

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

Application for Extension of Time

In the Matter of the Application for an Extension of Time)
for Permit G-16414, Water Right Application G-16950,) **PROPOSED FINAL ORDER**
in the name of the City of Harrisburg)

Permit Information

Application File G-16950/ Permit G-16414

Basin 2 – Willamette Basin / Watermaster District 2

Date of Priority: October 30, 2007

Authorized Use of Water

Source of Water: Well 8 (LINN 57656) within the Willamette River Basin
Purpose or Use: Municipal
Maximum Rate: 0.408 Cubic Feet per Second (CFS)

**This Extension of Time request is being processed in accordance with Oregon
Administrative Rule Chapter 690, Division 315.**

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

This Proposed Final Order applies only to Permit G-16414, water right Application G-16950.

Summary of Proposed Final Order for Extension of Time

The Department proposes to:

- Grant an extension of time to complete construction from October 1, 2013 to October 1, 2027.
- Grant an extension of time to apply water to full beneficial use from October 1, 2013 to October 1, 2027.
- Make the extension of time subject to certain conditions as set forth below.

ACRONYM QUICK REFERENCE

Department – Oregon Department of Water Resources

City – City of Harrisburg

ODFW – Oregon Department of Fish and Wildlife

PFO – Proposed Final Order

WMCP – Water Management and Conservation Plan

Units of Measure

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) may, for good cause shown, order and allow an extension of time, for the completion of the well or other means of developing and securing the ground water or for complete application of water to beneficial use. 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 690-315-0080 provides in pertinent part that the Department shall make findings to determine if an extension of time for municipal and/or quasi-municipal water use permit holders may be approved to complete construction and/or apply water to full beneficial use.

OAR 690-315-0090(3) authorizes the Department, under specific circumstances, to condition an extension of time for municipal and/or quasi-municipal water use permit holders to provide that diversion of water beyond the maximum rate diverted under the permit or previous extension(s) shall only be authorized upon issuance of a final order approving a Water Management and Conservation Plan under OAR Chapter 690, Division 86.

FINDINGS OF FACT

Background

1. Permit G-16414 was granted by the Department on December 4, 2008. The permit authorized the use of up to 0.89 cfs of water from Well 8 (LINN 57656) within the Willamette River Basin, for municipal use, of which 0.482 cfs has been perfected under Certificate 86309. The remaining authorized amount under the permit is 0.408 cfs. The permit specified that construction of the water development project was to be completed by October 1, 2013, and that complete application of water was to be made on or before October 1, 2013.
2. The permit holder, the City of Harrisburg (City), submitted an "Application for Extension of Time" to the Department on October 15, 2013, requesting the time to complete construction and apply water to full beneficial use under the terms and conditions of Permit G-16414 be extended from October 1, 2013 to October 1, 2027. This is the first extension of time request for Permit G-16414.
3. Notification of the City's Application for Extension of Time for Permit G-16414 was published in the Department's Public Notice dated October 22, 2013. No public comments were received regarding the extension application.

Review Criteria for Municipal Quasi-Municipal Water Use Permits [OAR 690-315-0080(1)]

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 690-315-0080. This determination shall consider the applicable requirements of ORS 537.230¹, 537.630² and/or 539.010(5)³

Complete Extension of Time Application [OAR 690-315-0080(1)(a)]

4. On October 15, 2013, the Department received a completed Application for Extension of Time and the fee specified in ORS 536.050 from the permit holder.

¹ ORS 537.230 applies to surface water permits only.

² ORS 537.630 applies to ground water permits only.

³ ORS 537.010(5) applies to surface water and ground water permits.

Start of Construction [OAR 690-315-0080(1)(b)]

5. A date by which actual construction was to begin is not specified in Permit G-16414.

Duration of Extension [OAR 690-315-0080(1)(c) and (1)(d)]

Under OAR 690-315-0080(1)(c),(d), in order to approve an extension of time for municipal and quasi-municipal water use permits the Department must find that the time requested is reasonable and the applicant can complete the project within the time requested.

6. The remaining work to be accomplished under Permit G-16414 consists of completing construction of the water system including the installation of water treatment systems for each well, the construction of four new wells (to be added to this permit through the permit amendment process), installation of a manganese dioxide filtration system, replacement of an existing storage tank with a new 2.1 MG storage tank, and construction water line improvements, and applying water to full beneficial use.
7. Permit G-16414 authorizes the use of 0.89 of water for municipal purposes, of which 0.482 cfs has been perfected under Certificate 86309. There is an undeveloped portion of 0.408 cfs of water under Permit G-16414 as per OAR 690-315-0010(6)(g).
8. In addition to the 0.408 cfs of water from Well 8 (LINN 57656) authorized under Permit G-16414 and 0.482 cfs from Well 8 under Certificate 86309, the City holds the following municipal water rights:
- Transfer T-7867 for 0.74 cfs of water from Well 5 within the Willamette River Basin;
 - Transfer T-10956 for 0.74 cfs of water from Wells 3, 4 and 9, not to exceed 0.24 cfs from Well 3 and 0.50 cfs from Well 4, all within the Willamette River Basin;
 - Partial Perfection of Permit G-15927 by Certificate 86310 for 0.41 cfs of water from Wells 6 and 7 within the Willamette River Basin;
 - Permit G-15927 for 0.7 cfs of water from Wells 6 and 7 within the Willamette River Basin; and
 - Permit S-54727 for 2.61 cfs of water from the Willamette River, tributary to the Columbia River.

These water right certificates, transfers and permits total 3.48 cfs of ground water, and 2.61 cfs of surface (live flow) water.

9. The City relies on solely on ground water from Wells 4, 6, and 7 to meet their current peak day demand of 1.45 cfs of water. Wells 5 and 7 cannot be operated at the same time. Because Well 5 has poor water quality compared to the other wells, it is only relied on when summertime demands require its use. Well 7 is used only in the winter months. Well 9 is not yet drilled. When the City develops the Willamette River source

under Permit S-54727, the ground water rights would be utilized for redundancy or in conjunction with surface water.

10. According to the City, in 2008, the population within the service boundary of the City of Harrisburg was 3,400. The City of Harrisburg estimates the population will increase at growth rate of 3 percent per year, reaching an estimated population of 6,140 by the year 2027.
11. According to the City, their peak day demand is projected to be approximately 2.61 cfs of water by the year 2027.
12. Full development of Permit G-16414 is needed to address the present and future water demand of the City, including system redundancy and emergency use.
13. The City's request for an extension of time until October 1, 2027, to complete construction and to apply water to full beneficial use under the terms and conditions of Permit G-16414 is both reasonable and necessary.

Good Cause [OAR 690-315-0080(1)(e) and (3)(a-g) and (4)]

The Department's determination of good cause shall consider the requirements set forth under OAR 690-315-0080(3) and OAR 690-315-0080(4).

Reasonable Diligence and Good Faith of the Appropriator [OAR 690-315-0080(3)(a),(3)(c) and (4)]

Reasonable diligence and good faith of the appropriator must be demonstrated during the permit period or prior extension period as a part of evaluating good cause in determining whether or not to grant an extension. In determining the reasonable diligence and good faith of a municipal or quasi-municipal water use permit holder, the Department shall consider activities associated with the development of the right including, but not limited to, the items set forth under OAR 690-315-0080(4) and shall evaluate how well the applicant met the conditions of the permit or conditions of a prior extension period.

14. Prior to the issuance of Permit G-16414 on December 4, 2008, the City constructed Well 8.
15. During the original development time frame under Permit G-16414, the City connected the well to the distribution system, installed a meter, submitted a water level monitoring plan and a WMCP to the Department, and completed a Water System Master Plan Update.
16. According to the City, as of October 15, 2013, they have invested approximately \$300,882, which is approximately 3 percent of the total projected cost for complete development of this project. The City estimates an additional \$9,728,000 investment is needed for the completion of this project. The Department recognizes that while some of these investment costs are unique to construction and development solely under G-16414, other costs included in this accounting are not partitioned out for G-16414

because (1) they are incurred under the development of a water supply system jointly utilized under other rights held by the City, and/or (2) they are generated from individual activities counted towards reasonable diligence and good faith as listed in ORS 690-315-0080(4) which are not associated with just this permit, but with the development and exercise of all the City's water rights.

17. Of the 0.89 cfs of water authorized under Permit G-16950, 0.482 cfs has been perfected under Certificate 86309.
18. The Department has considered the City's compliance with conditions and did not identify any concerns.

Cost to Appropriate and Apply Water to a Beneficial Purpose [OAR 690-315-0080(3)(b)]

19. According to the City, as of October 15, 2013, they have invested approximately \$300,882, which is approximately 3 percent of the total projected cost for complete development of this project. The City estimates an additional \$9,728,000 investment is needed for the completion of this project.

The Market and Present Demands for Water [OAR 690-315-0080(3)(d) and (5)(a-f)]

For municipal or quasi-municipal water use permits issued after November 2, 1998, in making a determination of good cause pursuant to 690-315-0080(3)(d), the Department shall also consider, but is not limited to, the factors in 690-315-0080(5)(a-f).

20. 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 690-315-0080(5)(a-f)].
 - a. 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-16414; furthermore, water availability for other affected water rights and scenic waterway flows after the permit was issued is determined at such time that such application for a new water right is submitted. The point of appropriation for Permit G-16414 is not located within a limited or critical ground water area. The point of appropriation for Permit G-16414, located within the Willamette River Basin, is not located within or above any state or federal scenic waterway. The point of appropriation is within areas ranked high 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 points of appropriation are not in an area listed by the Department of Environmental Quality as a water quality limited stream.

Economic investment in the project to date [OAR 690-315-0080(5)(d)].

21. According to the City, as of October 15, 2013, they have invested \$300,882, which is 3 approximately percent of the total projected cost for complete development of this project. The City estimates an additional \$9,728,000 investment is needed for the completion of this project.

Other economic interests dependent on completion of the project [OAR 690-315-0080(5)(e)].

22. None have been identified.

Other factors relevant to the determination of the market and present demand for water and power [OAR 690-315-0080(5)(f)].

23. As described in Findings 7 through 12 the City of Harrisburg has indicated, and the Department finds that the City must rely on full development of Permit G- 16414 to meet its present and future water demands.
24. City of Harrisburg projects a population increase of 3 percent per year over the next twenty years.
25. Given the current water supply situation of the City as well as current and expected demands, there is a market and present demand for the water to be supplied under Permit G-16414.
26. OAR 690-315-0090(3) requires the Department to place a condition on this extension of time to provide that appropriation of water beyond 0.482 cfs (Certificate 86309) under Permit G-16414 shall only be authorized upon issuance of a final order approving a Water Management and Conservation Plan(s) (WMCP) under OAR Chapter 690, Division 86 which grants access to a greater appropriation of water under the permit consistent with OAR 690-086-0130(7). A "Development Limitation" condition" is specified under Item 1 of the "Conditions" section of this PFO to meet this requirement.

Fair Return Upon Investment [OAR 690-315-0080(3)(e)]

27. Use and income from the permitted water development project would likely result in reasonable returns upon the investment made in the project to date.

Other Governmental Requirements [OAR 690-315-0080(3)(f)]

28. Delays caused by any other governmental requirements in the development of this project have not been identified.

Events which Delayed Development under the Permit [OAR 690-315-0080(3)(g)]

29. Delay of development under Permit G-16414 was due, in part, to the size and scope of the municipal water system, which was designed to be phased in over a period of years.

CONCLUSIONS OF LAW

1. The City 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(2).
2. The City has submitted a complete extension application form and the fee specified under ORS 536.050(1)(k), as required by OAR 690-315-0080(1)(a).
3. Pursuant to Section 5, Chapter 410, Oregon Laws 2005, the permit holder is not required to demonstrate that actual construction of the project began within one year of the date of issuance of the permit, as otherwise required by OAR 690-315-0080(1)(b).
4. The time requested to complete construction and apply water to full beneficial use is reasonable, as required by OAR 690-315-0080(1)(c).
5. Completion of construction and full application of water to beneficial use can be completed by October 1, 2027⁴ pursuant to OAR 690-315-0080(1)(d).
6. 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 the fair return upon the investment, the requirements of other governmental agencies, and unforeseen events over which the water right permit holder had no control, and the Department has determined that the City has shown good cause for an extension of time to complete construction and to apply the water to full beneficial use pursuant to OAR 690-315-0080(1)(e).

⁴ Pursuant to ORS 537.630(4), upon the completion of beneficial use of water allowed under the permit, the permit holder 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 permit holder shall submit a map of the survey and the claim of beneficial use.

7. As required by OAR 690-315-0090(3) and as described in Finding 26, above, and specified under Item 1 of the "Conditions" section of this PFO, the appropriation of water beyond 0.482 cfs (Certificate 86309) under Permit G-16414 shall only be authorized upon issuance of a final order approving a Water Management and Conservation Plan(s) under OAR Chapter 690, Division 86 that authorizes access to a greater rate of appropriation of water under the permit consistent with OAR 690-086-0130(7).

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 under Permit G-16414 from October 1, 2013 to October 1, 2027.

Extend the time to apply the water to beneficial use under Permit G-16414 from October 1, 2013 to October 1, 2027.

Subject to the following conditions:

CONDITIONS

1. **Development Limitations**

Appropriation of any water beyond 0.482 cfs (Certificate 86309) under Permit G-16414 shall only be authorized upon issuance of a final order approving a Water Management and Conservation Plan (WMCP) under OAR Chapter 690, Division 86 that authorizes access to a greater rate of appropriation of water under the permit consistent with OAR 690-086-0130(7). The required WMCP shall be submitted to the Department within 3 years of this Final Order. The amount of water used under Permit G-16414 must be consistent with this and subsequent WMCP's approved under OAR Chapter 690, Division 86 on file with the Department.

The Development Limitation established in the above paragraph supersedes any prior limitation of the appropriation of water under Permit G-16414 that has been established under a prior WMCP issued by the Department.

The deadline established in the Extension Final Order for submittal of a WMCP shall not relieve a permit holder of any existing or future requirement for submittal of a WMCP at an earlier date as established through other orders of the Department. A WMCP submitted to meet the requirements of the final order may also meet the WMCP

submittal requirements of other Department orders.

DATED: February 3, 2015


Dwight French
Water Right Services Division Administrator

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 **March 20, 2015**, 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;
 - e. Any citation of legal authority supporting the petitioner, if known;
 - f. Proof of service of the protest upon the water right permit holder, if petitioner is other than the water right permit holder; and
 - g. The applicant or non-applicant protest fee required under ORS 536.050.
3. Within 60 days after the close of the period for requesting a contested case hearing, the Director shall:
 - a. Issue a final order on the extension request; or
 - b. Schedule a contested case hearing if a protest has been submitted, and:
 - 1) Upon review of the issues, the Director finds there are significant

