

**Oregon Water Resources Department  
Water Right Services Division**

**PROPOSED FINAL ORDER**

In the Matter of the Application for an Extension of Time for Permit G-15351, Water Right Application G-15109, in the name of Interfor U.S. Inc.

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Permit Information

Application File:	G-15109
Permit:	G-15351
Basin:	2 – Willamette / Watermaster District 20
Date of Priority:	March 13, 2000
Source of Water:	Well 3 in Molalla River Basin
Purpose of Use:	Industrial Use
Maximum Rate:	0.111 cubic feet per second

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

*In Summary, the Department proposes to:*

- Grant an extension of time to apply water to full beneficial use from October 1, 2013 to October 1, 2018<sup>1</sup>.

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.

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<sup>1</sup>Pursuant to ORS 537.630(4), 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**

Department – Oregon Department of Water Resources

PFO – Proposed Final Order

cfs – cubic feet per second

gpm – gallons per minute

## **AUTHORITY**

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

**ORS 537.630(1)** provides in pertinent part that the Oregon Water Resources Department may, for good cause shown, order an extension of time within which: irrigation or other works shall be completed; the well or other means of developing and securing ground water 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)** provides in pertinent part that the Water Resources Director, for good cause shown, may extend the time within which the full amount of the water appropriated shall be applied to a beneficial use. This statute 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 therefore; and the income or use that may be required to provide fair and reasonable returns upon the investment.

**OAR 690-315-0040** provides in pertinent part that the Water Resources Department shall make findings to determine if an extension of time may be approved to complete construction and/or apply water to full beneficial use.

## **FINDINGS OF FACT**

### *Background*

1. Permit G-15351 was granted by the Department on March 13, 2003. The permit authorizes the use of up to 0.111 cfs of water from Well 3 in Molalla River Basin for industrial use. The permit specified complete application of water was to be made on or before October 1, 2007.
2. One prior permit extensions has been granted for Permit G-15351. The most recent extension request resulted in the completion dates for construction and for full application of water being extended from October 1, 2007 to October 1, 2013.
3. The permit holder Interfor U.S. Inc. submitted an "Application for Extension of Time" to

the Department on September 27, 2013, requesting the time to apply water to full beneficial use under the terms and conditions of Permit G-15351 be extended from October 1, 2013 to October 1, 2016.

4. Notification of the Application for Extension of Time for Permit G-15351 was published in the Department's Public Notice dated October 8, 2013. No public comments were received regarding the extension application.
5. On September 19, 2014, the permit holder submitted additional information to supplement their Application for Extension of Time. The amendment requested the extended time to apply water to full beneficial use be changed from October 1, 2016 to October 1, 2018.

**Review Criteria [OAR 690-315-0040]**

*The time limits to complete construction and/or apply water to full beneficial use may be extended if the Department finds that the permit holder has met the requirements set forth under OAR 690-315-0040. This determination shall consider the applicable requirements of ORS 537.230<sup>2</sup>, 537.248<sup>3</sup>, 537.630<sup>4</sup> and/or 539.010(5)<sup>5</sup>.*

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

6. On September 27, 2013, the Department received a completed Application for Extension of Time 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)]**

7. Senate Bill 300 (1999 legislation) eliminated the requirement that holders of new surface water and ground water permits start construction on water projects within one year after the Department issues the permit. Senate Bill 300 applies to any application for a permit filed after October 23, 1999, including this application.

**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.*

8. As of September 27, 2013, the remaining work to be completed consists of seeking a permit amendment, drilling a new well if authorized, installing a pump and meter on a new well, and applying water to full beneficial use.
9. Given the amount of development left to occur, the Department has determined that

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<sup>2</sup>ORS 537.230 applies to surface water permits only.

<sup>3</sup>ORS 537.248 applies to reservoir permits only.

<sup>4</sup>ORS 537.630 applies to ground water permits only.

<sup>5</sup>ORS 539.010(5) applies to surface water and ground water permits.

the permit holder's request to have until October 1, 2018 to accomplish the application of water to beneficial use under the terms and conditions of Permit G-15351 is both reasonable and necessary.

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

*The Department's determination of good cause shall consider the requirements set forth under OAR 690-315-0040(2).*

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

*The Department's determination of reasonable diligence shall consider the requirements set forth under OAR 690-315-0040(3)(a-d). In accordance with OAR 690-315-0040(3), the Department shall consider, but is not limited to, the following factors when determining whether the applicant has demonstrated reasonable diligence in previous performance under the permit:*

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

10. Work was accomplished within the time allowed in the permit or previous extension as follows:
  - a. Construction of the well was completed prior to October 1, 2007. Well 3 (CLAC 59797) was started on May 29, 2003 and completed on December 10, 2003.
  - b. Work was completed during the original development time frame under Permit G-15351. A pump and flow meter were installed at the well.
  - c. During the recent extension, from October 1, 2007 to October 1, 2013, the permit holder conducted a pump test on Well 3.

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

11. The following beneficial use of water was made during the permit or previous extension time limits:
  - a. Since the issuance of Permit G-15351 on March 31, 2003, a maximum rate of 0.06 cfs of water has been appropriated from the well for industrial use.

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

12. The Department has considered the permit holder's compliance with conditions and did not identify any concerns.

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

13. As of September 27, 2013, the permit holder has invested approximately \$41,100, which is approximately 38 percent of the total projected cost for complete development of this project. The permit holder anticipates an additional \$66,203 investment is needed for the completion of this project.

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

14. The Department has found good faith of the appropriator under Permit G-15351.

*The Market and Present Demands for Water [OAR 690-315-0040(2)(d-e)]*

*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:*

15. The amount of water available to satisfy other affected water rights and scenic waterway flows; 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); or the habitat needs of sensitive, threatened or endangered species, in consultation with the Oregon Department of Fish and Wildlife [OAR 690-315-0040(4)(a-c)].

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-15351; 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. The point of appropriation for Permit G-15351, located within the Mollala River Basin, is not located within a limited or critical ground water area. Mollala River is not located within or above any state or federal scenic waterway, however, it is located within an area ranked "moderate" 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. The point of appropriation is in an area listed by the Department of Environmental Quality as a water quality limited stream.

*Other economic interests dependent on completion of the project [OAR 690-315-0040(4)(e)].*

16. None have been identified.

*Other factors relevant to the determination of the market and present demand for water and power [OAR 690-315-0040(4)(f)].*

17. None have been identified.

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

18. 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)]*

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

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

20. Unforeseen events extended the length of time needed to fully develop and perfect Permit G-15351, in that the pumping test revealed the permitted Well 3 is only capable of producing 28 gpm while the mill requires 50 gpm. Therefore, the permit holder will be seeking a permit amendment authorizing an additional well.

**CONCLUSIONS OF LAW**

1. The applicant is entitled to apply for an extension of time to complete construction and/or completely apply water to the full beneficial use pursuant to ORS 537.630(1).
2. 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).
3. The applicant complied with begin actual construction timeline requirements pursuant to ORS 537.630 as required by OAR 690-315-0040(1)(b) and OAR 690-315-0040(5).
4. Full application of water to beneficial use can be accomplished by October 1, 2018, as required by OAR 690-315-0040(1)(c).
5. 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 apply water to full beneficial use pursuant to OAR 690-315-0040(1)(d).

## 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 apply water to beneficial use under Permit G-15351 from October 1, 2013 to October 1, 2018.

DATED: September 30, 2014



Dwight W. 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.*

### Proposed Final Order Hearing Rights

1. Under the provisions of OAR 690-315-0100(1) and 690-315-0060, 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. The written protest must be received by the Water Resources Department no later than **November 14, 2014**, being 45 days from the date of publication of the proposed final order in the Department's weekly notice.
2. A written protest shall include:
  - a. The name, address and telephone number of the petitioner;
  - b. A description of the petitioner'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;
  - c. A detailed description of how the action proposed in the proposed final order would adversely affect or aggrieve the petitioner's interest;
  - d. A detailed description of how the proposed final order is in error or deficient and how to correct the alleged error or deficiency;

