

**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-12558, Water Right Application G-13420,) PROPOSED FINAL ORDER
in the name of Chuck Pippus)

Permit Information

Application:	G-13420
Permit:	G-12558
Basin:	11 – Owyhee / Watermaster District 9
Date of Priority:	May 24, 1993
Source of Water:	A well in the Jordan Creek Basin
Purpose of Use:	Supplemental Irrigation of 363.1 Acres
Maximum Rate:	2.5 cubic feet per second (cfs)

Please read this Proposed Final Order in its entirety.

In Summary, the Department proposes to:

- Grant an extension of time to complete construction of the water system from October 1, 1998 to October 1, 2020.
- Grant an extension of time to apply water to full beneficial use from October 1, 1999 to October 1, 2020¹.

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(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

COBU – Claim of Beneficial Use

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-12558 was issued by the Department on June 25, 1996. The permit authorizes the use of up to 2.5 cfs of water from a well, in the Jordan Creek Basin for supplemental irrigation of 363.1 acres. The permit specified actual construction of the well to begin by June 25, 1997, construction of the water system was to be completed by October 1, 1998, and complete application of water was to be made on or before October 1, 1999.
2. On January 2, 2001, a Claim of Beneficial Use (COBU) in the name of Rayburn Ranches was submitted to the Department. The COBU map identified 197.1 acres, being 183.2 for Supplemental Irrigation, and 13.9 acres for Primary Irrigation.

3. On May 6, 2002, an assignment from Rayburn Ranches to Chuck Pippus was recorded in the record of the Department.
4. On September 17, 2014, the COBU was reviewed by the Department. Upon assessment of the COBU, the Department determined the permit holder did not comply with a condition of Permit G-12558, requiring annual water use reporting prior to the complete application of water date, being October 1, 1999. The Department determined beneficial use of water was not made.
5. On October 10, 2014, a Proposed Order of Certification to cancel Permit G-12558 was issued, for non-compliance of a permit condition requiring annual water use reporting. No water use reports were submitted to the Department by the complete application of water date, being October 1, 1999.
6. On November 7, 2014, the permit holder of record contacted the Department to reconsider the cancellation of the permit, by providing a water use report identifying water was beneficially used prior to October 1, 1999.
7. On November 17, 2014, a water use report for the 1999 irrigation season was submitted to the Department.
8. On April 17, 2015, a Proposed Certificate of water right and map was issued to the permit holder. The Department proposed the use of a well in the Jordan Creek Basin, for Supplemental Irrigation of 183.2 acres.
9. On April 27, 2015, the Department received a request from the permit holder to place a hold on the permit, and take no action until sometime after September 1, 2015. The temporary hold was granted by the Department so an Application for Extension of time could be submitted to the Department.
10. The permit holder, Chuck Pippus, submitted an "Application for Extension of Time" to the Department on October 29, 2015, requesting both the time to complete construction of the water system be extended from October 1, 1998 to October 1, 2017, and the time to apply water to full beneficial use under the terms and conditions of Permit G-12558 be extended from October 1, 1999 to October 1, 2017. This is the first permit extension requested for Permit G-12558.
11. On November 6, 2015, the permit holder amended the extension request, extending the complete application of water date to October 1, 2020.
12. Notification of the Application for Extension of Time for Permit G-12558 was published in the Department's Public Notice dated November 10, 2015. No public comments were received regarding the extension application.

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 537.230², 537.248³, 537.630⁴ and/or 539.010(5)⁵.

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

13. On October 29, 2015, 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)]

14. Actual construction of the well began by the deadline as specified in the permit, being June 25, 1997. Construction of the well began October 23, 1992.

The Department has determined the permit holder has satisfied the condition requiring beginning of actual construction of the well.

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.

15. As of October 29, 2015, the permit holder states the remaining work to be completed consists of submitting a Place of Use Transfer for Certificate 56247, moving lands to be irrigated under this permit; completing construction of the water system; meeting all permit conditions; and applying water to full beneficial use, on the remaining 88.1 acres.

Given the amount of development left to occur, the Department has determined that the permit holder's request to have until October 1, 2020, 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-12558 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

²ORS 537.230 applies to surface water permits only.

³ORS 537.248 applies to reservoir permits only.

⁴ORS 537.630 applies to ground water permits only.

⁵ORS 539.010(5) applies to surface water and ground water permits.

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)]

16. According to the permit holder, work was accomplished within the time allowed in the permit or previous extension as follows:

- a. Actual construction of the well and water system began prior to the June 25, 1997 deadline specified in the permit. According to the well log, Well (MALH 2890) began October 23, 1992 and was completed March 16, 1993. Two pivots and piping were also installed by November 1, 1993.
- b. No work was completed during the original development time frame under Permit G-12558.

The Department has determined that work has been accomplished prior to permit issuance, providing evidence of good cause and reasonable diligence from the appropriator towards the complete application of water to a beneficial use.

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

17. The application states a maximum rate of 2.45 cfs of water has been appropriated from Well (MALH 2890) for irrigation of 275.0 acres.

The Department received the COBU January 2, 2001. Upon review of the COBU September 17, 2014, the Department determined the permit holder did not comply with conditions of the permit, by not submitting annual water use reporting prior to the complete application of water date, as required by Permit G-12558.

On November 17, 2014, a water use report for the 1999 irrigation season was submitted to the Department. The Department has determined that this extension will allow the water use reports submitted after October 1, 1999, to satisfy compliance of the condition of submitting annual water use reports to the Department.

Upon reviewing the Application for Extension of Time, the application identified additional development is to occur in order to satisfy the rate and place of use as authorized on the permit. the Department determined development of the water project was incomplete, and complete beneficial use of the water has not been made.

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

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

19. From October 1, 1999 the permit holder has submitted the annual water use records, required under Permit G-12558.

The Department received annual water use reporting for the 1999 irrigation season on November 17, 2014. The Department has determined all conditions have been complied with as required by Permit G-12558.

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

20. The application state the permit holder has invested approximately \$60,000, which is approximately 92 percent of the total projected cost for complete development of this project. The permit holder anticipates an additional \$5,000 investment is needed for the completion of this project.

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

21. The Department has determined good faith has been demonstrated by the appropriator under Permit G-12558.

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:

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)].

22. 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-12558; 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-12558, located within the Owyhee River Basin, is not located within a limited or critical ground water area. Owyhee River is above the Owhyee Scenic Waterway, and, it is located within an area 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 point of appropriation

is not 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)].

23. 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)].

24. None have been identified.

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

25. 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)]

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

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

27. According to the permit holder, unforeseen events extended the length of time needed to fully develop and perfect Permit G-12558, in that the permit holder purchased the property in 2001, and was unaware of the problems associated with the COBU that was submitted to the Department by the prior landowners, and is currently trying to move lands so that the water right will match the current place of use. This restricted their ability to complete development of the project in a timely manner.

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. Completion of construction and full application of water to beneficial use can be accomplished by October 1, 2020, 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 complete construction and apply water to full beneficial use pursuant to OAR 690-315-0040(1)(d).

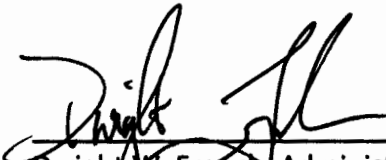
PROPOSED ORDER

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

Extend the time to complete construction of the water system under Permit G-12558 from October 1, 1998 to October 1, 2020.

Extend the time to apply water to beneficial use under Permit G-12558 from October 1, 1999 to October 1, 2020.

DATED: December 15, 2015



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 **January 29, 2016**, 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 disputes related to the proposed agency action; or
 - 2) The applicant submits a written request for a contested case hearing within 30 days after the close of the period for submitting protests.

NOTICE TO ACTIVE DUTY SERVICEMEMBERS: Active Duty servicemembers have a right to stay these proceedings under federal Servicemembers Civil Relief Act. For more information contact the Oregon State Bar at 800-452-8260, the Oregon Military Department at 800-452-7500 or the nearest United States Armed Forces Legal Assistance Office through <http://legalassistance.law.of.mil>

- If you have questions about statements contained in this document, please contact Corey A Courchane at (503)986-0825.
 - 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 503-986-0820.
 - 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
Salem, OR 97301-1266
- Fax: 503-986-0901