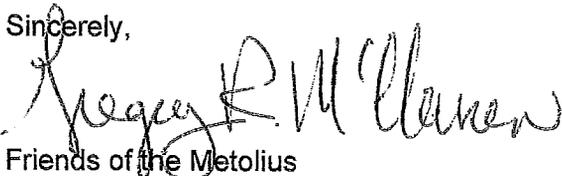
Such protection should be statutory so that the debate over Metolius Watershed and Basin protection is settled, once and for all.

The ACSC status conferred, as a part of statutory protection, would be appropriate if the required management plan instituted an integrated approach across all jurisdictions – Warm Springs Nation, State, private and National Forest lands. Such integration must utilize as a baseline the eight (8) outstandingly remarkable values set as criteria by the U.S. Congress when it established the Metolius River as a National Wild & Scenic River. The State of Oregon must also recognize its responsibilities to the Nation of Warm Springs and their peoples' historic lands.

To depict this debate as a 'NIMBY' scenario shows ones' lack of historical knowledge, disrespect for Native People's legacy and disdain for the tens of thousands of Americans who have come to this American jewel for over a century and are calling for its protection now. Many are organizations with diverse interests e.g. wildlife, fish, water, cultural history, natural resource education, fire-dependent pine ecosystems and recreation that have helped protect and steward. Many are just families from all over Oregon and America who came to visit and left with a sense of wonder about nature.

There are places that simply should not be developed and the Metolius is one of those truly special places that should be preserved for all future generations.

Sincerely,



Friends of the Metolius  
Gregory R. McClarren, President

February 11, 2009

Land Conservation and Development Commission  
Department of Land Conservation and Development  
635 Capitol Street, Suite 150  
Salem, Oregon 97301-2540  
Attention: Lisa Howard

Re. Testimony at hearing in Sisters  
On the Metolius ACSC.

Dear Commissioners,

Ten years ago I retired from a career in architecture and land planning, and purchased an existing home in Camp Sherman. I was so taken by the area, with its absolutely unique natural beauty and rich heritage that I felt compelled to its stewardship. I currently serve on the board of *Friends of the Metolius* and also as the chairperson for the county's recently established *Citizens Planning Advisory Committee* for Camp Sherman, a balanced group of community stakeholders acting as liaison to the county in land use matters. Today, I speak as an individual, and do not represent either of those groups.

There are many sound arguments as to why large scale destination resorts don't belong in the described area of concern: the potential damage to the Metolius river system, the impact on sensitive fish and wildlife species in areas adjoining the resorts, the wild land fire issue, and the overwhelming impact on the environment of a tenfold increase in population. There are also many red herrings out there, including vested property rights, relief for those who took investment risks, local vs. state control, the "NIMBY" charge, the "eco-resort" argument, etc. Today, I will leave those for others to argue. Instead, I would like to make some general comments which I think speak to the key questions being asked by LCDC.

I have no problem with the Area of Critical State Concern designation as provided for in the state statutes. In fact, I think it is an excellent idea - it should have been done years ago as suggested in the original state land use process of 1973. The ACSC designation allows the state to develop comprehensive regulations to insure that the local jurisdiction does not act on narrow economic interests by putting this area at certain peril from urbanization - an action that is counter to all that the Metolius represents. Under the current circumstances, the basin's protection can only come from the intervention of the state legislature. And I feel strongly that this intervention should contain a blanket prohibition of destination resorts and other major subdivisions in all 3 identified Subareas. Green ridge is just as much an integral part of the Basin's eco-system as is the Jefferson Wilderness on the opposite side.

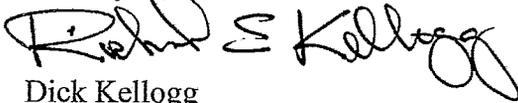
With the county focused on the economic benefits of destination resorts, I am curious as to why they didn't designate sites closer to the population and commerce center of the County. Locating them closer to and accessible from Madras would provide much needed economic development stimulus.

Resort occupants need goods and services which could be supplied by businesses in Madras. These resorts, in the location as proposed, would provide virtually no economic stimulus to Jefferson Co. - it would all accrue to the county of Deschutes. So yes, I could support destination resorts in other, less sensitive areas of Jefferson County. The possibility of a land exchange for private or even Federal land should be explored.

As a final thought, I would ask the commissioners to step back from the current maelstrom of issues and ask themselves what they would have done if the ACSC were being considered before these resorts were proposed. I'm sure the answer would be to protect this natural gem by not even considering the possibility of large, urban scale resorts. This answer, I believe, informs the decision that should be made at this time.

This morning, on the back of a cereal box, this apt proverb from Kenya jumped out at me:  
"Treat the earth well. Your parents didn't give it to you; it was loaned to you by your children."

Thank you,

A handwritten signature in black ink that reads "Dick Kellogg". The signature is written in a cursive style with a large, stylized "D" and "K".

Dick Kellogg  
26247 Metolius Meadows Drive  
Camp Sherman, Oregon, 97730  
[dicksuekellogg@aol.com](mailto:dicksuekellogg@aol.com)

## **Testimony to the Land Conservation and Development Commission Regarding the Proposed Metolius Basin Area of Critical State Concern**

Linda L. Davis, FAICP  
69217 Tapidero, Sisters, OR 97759  
[tomlin@bendcable.com](mailto:tomlin@bendcable.com)  
February 11, 2009

I am pleased that the Governor has proposed that the Metolius Basin be designated as an Area of Critical State Concern (ACSC) -- it is a giant step in the right direction. While I applaud the ACSC designation, the proposal put forth by the Governor and the Department does not go far enough. I am going to make some general comment on DRs, and then respond to the questions that you have posed.

First as an introduction, I am a retired Oregon land use planner with 35 years experience in the Portland Metro area, in rural areas throughout Oregon, as well as in Michigan and Idaho. I was a planner at the Mid Willamette Valley Council of Governments in the early 1970's and was part of the planning team that developed Oregon's first urban growth boundary (UGB) in Salem that became a model for Goal 14 and the UGB process. In the early 1980's I was President of the Oregon Chapter of the American Planning Association and was on the front line, as were many Oregon planners, of defending Oregon's planning program that came under attack during those recession years. I was there when the idea of DRs came up in Stafford Hansell's committee. Destination resorts were seen as a means of compensating rural counties that had lost jobs and revenue due to declines in timber and wood products industries. If they served a purpose back then they have outlived their usefulness at least in Central Oregon, and certainly will not serve any good purpose in the Metolius Basin.

I realize that this hearing is not about the overall policy issue of DRs, however, it is important to keep in mind what a DR is really all about in evaluating the legislation proposed for the Metolius basin, and that perspective directs my testimony. I thought back in the '80's, and even more now, that DRs are totally at odds with almost all of the statewide planning goals. They defy rationality. I testified about this at the joint LCDC/Oregon House Subcommittee on Agriculture and Natural Resources hearing in Prineville last October. In particular DRs defy Goal 14 Urbanization that requires urban development within UGBs. Destination resorts are clearly urban development and an end-run around the urbanization goal. But not surprisingly, they are attractive to developers because of low land costs and the lack of the same urban development requirements and standards in UGBs.

### Response to Questions

1. The Metolius Basin is totally inappropriate for urban development, large scale or small scale. I don't care what labels developers put on their proposals to make them sound politically correct -- eco-friendly, sustainable, democratic -- it is still urban development outside of UGBs and the idea of urban development outside UGBs west to the Cascade summit is beyond comprehension. Resorts should be totally banned, large scale and small scale, for plenty of reasons. I will mention a few and others will fill in.

- A. Fragility of water and wildlife resources. The water and wildlife resources of the basin are rare, fragile and outstanding. These resources, and many others, are discussed extensively in the Wild and Scenic River Management Plan and summarized in the ACSC Draft Management Plan. It's evident that the forest zoning, National Forest ownership and Wild and Scenic River designations are not adequate to protect the Metolius Basin. Letters from federal and state agencies and others who are experts on this issue have and will provide you with more detail about these resources. But the bottom line is: the risk is too great!
- B. Diminish natural and recreation qualities. Thousands of visitors camp, fish, bird, hike and engage in other passive recreation opportunities in the Basin. DRs in the basin would diminish and possibly even destroy the quality of these experiences due to increased traffic, loss of stream flow, degradation of water quality and many other impacts. These resources are enjoyed just as much by local residents in the area as visitors. These resources are of statewide importance. Labeling of opponents as either Nimbys or Metro environmentalists is a ploy by proponents to dismiss the true issues.
- C. Lack of services. There is an obvious lack of public services and utilities that are present or required in urban areas; from public water and sewer systems to schools and others. Either the resorts would have to construct what would amount to full unincorporated urban communities, contrary to Goal 14, or develop systems that are risky to the environment. The staff report indicates that the Culver School District could benefit by the additional tax revenue, but does not address the costs the District would have to provide schools in this remote area, and there WILL be children.
- D. Traffic impacts. Sisters and Deschutes County (public safety services) will be the main recipients of traffic and other negative impacts without much, if any, of the tax revenue that would be generated. Visitors and residents will have to drive distances to obtain basic goods and services in Sisters, Bend or Redmond – Madras is too far away to be realistic. This does not make sense for either our transportation system, which is already stressed in the Highway 20/22 corridor, or in terms of energy consumption, and will be an expansion of the carbon footprint that the Governor is so strongly trying to reduce. The corridor from Santiam Pass east is one of the most dangerous in the state. Approval of these resorts would likely require highway widening to four lanes. I can tell you that such a proposal would be extremely controversial based on reaction to ODOT's proposal to add passing lanes west of Sisters.
- E. Increased danger of wildfire. Approval of resorts in this area will increase the risk, costs, exposure and demands to prevent and fight wildfires by creating major new urban interface zones. Global warming, beetle infestation, and past fire suppression policies in the national forests, are causing more wildfires. Residents west of Sisters have been evacuated in four the last five years due to wildfire. It is irresponsible to knowingly develop lands with such risk to current and future populations and the resulting damage to the environment due to fire fighting activity.
- F. Jefferson County job benefits. I fail to see meaningful employment benefits from these resorts for the unemployed of Jefferson County. Neither proposed resort is functionally part of Jefferson County -- they would not be connected by any direct transportation routes to Madras. It would be an approximate 120 mile round trip from Madras to the resorts. Even if people could/would commute that distance, this is not the kind of jobs-housing relationship that we should promote.
- G. The economy cannot support more DRs. The Golden Age of second home – not to mention multiple home – development is likely a thing of the past, and the inventory of

existing second homes in Central Oregon, including in already approved and partially built destination resorts, will probably sustain the demand for many, many years. As it is, we have encouraged development of high income housing at the expense of affordable housing, and housing that has access to jobs. Again, more than ever, this is not the type of economic development we should be promoting.

2. Should Jefferson County be able to proceed with destination resort development? Not in the Metolius Basin. The County should find locations for destination resorts that will produce jobs for the county's unemployed and not produce environmental impacts. Locations that are functionally part of Jefferson County will also ensure that the costs are born primarily by Jefferson County taxpayers and not those in Deschutes County.

3. Compensation. Developers of proposed resorts DO NOT have vested development rights in the Metolius Basin. They have no more right than a landowner who knowingly buys land outside a UGB and proposes a failed amendment, or someone within a UGB who buys residential land and proposes an unsuccessful plan and zone amendment for a shopping center. So the idea that they need to be compensated is preposterous. The fact that they proceeded in a good faith effort to work with the County on the DR process is specious – how many developers have worked with Metro on amendments to the UGB over the years? Would we consider that they should be compensated if their lands are not included in a UGB amendment? I think not. This is a dangerous precedent and Measure 49 claims would pale in comparison with claims for unrewarded speculation.

In conclusion, if we have to have more DRs in Central Oregon, they should be included within UGBs where a full range of services can be provided and impacts can be managed more effectively, while also preserving our natural resources that attract visitors and new residents. While I sympathize with Jefferson County's desire to attract employment, resorts in the Metolius Basin will not help workers residing in Jefferson County. LCDC should adopt an ACSC and management plan that excludes destination resorts within zones 1, 2 & 3 but will be a guideline for state and local governments, in partnership with federal and tribal agencies, for conducting appropriate, sustainable natural resource and recreation programs and activities in the Metolius Basin.

Attachment A: In My View Article "The Metolius River Basin is one of the Last Special Places in Oregon", Bend Bulletin, February 9, 2009

---

# In My View

---

## The Metolius River Basin is one of the last special places in Oregon

By Linda L. Davis  
Bulletin guest columnist

Humans have compunction to exploit, alter — and even destroy — the Earth and the very resources that provide sustenance. Throughout history, power, greed and survival have driven the pattern of settlement, exploitation and development.

The difference between ages past and today is that we now better understand the impacts we have on the Earth, and the resources are rapidly diminishing. We are driven less by survival than by power and greed. In spite of our understanding, the forces of exploitation at any cost seem insurmountable because vested interest is seen as more legitimate than environmental conscience. While we have had historic moments when our wisdom prevailed, it is an ongoing battle to keep wisdom alive and do what is right.

So it is with Oregon: A moment of wisdom, coupled with strength and courage, drove Gov. Tom McCall and the Legislature to adopt land use laws in 1973. The issues ranged from saving Oregon's farmland and forests and preserving the amenities of the Oregon Coast, to preserving our environment and ensuring urban development occurred in urban growth boundaries, where it would be more cost effective and efficient to provide services.

During the recession of the 1980s, land use laws became a scapegoat for the state's economic woes. To compensate rural counties suffering from timber job and revenue losses, the destination resort law was passed to stimulate a tourist-oriented economy and permit development outside UGBs.

The strategy was effective but ill-conceived and shortsighted for its overall

impacts on our land use principles. In the past 25 years, we have seen 10 new destination resorts approved in Central Oregon, and now two are proposed in Jefferson County in the Metolius basin.

The resorts are not just tourist attractions — they are suburban sprawl developments of high-income housing, distant from urban centers. This concept is totally out of sync with UGBs.

This loophole has been exploited by destination resort developers. Building outside UGBs costs less than inside the land is cheaper, and development fees are either absent or far less than within UGBs. Also absent are many of the urban development standards required in UGBs.

Developers of destination resorts are looking for the last great places to build these elitist communities, using impressive, politically correct adjectives to sway us — like "eco-friendly" and "sustainable." One of those last great places is the Metolius basin. They have found a willing partner in Jefferson County, which is enticed by the prospect of additional property taxes the new development will generate, while having to pay very little of the costs. The sites proposed are more geophysically a part of Deschutes County by virtue of transportation routes and access to urban centers. U.S. Highway 20 and the cities of Sisters and Bend are more apt to feel the effects of several thousand more people than will Madras. As anyone who has traveled over Santiam Pass on a busy weekend in the summertime knows, the two-lane highway is already inadequate to handle major traffic volumes. The recent controversy over passing lanes between Sisters and Black Butte will pale compared with the inevitable debate to widen the highway to four or more lanes from Bend west-

ward if these resorts are approved.

The big losses will be to the very resources that attracted development — the Metolius and Whychus stream systems. The Metolius contains world-class fish resources, almost pristine. However, the endangered bull trout are at extremely high risk from increased development — inevitable degraded water quality, lower flows from diversion of groundwater for residential, golf course and other uses, pollution from septic tanks, soil erosion, herbicides and pesticides; and the increased presence of humans and their vehicles trampling over the landscape. And then there is the real increased risk of wildfire. Try as they might to entice us, development is development.

Portland General Electric, i.e., the ratepayers, and many public agencies are investing millions of dollars into restoring steelhead and Chinook salmon in the Deschutes River system to ameliorate the negative impacts of dams and diversions. The approval of more destination resorts would seriously compromise these efforts. The risk is not worth the inevitable costs.

Keeping the wisdom alive — those promises for future generations — takes far more diligence and commitment than it takes to erode them. In no time, a decision can be made that will forever alter the future of the Metolius and other precious areas. We do not need destination resorts in Central Oregon for our economic survival, and we especially don't need any in the Metolius basin. We must stay the course, and we must avoid caving in to greed and power that threatens to destroy our last remaining special places.

Linda L. Davis lives in Sisters.

*Bend Bulletin 2/09/09*

---

---

---

# METOLIAN

---

---

## METOLIUS BASIN AREA OF CRITICAL STATE CONCERN WRITTEN COMMENTS PACKET

Please find the following enclosed as part of Dutch Pacific Resources, LLC written testimony relating to the ACSC designation in the Metolius Basin:

- Letter addressing public input questions posed in draft management plan.
- Context Map of Basin – please note that the Metolian property is not in the Federal Wild and Scenic Area nor the State Scenic Waterway area relating to the Metolius River.
- Executive Summary describing the concepts behind Metolian.

As requested on the DLCD website, we have prepared 20 copies of this material. Also, please visit our website at [www.metolian.com](http://www.metolian.com) our application packet that was prepared for submittal to Jefferson County can be reviewed online.

February 11, 2009

Land Conservation and Development Commission Members  
c/o Jon Jinings, DLCD  
888 N.W. Hill Street, Suite 2  
Bend, OR 97701  
[jon.jinings@state.or.us](mailto:jon.jinings@state.or.us)

Subject: Public Input Issues from the Metolius Basin Area of Critical State  
Concern Management Plan

Dear Commissioners,

The following addresses the questions posed in the draft management plan for the proposed Metolius Basin Area of Critical State Concern (ACSC). The questions are in bold type and responses follow. The comments represent the views of Dutch Pacific Resources, LLC related to the questions posed by the draft management plan. I appreciate this opportunity to comment on this matter and hope that my comments will be considered as you debate this issue.

**1) Should resorts and other large-scale development be allowed in the Metolius basin?**

- **What specific areas should be protected, if any, from large-scale development?**
  - **Development should be allowed to proceed under current rules?**
  - **Large-scale development should be prevented in the Upper Metolius basin (what about the portion in Deschutes County)?**
  - **Large-scale development should be prevented throughout the entire Metolius basin?**
  - **Large-scale development should be prevented both inside the entire Metolius basin, and in a three-mile buffer area around the basin?**

**Response:** Jefferson County has already adopted policy to identify specific property in the basin as Destination Resort Eligible. Therefore, large-scale development that is consistent with the County's adopted regulations regarding destination resort development should be allowed in the Basin on that property. What must be understood is that the existing regulation in the basin severely limits any real potential for large-scale development. Additional regulation isn't necessary to adequately protect the basin.

The Metolius Basin consists of an area that is approximately 286,442 acres in size. Approximately 88% of the property in the Basin is under the control of the Federal Government or Tribal Government<sup>1</sup>. Further, the zoning of the privately owned property severely restricts the

---

<sup>1</sup> Acreage figures from Jefferson County GIS department.

**METOLIAN**

*a unique outdoor community*

development potential of that land. The zoning of the land in the basin consists of the following zoning districts:

- Forest Management (FM).
- Three Rivers Recreational Area Zoning Districts.
- Camp Sherman Unincorporated Community Zoning Districts.

Camp Sherman is almost entirely built-out. The only development potential in the area consists primarily of residential development on existing platted lots. The Three Rivers area is similar in the fact that it has very limited development potential.

Of the 286,442 acres in the basin, approximately 281,372 acres are within the FM zone. This means that 98% of the basin is within the FM zone<sup>2</sup>. The FM zone is geared towards timber production, harvesting and related uses and only permits homes, camps and similar uses in very limited circumstances. As a result of the development pattern in the area, the only real potential for houses being approved in the FM Zone is through the large tract forest dwelling test requiring 240 acres of land for each unit.

The only properties in the basin with potential for resort type development are the Dutch Pacific Resources (DPR) and Ponderosa Cattle Company properties that contain the Destination Resort Eligible overlay. The DPR property is planned for the Metolian Eco-Resort. Metolian is a proposal that will mitigate adverse impacts on the resources and provide money for environmental restoration in the basin having a net-restorative impact. As a result, the potential for “large-scale development” within the basin is minimal from the start. The Metolian also proposes a project that offers a new sustainable approach to development based on stewardship of the surrounding environment. This is a new direction in development that should be encouraged.

On a more fundamental level, Jefferson County mapped two sites as destination resort eligible using the same rules as the other 8 counties in Oregon that have mapped destination resort eligible sites. Jefferson County has a right to choose their own policy direction when consistent with state law. Yes, large-scale development should be permitted in the basin as currently permitted by regulations adopted by the County after the appeals process has run its course.

**If large-scale development is not allowed, what is "large-scale?"**

- **Only resorts should be limited?**
- **Resorts and subdivisions should be limited?**
- **Only developments that are not allowed under current law on forest lands and in unincorporated communities (Camp Sherman) should be limited?**

**Response:** Large-scale development as discussed above should be allowed. Again, Jefferson County followed the same rules in ORS 197.455 that the 8 other counties in Oregon did to adopt a Destination Resort Eligible Map. There is no need to change the rules so that the State can “spot zone” to prevent resort development in Jefferson County. Again, the development

---

<sup>2</sup> Acreage figures from Jefferson County GIS department.

potential in the basin is already very limited based on existing regulation as 98% of the basin is in the FM zone. Additional prohibitions against “large scale development” are not necessary.

- **Should there be a buffer area around the basin where large-scale development is managed to limit its effects inside the basin? If so:**
  - **How large should the buffer be?**
  - **What use limitations should be included?**
    - **No use limitations should be included?**
    - **Only very low water use should be allowed (no golf courses)?**
    - **No adverse effects (or no substantial adverse effects) on water quantity or quality in the (upper/lower) Metolius should be allowed?**
    - **No adverse effects (or no substantial adverse effects) on water quantity or quality in other watersheds should be allowed (Fly Creek, Whychus Creek, others)?**
    - **No adverse effects (or no substantial adverse effects) on deer winter range in or around the Metolius should be allowed?**
    - **No significant adverse effects should be allowed on local roads or state highways?**
    - **Other adverse effects that should be managed through an ACSC?**

**Response:** There is no science supporting the need for such a buffer. Further, the land uses permissible within close proximity to the basin are limited by existing zoning to the point where additional regulations are redundant. Goal 2 of the Statewide Planning Goals and Guidelines specifies that the decisions and actions related to the use of land shall be based on an adequate factual base for such decisions. There is no adequate factual base supporting the need for a buffer or the Area of Critical Concern for that matter. Public policy needs to be based on fact, not emotion.

**2) Should an ACSC assure that Jefferson County may proceed with some destination resort development? If so, where?**

**Response:** As discussed above, there is no need for an ACC designation. However, if an ACC designation does move forward it should assure that Jefferson County can proceed with destination resort development as permitted by section 430 of the Zoning Code that was adopted by the County in December 2006. As part of that process the County adopted a Destination Resort Eligible map in compliance with ORS 197.455. The resorts should be permitted to be sited in the locations identified on the Destination Resort Eligible map (Metolian and Ponderosa sites). It is not LCDC’s role to set policy for Jefferson County. Local issues are best addressed at the local level.

**3) Should an ACSC provide relief to property owners if they are unable to proceed with resort development as a result of the ACSC?**

- **If so, what form should relief take?**
- **Is a smaller-scale outdoor recreation-oriented resort with a small footprint a concept the state should encourage in other locations?**

**Response:** If the ACSC moves forward despite opposition of the Jefferson County Commissioners the State is obligated to provide relief to owners whose land is negatively affected. To not do so would render the ACSC unconstitutional. The 5<sup>th</sup> Amendment of the United States prevents takings of land without just compensation. In Oregon, voters approved Measure 49 to assure property owners that if government imposes regulations that devalue their land, just compensation is assured. Monetary compensation based on the value of the land with the Destination Resort Overlay is the most appropriate strategy.

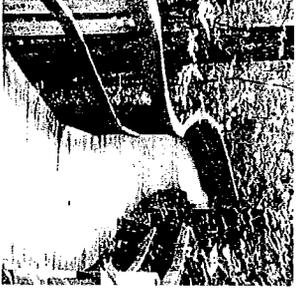
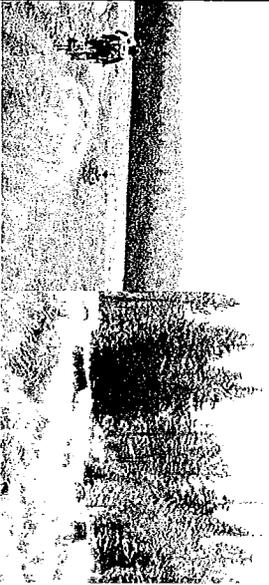
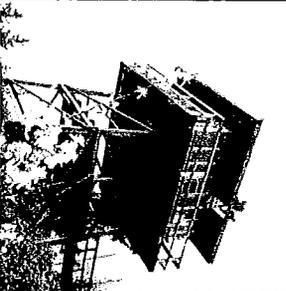
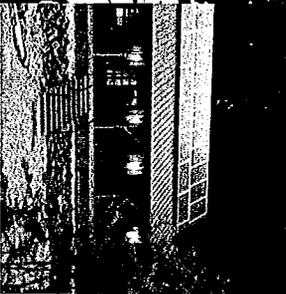
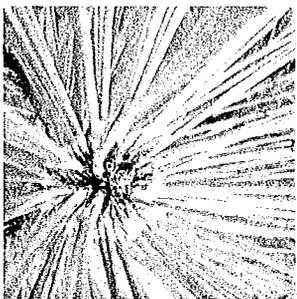
Perhaps it is appropriate for Oregon to encourage a new form of recreational-based, eco-resort style development. Oregon has long been a leader in its approach to environmental protection and based on that history innovative projects that blend development and stewardship to enhance special places should be encouraged. The irony of this situation is that the group that has put together the makings of such a community is now at risk of being prohibited to proceed due to undue state involvement in a local land use issue. Metolian will set an example of how to create such a community and in the process provide necessary stewardship in the basin. PLEASE visit our website at [www.metolian.com](http://www.metolian.com) to review our application material that specifies our strategies and goals for the project in detail.

Again, I appreciate this opportunity to comment on this matter. We have been working hard to create a new type of resort community that contributes to Oregon's reputation as an environmental leader. Moving forward with an Area of Critical Concern designation that prohibits a carefully-planned, stewardship-based resort development prevents Oregon from realizing needed resources to enhance a very special place. Status quo will not "save the Metolius" but a new approach to development that assures perpetual private capital to fund restorative projects within the basin will.

Thank you,

A handwritten signature in black ink, appearing to read "Shane", followed by a large, stylized flourish or scribble.

Shane Lundgren, Co-Manager  
Metolian



**Executive Summary**  
January 2009

**METOLAN**

## A New Concept

In describing Metolian, we consciously avoid words such as *resort* and *subdivision*, because Metolian will be neither. Metolian will be a **recreational community and base camp**. Residents and guests alike will be drawn to Metolian by the common appreciation of the natural environment and a deep desire for outdoor recreation. Whether visiting for a night or an entire month, people who take part in the Metolian experience will leave seeing themselves, Central Oregon and their interaction with the planet differently.

The concepts that will drive this transformation include:

**Retreat** – we seek to create elemental comforts where people can be restored and rejuvenated while reconnecting with their families and friends.

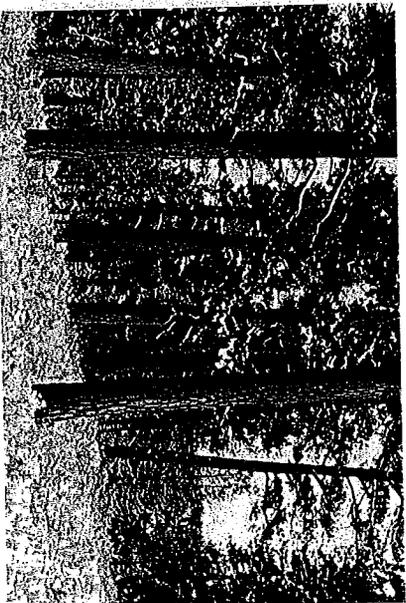
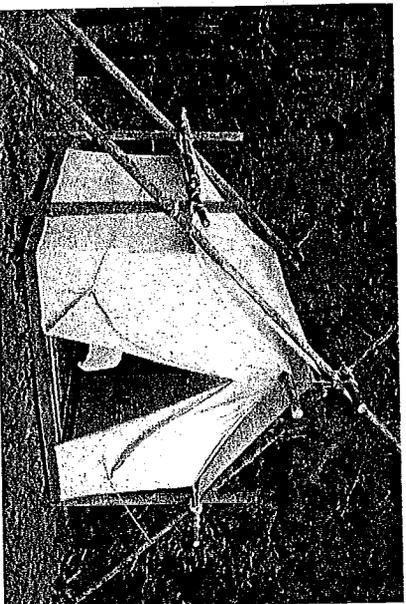
**Base Camp** – akin to base camps used to stage expeditions, we envision Metolian as a place where people can begin and continue personal journeys that feed body, mind and spirit.

**Connected** – we want our guests and residents to gain an increasing appreciation for the environment and the imperatives we face for its stewardship. By fostering connections between guests and their surroundings, the needs of the region, and with each other, Metolian encourages a community approach to the stewardship necessary for the basin's return to a healthy eco-system.

**Low impact** – our plan represents minimal impact through techniques such as clustering units, smaller square footages, narrower and pervious road systems. We are working to minimize our use of water and energy. Further, we have identified and will continue to find creative, sustainable ways to provide and conserve the limited amounts we do use.

**Accessible** – to people in the greater Portland area and beyond, but also to residents and visitors of Central Oregon. We will welcome day visitors and guests who want to come and share in the Metolian experience. We will encourage visitation and participation from local schools and community organizations and cultivate relationships with local guides, vendors and businesses.

**Stewardship** – we believe Metolian has the opportunity and responsibility to serve as a catalyst for restoring our site – 627 acres of degraded timber land. We will increase biodiversity and soil health, while removing fire fuels. We also see Metolian as an economic engine to drive regeneration and stewardship of the larger Metolius Basin.



# METOLIAN

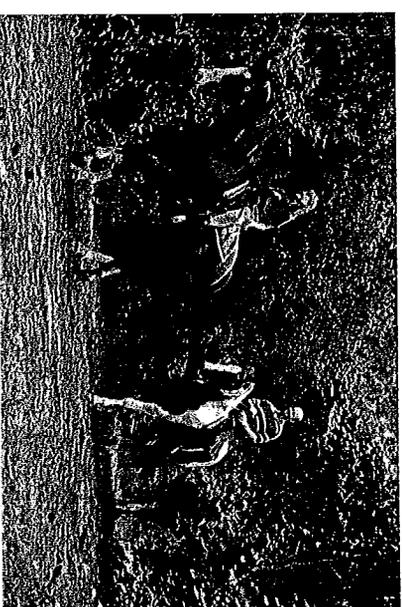
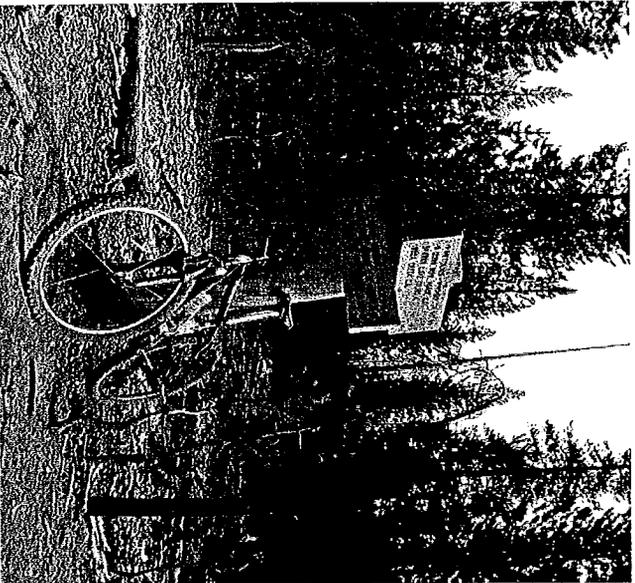
## Wellness & Recreational Amenities

Whether hiking on the property and up into the National Forest, or meditating at sunrise on the northwest knoll, **Metolian's prime objective is to connect people with the environment, and assure that both are better because of that connection.**

One way we will do this is through an array of differentiated recreational offerings. At Metolian, **we believe that human movement is as basic as food and water.** Metolian will offer state-of-the-art multi-sport training facilities, programs and trainers. Week-long and weekend seminars will attract guests for specialized training, therapy or health improvement. Facilities, equipment and encouragement will all be designed to allow our guests to pursue improved personal performance at whatever level they define – from extreme athletes training for an Ironman to an octogenarian who desires a woodland walk with their grandchildren.

Specific facilities programmed for Metolian include:

- State of the art fitness training facility.
- Yoga, Pilates and martial arts retreats.
- Approximately 6 miles of mountain bike trails and hiking trails with lookouts, rest areas and viewpoints with plans for connections to the surrounding Forest Service trail networks and the Pacific Crest Trail.
- Approximately 4-miles of engineered and unidirectional biking trail/road on the exterior of property.
- Trails will support cross country skiing in the winter. Specific trails will be groomed for skate skiing.
- Natural systems swimming pool.
- Climbing wall and multi-level bouldering courses on rock outcroppings on property.
- Fly-casting ponds.
- Seasonal Ice Rink.



## Education and Culture



Beyond recreation Metollian's **ethos of education** - understanding, appreciation and stewardship - will make the community much more than a sports camp. Education will take many forms. Outdoor guides are planned to coordinate hiking and other activities including forest projects with the USFS. An on-site naturalist is planned to provide information and presentations on the natural attributes of the area. Opportunities to learn about the surrounding natural environment and sustainability will include:

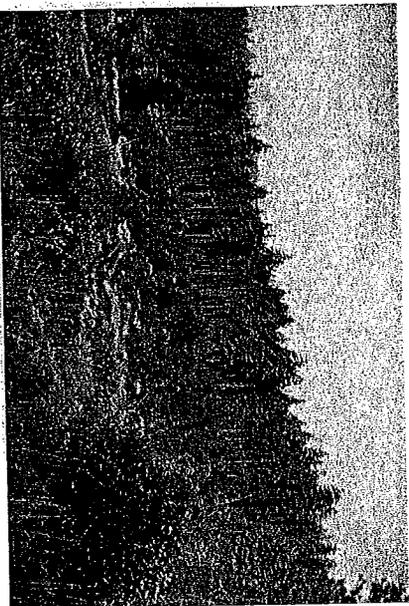
Seminars and visiting lecturers.

- Guided tours that explain the intricacies of our footprint.
- Informational displays and tours of the utilities demonstrating how the reduced water used in our units is treated and brought back to nurture our native landscape.
- Seminars and classes explaining how the various systems of water, energy, soil and other aspects of the community have come together to produce a sustainable community living in peace with its natural surroundings.
- An emphasis will be placed on cultural enrichment by drawing on the best from the various arts for seminars and lectures. The physical space will support this with studios and indoor/outdoor lecture spaces.

Every day will provide a combination of indirect and direct learning opportunities about the environment and our contribution to helping conserve its future.

We will further this ethos by partnering with institutions of higher learning and constructing an intimate state-of-the-art 'forum facility'. We desire to make Metollian the venue to convene, debate and discuss sustainable and regenerative development. Through a series of internships and research partnerships we would welcome the use of Metollian as a living laboratory. Our objective is to better understand how we, as developers and community members, can heal our environment while promoting the enrichment of our population through a more active connection with the outdoors.

For Metollian, **sustainable development is not just a good idea, it is a requirement.** Our early thinking was informed by guiding frameworks such as The Natural Step and Triple Bottom Line accounting. As our planning and development concepts have evolved, we expanded beyond these constructs into specific techniques and metrics to reduce water consumption, reduce energy demand and offset what we do use with renewable sources. We have always envisioned the Metollian site - a degraded, logged, 'cutout' in the National Forest, as a significant opportunity to demonstrate best practices in habitat development and landscape regeneration. Our planning process has been guided by a landscape scale perspective and we have reflected the site's contextual natural systems in our master plan.



# METOLLIAN



## Resource Conservation

The combination of diverse recreational amenities, a visible commitment to learning and education and a variety of unique, inspired living options will all combine to create **the Metollian experience**.

The technical side of Metollian will be as impressive as the experience.

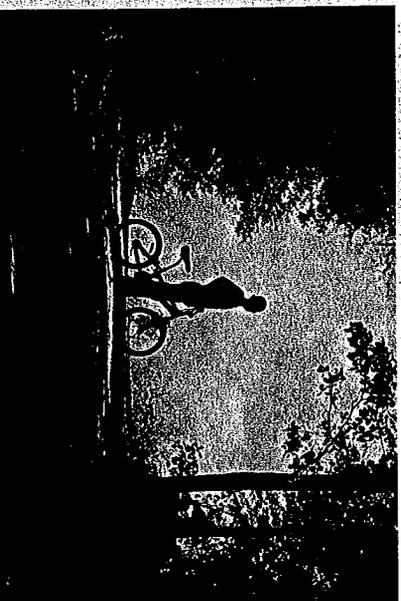
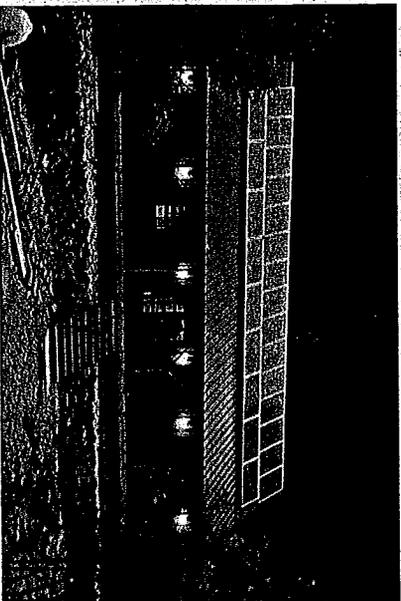
At full build-out Metollian's annual water use is estimated at approximately 160 acre feet to be supplied by storing surface water run-off during the winter months for year-round use. In fact, we believe this estimate is high because it was developed by using traditional tools and engineering data that do not adequately reflect the innovative, conservation-driven plans for Metollian. These plans include requirements for xeriscaping and use of native and drought tolerant plantings, low flow appliances, re-use of greywater, double-plumbed units to permit re-use, waterless urinals, occasional composting toilets and other innovative water conservation strategies. The estimate of 160 acre feet is on the high side to provide safety to the engineer's calculations.

Metollian proposes surface water storage as its water source in order to avoid potential impacts to the headwaters of the Metollius River that may occur from the use of ground water. Our technical analysis shows that the proposed water storage program will not adversely affect the flows of this statewide treasure nor the head of the Metollius. The water to be stored is also well within the amount designated as "available" for storage in the basin by the Oregon Water Resources Department. When the proposed annual water use at build-out (160 acre feet or 0.67 cfs) is divided by the average annual flow of the Metollius at the Allingham gauge (376 cfs) the result is 0.00178 cfs, which equates to 0.178% of the average annual flow.

By employing aggressive and innovative conservation measures, and by using stored surface water instead of ground water, Metollian will minimize its water use and will ensure against adverse impacts to the precious resource of the Metollius River.

Our **energy strategy** has been to reduce overall demand using a variety of techniques from passive heating, cooling and daylighting to more contemporary high performance techniques such as geo-thermal loops and bio-mass boilers to supplement heating. Robust use of solar thermal and photovoltaic panels will further reduce net energy demand of the community, with peak demands being met via a CEC grid tie in. Metollian's goal is to eventually "spin the meter backwards" (feed excess energy generated on site back into the CEC grid).

For **transportation**, we have taken a multi-layered approach. This includes a portfolio of tools including a local shuttle for bringing employees and guests to the property from Sisters and beyond. On property, walking and cycling has been given priority in our master plan concept. Cars will be discreetly parked and guests will be encouraged to use alternative forms of low fossil fuel transport on property if they do not want to walk. This may include electric car and cart share program, smart bike program and even hybrid vehicles for use off property for local sightseeing and shopping. Further, the shuttle described above will provide access to popular destinations such as Hoodoo, Smith Rock State Park, the Redmond Airport and other area attractions. We will provide a range of employment housing opportunities on our site to minimize staff daily transportation needs and provide an important economic benefit to the region.



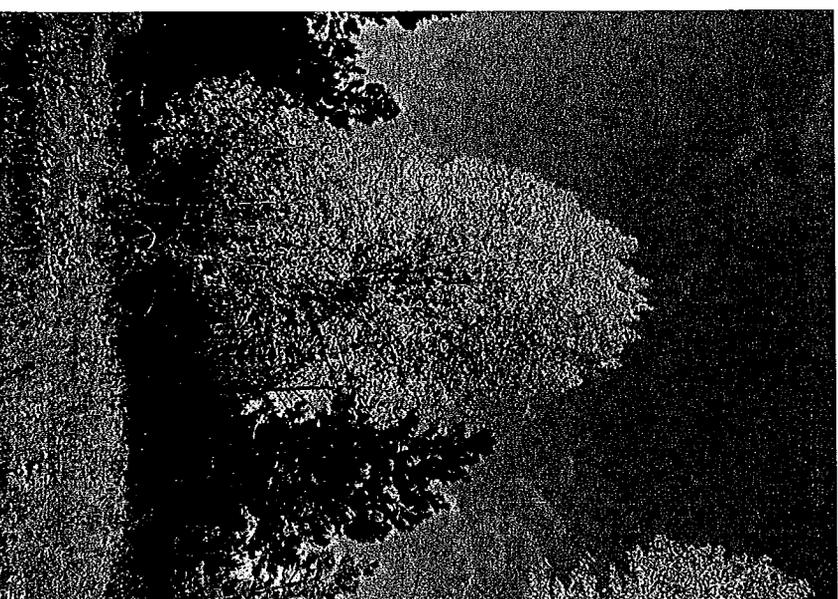
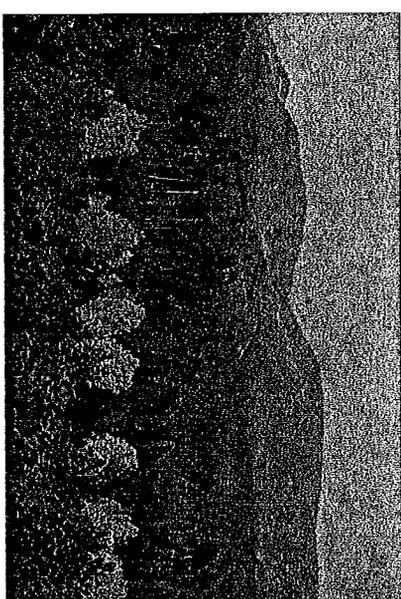
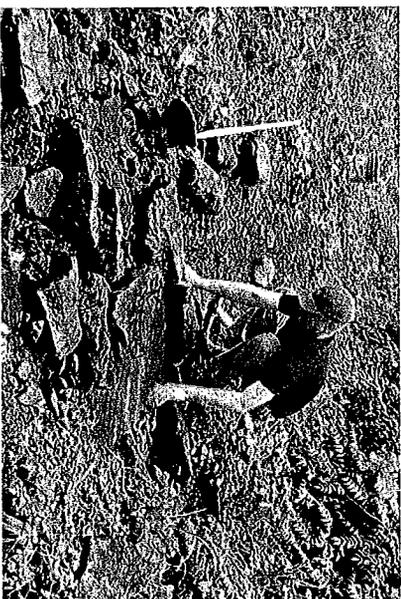
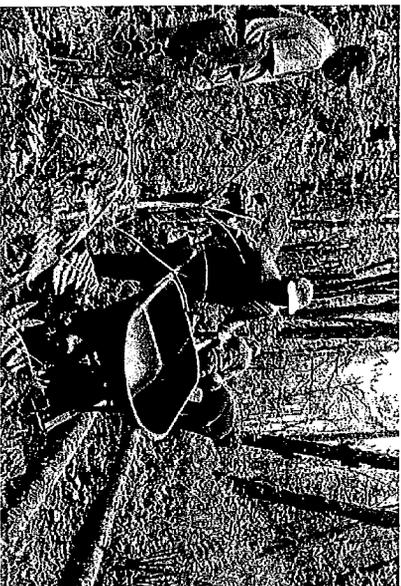
# METOLLIAN

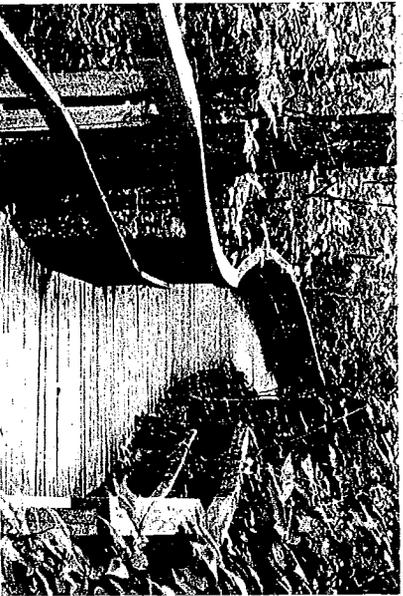
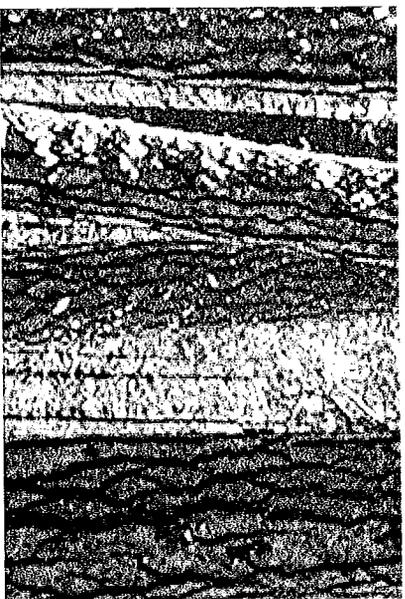
## Stewardship

**Long Term Stewardship** – the Metollius Basin is an invaluable resource that needs to be respected yet improved. Unlike the typical concept where ownership ends at the property line, residents of Metollian will take on the obligation to care for the Metollius Basin as a whole. Years of underfunded USFS operating budgets have led to this

special resource being misused, overgrown and catastrophically burned. Our belief is Metollian can serve as the catalyst and funding source to change this tide. Metollian aspires to raise the bar on the human impact and interaction of this unique place through care and monitoring at a landscape scale to assure the Metollius basin's future health. Our goal is to provide annual funding for specific environmental and recreational projects that are chosen by a partnership of our Metollian community members and leading environmental groups of the region. Similar to hotels and airlines that offer an optional "carbon offset" surcharge, our guests will contribute a small amount of their lodging costs towards a stewardship fund to benefit the entire Metollius Basin.

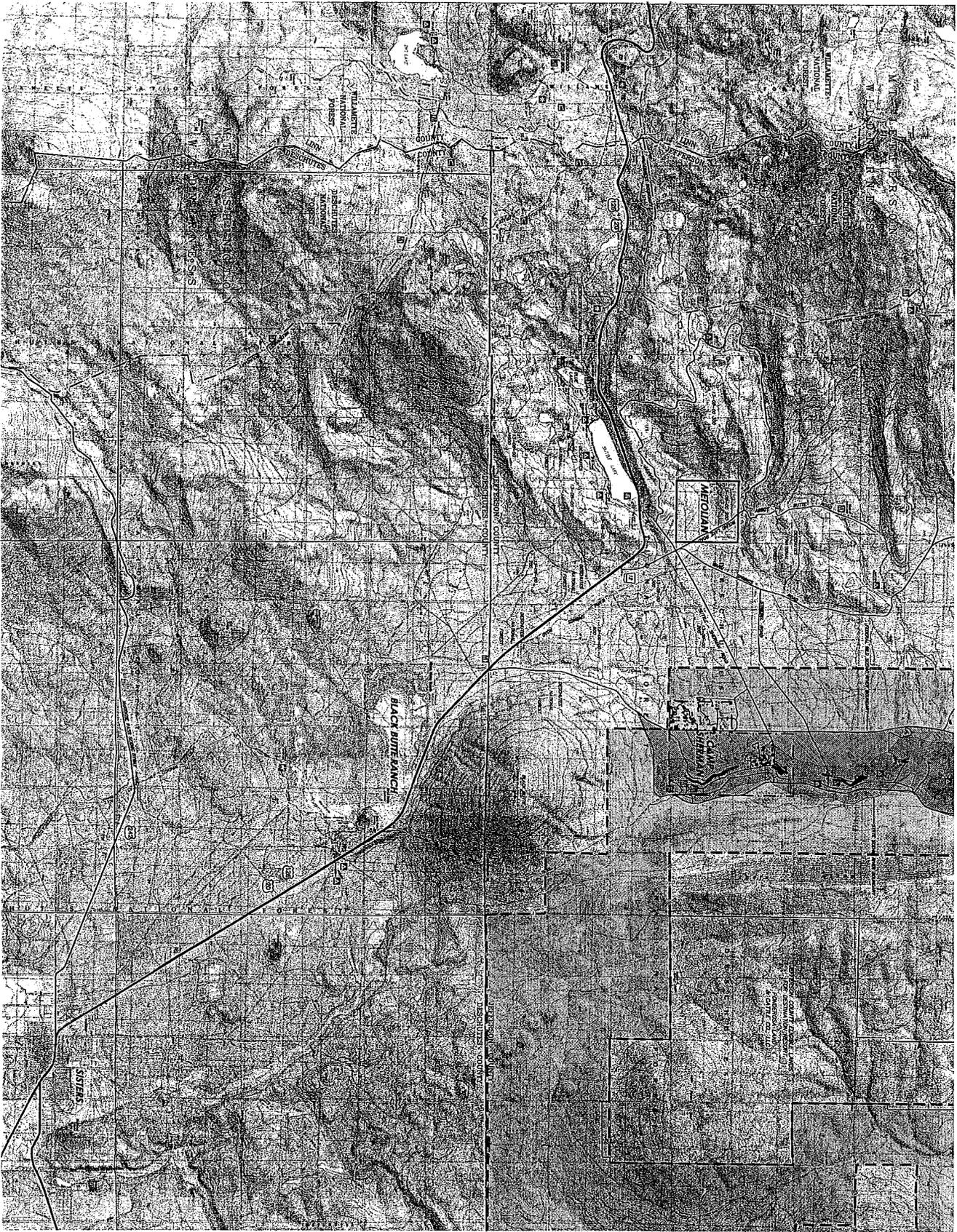
More importantly, a specific portion of property owners' fees, **plus a percentage of each unit's sale in perpetuity**, will be contributed towards a Natural Capital Fund created by Metollian for environmental conservation and restoration work in the Metollius Basin.





*Metollian will be like no other community in Central Oregon or Oregon for that matter. Our goal is to redefine the image, character and community-mindset associated with destination resorts. As described in detail in the Metollian destination resort application, and subsequent documents, Metollian offers this region a chance to bring the next generation of recreational community development to its backyard, and reap the economic and ecological benefits it will afford this larger precious resource we know as the Metollius Basin. Metollian is not status quo, we are not your father's destination resort. Our greatest hope is that this model will be emulated elsewhere to conserve and enhance other special environments.*

**METOLLIAN**



-  FEDERAL LAND AND SCENE RIVER DEC
-  STATE SCENE RIVER DESIGNATION
-  JEFFERSON COUNTY SCEN OVERLAY B

**INFORMATION MAP**

Tentative Destination Resort Master Plan Appl  
 Jefferson County, OR  
 Janu



