

Oregon Water Resources Department
Water Right Services Division

Application for Extension of Time

In the Matter of the Application for an Extension of Time	)	PROPOSED
for Permit G-18808, Water Right Application G-17016, in	)	FINAL
the name of Rhonde River Ranch	)	ORDER

Permit Information

Application:	G-17016
Permit:	G-18808
Basin:	8 – Grande Ronde / Watermaster District 6
Date of Priority:	March 3, 2008
Source of Water:	Well1, Well 2, and Well 3 in Bear Creek Basin
Purpose or Use:	irrigation use on 290.8 acres
Maximum Rate:	2.5 cubic feet per second (cfs)

***Please read this Proposed Final Order in its entirety as it contains
additional conditions not included in the original permit.***

In Summary, the Department proposes to:

- Grant an extension of time to complete construction of the water system from October 1, 2022, to October 1, 2023.
- Grant an extension of time to apply water to full beneficial use from October 1, 2022, to October 1, 2023¹.
- Make the extension subject to certain conditions set forth below.

This Extension of Time request is being processed in accordance with Oregon Revised Statute 537.630 and 539.010(5), and Oregon Administrative Rule Chapter 690, Division 315.

¹Pursuant to ORS 537.630(5), upon the completion of beneficial use of water allowed under the permit, the permittee shall hire a certified water rights examiner to survey the appropriation. Within one year after the complete application of water to a beneficial use (or by the date allowed for the complete application of water to a beneficial use), the permittee shall submit a map of the survey and a new or revised claim of beneficial use as deemed appropriate by the Department.

ACRONYM QUICK REFERENCE

Application – Application for Extension of Time
Department – Oregon Department of Water Resources
FOF – Finding of Fact
PFO – Proposed Final Order
Well 1 – UNIO 52062
Well 2 – UNIO 52061
Well 3 – UNIO 52063
cfs - cubic feet per second

AUTHORITY

Generally, see ORS 537.630 and OAR Chapter 690 Division 315.

ORS 537.630(2) provides in pertinent part that the Oregon Water Resources Department (Department) for good cause shown shall order and allow an extension of time within which irrigation or other works shall be completed or the right perfected. In determining the extension, the Department shall give due weight to the considerations described under ORS 539.010(5) and to whether other governmental requirements relating to the project have significantly delayed completion of construction or perfection of the right.

ORS 539.010(5) instructs the Director to consider: the cost of the appropriation and application of the water to a beneficial purpose; the good faith of the appropriator; the market for water or power to be supplied; the present demands therefor; and the income or use that may be required to provide fair and reasonable returns upon the investment.

OAR 690-315-0040 provides that in order to approve an application for an extension of time to complete construction or apply water to full beneficial use, the Department shall make the findings in OAR 690-315-0040(1) including a finding that there is “good cause” to approve the extension. OAR 690-315-0040(2)-(4) contains the factors that the Department must consider to make findings that support a “good cause” determination.

OAR 690-315-0050(5) states that extension orders may include, but are not limited to, any condition or provision needed to: ensure future diligence; mitigate the effects of the subsequent development on competing demands on the resource; and periodically document the continued need for the permit.

FINDINGS OF FACT

1. On December 4, 2008, Permit G-16415 was issued by the Department. The permit authorizes the use of up to 2.5 cfs of water from Well1, Well 2, and Well 3 in Bear Creek Basin for irrigation use on 290.8 acres. The permit specified construction of the water system was to be completed by October 1, 2013, and complete application of water was to be made on or before October 1, 2013.

2. On February 7, 2022, an assignment from Daniel Heath and Bear Creek Quarter Horse Ranch LLC to Ronde River Ranch, was recorded in the records of the Water Resources Department.
3. On May 19, 2014, the Department approved Permit Amendment T-11716, (Special Order Volume 92, Page 589) authorizing a change in place of use and a change in points of appropriation under Permit G-16415. Two superseding orders (Special Order Volume 92, Page 1011, and Special Order Volume 92, Page 1108) resulting in superseding Permit G-17277 being issued on July 25, 2014.
4. Two prior permit extensions have been granted for Permit G-18808. The most recent extension request resulted in the completion dates for construction and full application of water being extended from October 1, 2017, to October 1, 2022.
5. On June 27, 2022, the permit holder submitted an “Application for Extension of Time” (Application) to the Department, requesting both the time to complete construction of the water system and the time to apply water to full beneficial use under the terms and conditions of Permit G-18808 be extended from October 1, 2022, to October 1, 2026.
6. On July 12, 2022, notification of the Application for Extension of Time for G-18808 was published in the Department’s Public Notice. No public comments were received regarding the extension application.
7. On August 31, 2022, the Department approved Permit Amendment T-14024 (Special Order Volume 92, Page 1011) authorizing a change in the place of use under Permit G-17277. Superseding Permit G-18808 was issued by the Department on August 31, 2022, to reflect the changes.
8. On September 2, 2022, Marika Sitz, attorney for the permit holder submitted an additional information to supplement their Application for Extension of Time. The additional information clarified work accomplished towards additional development of the water system, the number of acres irrigated to date, and an updated map of the irrigated acres.

Review Criteria [OAR 690-315-0040]

In order to approve an Application for an Extension of Time to complete construction and/or apply water to full beneficial use pursuant to ORS 537.230 or 537.630, or to begin construction, pursuant to ORS 537.248, the Department must make the findings in OAR 690-315-0040(1)(a) – (d).

Complete Extension of Time Application [OAR 690-315-0040(1)(a)]

9. On June 27, 2022, the Department received a completed Application and the fee specified in ORS 536.050 from the permit holder.

Start of Construction [OAR 690-315-0040(1)(b) and 690-315-0040(5)]

10. Construction of the wells began prior to permit issuance.
11. According to the well logs received by the Department on January 15, 2009, construction of UNIO 52062 (Well 1) began November 19, 2008, UNIO 52061 (Well 2) began November 26, 2008, and UNIO 52063 (Well 3) began December 3, 2008.

Based on Finding of Fact (FOF) 10 and 11, the Department has determined that the prosecution of the construction of the well began prior to October 1, 2013.

Good Cause [OAR 690-315-0040(1)(d)]

The Department must find that there is “good cause” to approve the extension. In making a “good cause” finding, the Department shall consider the requirements set forth under OAR 690-315-0040(2).

Reasonable Diligence of the Appropriator [OAR 690-315-0040(2)(a)]

In order to make a finding of “good cause” to approve the extension, the Department shall consider whether the applicant has demonstrated “reasonable diligence” in previous performance under the permit. OAR 690-315-0040(2)(a). In determining “reasonable diligence”, the Department shall consider, but is not limited to, the following factors: a) The amount of construction completed within the time allowed in the permit or previous extension; b) The amount of beneficial use made of the water during the permit or previous extension time limits; c) Water right holder conformance with the permit or previous extension conditions; and d) Financial investments made toward developing the beneficial use of water.

Amount of Construction OAR 690-315-0040(3)(a)

The amount of construction completed within the time allowed in the previous extension.²

12. During the most recent extension period, being from October 1, 2017, to October 1, 2022, the electrical service and pipelines were upgraded. The additional information submitted on September 2, 2022, indicates that these upgrades were necessary to support additional development of the permit.

The Application provides evidence of progress of physical work made towards completion of the water system, enough to qualify as the minimum necessary for the Department to find good cause and reasonable diligence towards complete application of water to a beneficial use.

Compliance with Conditions [OAR 690-315-0040(3)(c)]

The water right permit holder’s conformance with the permit conditions.

13. The Department has considered the permit holder’s compliance with conditions, and did not identify any concerns.

² “Actual Construction” is defined in OAR 690-315-0020(3)(d)(A) and (B) as physical work performed toward completion of the water system which demonstrates the water right permit holder’s good faith and intention to complete the project with reasonable diligence. Actual construction does not include planning a diversion system, formulating a business plan, securing financing, letting contracts, purchasing but not installing equipment, surveying, clearing land or planting crops.

The Department has determined that the permit holder has demonstrated compliance with permit conditions as required by Permit G-18808.

Beneficial Use of Water OAR [690-315-0040(3)(b)]

The amount of beneficial use made of the water during the permit or previous extension conditions.

14. A maximum rate of 2.5 cfs of water has been appropriated, being up to 1,200 gallons per minute (gpm) from Well 2, 600 gpm from Well 1, and 600 gpm from Well 3 for irrigation of 232.40 acres.
15. Delay of full beneficial use of water under Permit G-18808 was due, in part, to purchasing the property in July 2021. During this period, the Applicant identified 190.0 acres have been irrigated.
16. The Application does not identify any new land has been developed for irrigation during the most recent extension of time period.

Beneficial use of water has been demonstrated under this permit as all permit conditions were satisfied by October 1, 2022.

Financial Investments to Appropriate and Apply Water to a Beneficial Purpose [OAR 690-315-0040(2)(b),(3)(d),(4)(d)]

17. The Application identifies an approximate total of \$479,770, has been invested. The costs included costs associated with condition compliance, permit amendments and extensions of time, which are not considered “actual construction” under this permit and therefore are not counted towards development. After deducting these costs, the approximate total investment for “actual construction” to date is approximately \$474,080 which is about 71 percent of the total projected cost for complete development of this project. An additional \$189,761 investment is needed to complete this project, which includes installation of irrigation equipment on the remaining acres to be developed.

Based on FOF 17, the Department has determined that the permit holder had made an investment, which provides evidence of good cause and reasonable diligence towards the complete application of water to a beneficial use.

Reasonable Diligence of the Appropriator [OAR 690-315-0040(2)(a)]

The Application provides evidence that work has been accomplished towards completion of the water system; the permit holder has demonstrated compliance with permit conditions, a financial investment has been made, and; beneficial use of water has been demonstrated. The Department has determined the applicant has demonstrated reasonable diligence in previous performance under Permit G-18808.

The Market and Present Demands for Water [OAR 690-315-0040(4)(a-f)]

The Department's determinations of market and present demand for water or power to be supplied shall consider the requirements set forth under OAR 690-315-0040(4)(a-f). In accordance with OAR 690-315-0040(4), the Department shall consider, but is not limited to, the following factors when determining the market and the present demand for water or power to be supplied:

- *(a) The amount of water available to satisfy other affected water rights and scenic waterway flows;*
- *(b) Special water use designations established since permit issuance, including but not limited to state scenic waterways, federal wild and scenic rivers, serious water management problem areas or water quality limited sources established under 33 U.S.C. 1313(d);*
- *(c) The habitat needs of sensitive, threatened or endangered species, in consultation with the Oregon Department of Fish and Wildlife;*
- *(d) Economic investment in the project to date;*
- *(e) Other economic interests dependent on completion of the project; and*
- *(f) Other factors relevant to the determination of the market and present demands for water and power.*

OAR 690-315-0040(4)(a)

The amount of water available to satisfy other affected water rights and scenic waterway flows.

18. A review of the amount of water available to satisfy other affected water rights and scenic waterway flows was determined at the time of issuance of Permit G-18808; furthermore, water availability for other affected water rights and scenic waterway flows after the permit was issued is determined when an Application for a new water right is submitted.

OAR 690-315-0040(4)(b)

Special water use designations established since permit issuance, including but not limited to state scenic waterways, federal wild and scenic rivers, serious water management problem areas or water quality limited sources established under 33 U.S.C. 1313(d).

19. The points of appropriation for Permit G-18808, located within the Bear Creek Basin, are not located within a limited or critical groundwater area.
20. Bear Creek is located above the Wallowa-Grande Ronde Scenic Waterway.
21. The points of appropriation are not in an area listed by the Department of Environmental Quality as a water quality limited stream.

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OAR 690-315-0040(4)(c)

The habitat needs of sensitive, threatened or endangered species, in consultation with the Oregon Department of Fish and Wildlife.

22. Bear Creek is located within an area ranked “low” for stream flow restoration needs as determined by the Department in consultation with the Oregon Department of Fish and Wildlife, and is located within a Sensitive, Threatened or Endangered Fish Species Area as identified by the Department in consultation with Oregon Department of Fish and Wildlife.

OAR 690-315-0040(4)(d)

Economic interests dependent on completion of the project.

23. An approximate total of \$474,080 has been invested in the project.

OAR 690-315-0040(4)(e)

Other economic interests dependent on completion of the project.

24. Other economic interests dependent on completion of the project have not been identified.

OAR 690-315-0040(4)(f)

Other factors relevant to the determination of the market and present demand for water and power.

25. No other factors relevant to the determination of the market and present demand for water and power have been identified.

Fair Return Upon Investment [OAR 690-315-0040(2)(f)]

26. The use and income from the permitted water development will likely result in reasonable returns upon the investment made to date.

Other Governmental Requirements [OAR 690-315-0040(2)(g)]

27. Delay in the development of this project was not caused by any other governmental requirements.

Unforeseen Events [OAR 690-315-0040(2)(h)]

28. The Application identifies recent purchase of the property, and did not have control over the development made by the previous owner.

Though the current permit holder did not have control over the development of the previous owner and permit holder, the Department does not consider this an unforeseen event because it was a decision by the Applicant to purchase the property, and any due diligence research into the purchase.

Denial of the Extension Will Result in Undue Hardship [OAR 690-315-0040(2)(i)]

29. A denial of the extension would result in undue hardship, and that there are no other reasonable alternatives exist for meeting water use needs.
30. According to the Applicant, the extension of time is necessary to authorize a portion of the place of use that was developed in a location other than authorized, and to fully develop the remaining acres authorized by Permit G-18808.

Good Faith of the Appropriator [OAR 690-315-0040(2)(c)]

31. The Application provides evidence of good faith of the appropriator under Permit G-18808.

Based on FOF 10, 11, 12, 13, 14, 17, and 23, the Department has determined that the applicant has shown good faith.

Duration of Extension [OAR 690-315-0040(1)(c)]

Under OAR 690-315-0040(1)(c), in order to approve an extension of time for water use permits the Department must find that the time requested is reasonable and the applicant can complete the project within the time requested.

32. As of June 27, 2022, the remaining work to be completed consists of completing construction of the water system, irrigation the remaining acres authorized by the permit, and applying water to full beneficial use.
33. Permit Amendment T-14024, was submitted on May 25, 2022, resulting in approximately 5 months for the Department to review the amendment, and once approved very limited time to demonstrate beneficial use prior to the previously extended completion date of October 1, 2022.

Given the amount of development left to occur, the Department has determined that the permit holder's request to have until October 1, 2026, to complete construction of the water system and to accomplish the application of water to beneficial use under the terms and conditions of Permit G-18808 is not reasonable or necessary. Given the limited amount of development that occurred during the most recent extension of time period, being October 1, 2017, to October 1, 2022, and the amount of time previously provided to develop the permitted water use (14 years), the Department has determined an extension of time to allow for additional development of acres irrigated under the permit is not reasonable. However, the Department recognizes that the approval of Permit Amendment T-14024 and issuance of Permit G-18808 on August 31, 2022, provides limited time to demonstrate beneficial use on the newly authorized place of use that was developed prior to the approval of the amendment. Therefore, the Department has determined an extension of time to October 1, 2023, which is the end of the period of use authorized under the permit, is both reasonable and necessary to allow for the permit holder to apply water to the beneficial use under Permit G-18808 on the acres that have been irrigated to date.

Good Cause [OAR 690-315-0040(1)(d)]

The Department must find that there is "good cause" to approve the extension. In making a "good cause" finding, the Department shall consider the requirements set forth under OAR 690-315-0040(2).

The Department has considered the reasonable diligence and good faith of the appropriator, the cost to appropriate and apply water to a beneficial purpose, the market and present demands for water to be supplied, the financial investment made and fair and reasonable return upon the investment, the requirements of other governmental agencies, and unforeseen events over which the permit holder had no control, whether denial of the extension will result in undue hardship to the applicant and whether there are no other reasonable alternatives for meeting water use needs, any other factors relevant to a determination of good cause, and has determined that the applicant has shown that good cause exists for an extension of time to complete construction and apply water to full beneficial use pursuant to OAR 690-315-0040(1)(d).

LIMITATIONS AND CONDITIONS

1. OAR 690-315-0050(5) provides for extension orders to include, but are not limited to, any condition or provision needed to ensure future diligence, and/or mitigate the effects of the subsequent development on competing demands on the resource. The Department determined the need to place a "Last Extension Condition" on this extension of time in order to ensure diligence is exercised in the development and perfection of the water use permit. This condition, specified under Item 1 of the "Conditions" section of this PFO, was determined to be necessary due to the amount of time previously provided to develop the authorized use, and the limited development that occurred during the most recent extension of time period..

CONCLUSIONS OF LAW

1. The applicant has submitted a complete extension application form and the fee specified in ORS 536.050, as required by OAR 690-315-0040(1)(a).
2. The applicant has complied with the construction timeline requirements to begin construction as required by ORS 537.630, OAR 690-315-0040(1)(b) and OAR 690-315-0040(5).
3. Based on Finding of Facts 10, through 33, completion of construction and application of water to beneficial use can be accomplished by October 1, 2023, as required by OAR 690-315-0040(1)(c).
4. The applicant can complete the project within the time period requested for the extension on the project, but the extension is conditioned to ensure future diligence and/or mitigate the effects of the subsequent development on competing demands on the resource and is granted only for the reasonable time necessary to complete water development and apply water to beneficial use. OAR 690-315-0050(5).

5. The applicant has demonstrated good cause for the extension, but the extension must be conditioned to ensure this is the last extension granted in order to ensure future diligence; OAR 690-315-0050(5).

PROPOSED ORDER

Based upon the foregoing Findings of Fact and Conclusions of Law, the Department proposes to issue an order to:

Extend the time to complete construction of the water system under Permit G-18808 from October 1, 2022, to October 1, 2023.

Extend the time to apply water to beneficial use under Permit G-18808 from October 1, 2022, to October 1, 2023.

Subject to the following conditions:

LIMITATIONS AND CONDITIONS

1. **Last Extension Condition**

This may be the last extension of time granted for Permit G-18808. Any future extensions of time request to develop additional acres after October 1, 2023, shall be denied. In addition, all normal extension standards and rules will be evaluated. ORS 539.010(5); OAR 690-315-0040.

DATED: November 1, 2022



Dwight French, Administrator,
Water Right Services Division

*If you have any questions,
please check the information
box on the last page for the
appropriate names and
phone numbers.*

Protests

Pursuant to OAR 690-315-0060(1), the applicant or any other person adversely affected or aggrieved by the proposed final order may submit a written protest to the proposed final order. Protests must be received by the Water Resources Department no later than **December 16, 2022** at this address: Oregon Water Resources Department, Water Right Services Division, 725 Summer St NE, Suite A, Salem, OR 97301-1266. Protests may not be submitted by electronic mail. OAR 690-002-0025(3).

Protests must be in writing and include all of the following:

- The name, address, and telephone number of the protestant

- A detailed description of the protestant's interest in the proposed final order, and, if the protestant claims to represent the public interest, a precise statement of the public interest represented
- A detailed description of how the action proposed in the proposed final order would impair or be detrimental to the protestant's interest
- A detailed description of how the proposed final order is in error or deficient, and how to correct the alleged error or deficiency
- If the applicant protests, a statement of whether a hearing is requested
- Citation of legal authority supporting the protestant, if known
- Proof of service of the protest on the water right permit holder, if protestant is other than the water right permit holder, and
- If you are the applicant, the protest fee of \$480 required by ORS 536.050; and
- If you are not the applicant, the protest fee of \$950 required by ORS 536.050.

Within 60 days after the close of the period for requesting a contested case hearing, the Director shall either issue a final order on the extension request, or schedule a contested case hearing if a protest has been submitted, and, upon review of the issues, the Director finds there are significant disputes related to the proposed agency action; or, the applicant submits a written request for a contested case hearing within 30 days after the close of the period for submitting protests. The hearing will be conducted as provided in Oregon Revised Statutes (ORS) Chapter 183, and Oregon Administrative Rules (OAR) 137-003-0501 to 137-003-0700.

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

A party may be represented by an attorney at the hearing. Legal aid organizations may be able to assist a party with limited financial resources. Generally, partnerships, corporations, associations, governmental subdivisions or public or private organizations are represented by an attorney. However, consistent with OAR 690-002-0020 and OAR 137-003-0555, an agency representative may represent a partnership, corporation, association, governmental subdivision or public or private organization if the Department determines that appearance of a person by an authorized representative will not hinder the orderly and timely development of the record in this case.

Notice Regarding Servicemembers: Active-duty service members have a right to stay proceedings under the federal Servicemembers Civil Relief Act. For more information contact the Oregon State Bar at 800-452-8260, the Oregon Military Department at 800-452-8260, or the nearest United States Armed Forces Legal Assistance Office through <http://legalassistance.law.af.mil>.

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- If you have questions about statements contained in this document, please contact Jeffrey D. Pierceall at 503- 979-3213.
 - If you have questions about how to file a protest or if you have previously filed a protest and you want to know the status, please contact Patricia McCarty at (503) 979-9160.
 - If you have any questions about the Department or any of its programs, please contact our Water Resources Customer Service Group at 503-986-0900.
 - Address any correspondence to : Water Right Services Division
725 Summer St NE, Suite A
Fax: 503-986-0901 Salem, OR 97301-1266
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