

**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-15369, Water Right Application G-15729,) PROPOSED FINAL ORDER
in the name of the City of Keizer)

Permit Information

Application File G-15729/ Permit G-15369

Basin 2 – Middle Willamette Basin / Watermaster District 16

Date of Priority: March 27, 2002

Authorized Use of Water

Source of Water: A Well in Clear Lake Basin
Purpose or Use: Municipal use
Maximum Rate: 2.23 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.

This Proposed Final Order applies only to Permit G-15369, water right Application G-15729.

Summary of Proposed Final Order for Extension of Time

The Department proposes to:

- Grant an extension of time to apply water to full beneficial use from October 1, 2007 to October 1, 2027.

ACRONYM QUICK REFERENCE

Department – Oregon Department of Water Resources

City – City of Keizer

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

gpm – gallons per minute

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-15369 was issued by the Department on March 20, 2003. The permit authorizes the use of up to 2.23 cfs of water from a well in Clear Lake Basin, for municipal use. It specified complete application of water was to be made on or before October 1, 2007.
2. The permit holder, the City of Keizer (City), submitted an "Application for Extension of Time" to the Department on November 10, 2015, requesting the time to apply water to full beneficial use under the terms and conditions of Permit G-15369 be extended from October 1, 2007 to October 1, 2027. This is the first extension of time request for Permit G-15369.
3. Notification of the City's Application for Extension of Time for Permit G-15369 was published in the Department's Public Notice dated November 17, 2015. 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 November 10, 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 690-315-0080(1)(b)]

5. Permit G-15369 was issued prior to June 29, 2005; therefore, the applicant is not required to provide evidence of actions taken to begin actual construction of the project.⁴

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.

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.

⁴ Section 5, Chapter 410, Oregon Laws 2005 and OAR 690-315-0070(3)(d).

6. The remaining work to be accomplished under Permit G-15369 consists of adding an additional well, filtration equipment; additional storage and booster pump capacity; and applying water to full beneficial use.
7. As of October 1, 2007, the permit holder had appropriated 0.89 cfs of the 2.23 cfs of water authorized under Permit G-15369 for municipal purposes. There is an undeveloped portion of 1.34 cfs of water under Permit G-15369 as per OAR 690-315-0010(6)(g).
8. In addition to the 2.23 cfs of water authorized under Permit G-15369 (Reitz Well), the City holds the following permits, certificates, ground water registrations for Municipal use:
 - Certificate 31611 for 0.56 cfs of water from O.H. Duncan Well in the Willamette River Basin;
 - Certificate 86617 for 15.58 cfs of water from seven wells; being 3.22 cfs from McNary Well, 3.02 cfs from Weissner Well, 4.09 cfs from Chemawa Well, 0.78 cfs from Carlhaven West Well, 2.43 cfs from Carlhaven East Well, 0.71 cfs from Willamette Manor Well, and 1.33 cfs from Cherry Avenue Well in the Willamette River Basin;
 - GR-24 for 1.73 cfs of water from City Hall Well in the Willamette River Basin;
 - GR-3065 for 1.56 cfs of water from Lacey Court Well in the Willamette River Basin;
 - GR-3066 for 0.4456 cfs of water from Potts #2 Well in the Willamette River Basin;
 - GR-3067 for 0.4456 cfs of water from Carlhaven East Well in the Claggett River Basin;
 - GR-3068 for 0.4456 cfs of water from Carlhaven West Well in the Claggett River Basin;
 - GR-3069 for 1.00 cfs of water from Toni Well in the Claggett River basin;
 - GR-3412 for 0.3342 cfs of water from Carlhaven West Well in the Claggett River Basin;
 - G-11899 for 3.12 cfs of water from Meadows Well in the Lake Labish Basin;
 - G-14916 for 2.23 cfs of water from Ridge Drive Well in the Claggett Creek Basin;
 - G-16094 for 1.03 cfs of water from Keizer Station Well in the Labish Creek Basin; and
 - G-16164 for 0.642 cfs of water from Keizer Station Well in the Labish Creek Basin.

In addition to the above municipal use water rights, the City also holds the following water right certificates:

- Certificate 50519 for 2.0 cfs of water total from three wells (13th Ave Well, 17th Avenue Well, and Lauderback Well) at one time in the Clear Lake Basin for Quasi-Municipal use;

These water rights and permits total 33.353 cfs of water, being exclusively from ground

water. The City of Keizer has not yet made use of 1.793 cfs of water, being 0.450 under Permit G-15369 and 1.34 cfs of water under Permit G-15369.

The City has developed 16 wells, 3 reservoirs that stores a total of 2,800,000 gallons, and 2 booster pump stations. Four of the wells (Burnside Well, Potts Well, 13th Avenue Well, and Toni Well) are out of commission; the authorized use under these wells will be transferred to other wells in the near future.

9. According to the City, their peak water demand within its service area boundaries was 28.47 cfs in 2012.
10. According to the City, in 2012, the population within the service boundary of the City of Keizer was 36,735. The City of Keizer estimates the population will increase at growth rate of 1.58 percent per year, reaching an estimated population of 48,082 by the year 2032. According to the City's April 2013 Water System Master Plan (page 4-5), the City expects growth to be exclusively residential growth. The City has one major consumer/shopping complex user (Keizer Station). The current percentage of service is 94 % residential.
11. According to the City, their peak day demand is projected to be approximately 37.26 cfs of water by the year 2032.
12. Full development of Permit G-15369 is needed to address the present and future water demand of the City, including system redundancy and emergency use.
13. The City has a emergency water agreement with the City of Salem through the Cherry Avenue Intertie.
14. The City's request for an extension of time until October 1, 2027, to apply water to full beneficial use under the terms and conditions of Permit G-15369 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.

15. Work was accomplished (specified in the Application for Extension of Time) during the original development time frame under Permit G-15369. The City completed construction of Reitz Well (MARI 57704) November 13, 2003. The City installed a pump station, water filter plant, electrical, sand separator; and constructed Bair Park Reservoir. The City also modified sump station piping and electrical.
16. Since October 1, 2007 the City has Installed a fourth booster pump and revision of piping and electrical; and completed rehabilitation of the well and pump replacement.
17. On May 24, 2012, The Department approved the City's Water Level Monitoring plan.
18. The Department received City of Keizer's Water Management and Conservation Plans in May of 2003, September 2009 and December 2013.
19. According to the City, as of November 10, 2015, they have invested approximately \$769,817, which is approximately 52 percent of the total projected cost for complete development of this project. The City estimates an additional \$700,000 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-15369, other costs included in this accounting are not partitioned out for G-15369 because (1) they are incurred under the development of a water supply system jointly utilized under other rights held by the City, and (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.
20. As of October 1, 2007, 0.89 cfs of the 2.23 cfs of water allowed has been appropriated from Reitz Well (MARI 7704) for beneficial municipal purposes under the terms of this permit.
21. 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)]

22. According to the City, as of November 10, 2015, they have invested approximately \$769,817, which is 52 percent of the total projected cost for complete development of this project. The City estimates an additional \$700,000 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).

23. 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-15369; 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-15369 is not located within a limited or critical ground water area. The point of appropriation for Permit G-15369, located within the Clear Lake Basin, is not located within or above any state or federal scenic waterway. The point of appropriation is within areas ranked highest 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.

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

24. According to the City, as of November 10, 2015, they have invested \$769,817, which is 52 percent of the total projected cost for complete development of this project. The City estimates an additional \$700,000 investment is needed for the completion of this project.

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

25. 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)].

26. As described in Findings 7 through 19 the City of Keizer has indicated, and the Department finds that the City must rely on full development of Permit G- 13784 to meet its present and future water demands.

27. City of Keizer projects a population increase of 1.58 percent per year over the next 17 years.
28. 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-15369.
29. OAR 690-315-0090(3) requires the Department to place a condition on this extension of time to provide that appropriation of water beyond 0.89 cfs (not to exceed the maximum amount authorized under this permit, being 2.23 cfs) under Permit G-15369 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)]

30. The City expects to obtain a fair and reasonable return on investment by continuing development of Permit G-15369.

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

31. 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)]

32. Delay of development under Permit G-15369 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. Pursuant to ORS 540.510(3)(a) and (b), water under Permit G-15369 may be applied to

beneficial use on land to which the right is not appurtenant.

5. The time requested to apply water to full beneficial use is reasonable, as required by OAR 690-315-0080(1)(c).
6. Full application of water to beneficial use can be completed by October 1, 2027⁵ pursuant to OAR 690-315-0080(1)(d).
7. 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 apply the water to full beneficial use pursuant to OAR 690-315-0080(1)(e).
8. As required by OAR 690-315-0090(3) and as described in Finding 29, above, and specified under Item 1 of the "Conditions" section of this PFO, the appropriation of water beyond 0.89 cfs (not to exceed the maximum amount authorized under this permit, being 2.23 cfs) under Permit G-15369 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).

Continued on the following page

⁵ For permits applied for or received on or before July 9, 1987, upon complete development of the permit, you must notify the Department that the work has been completed and either: (1) hire a water right examiner certified under ORS 537.798 to conduct a survey, the original to be submitted as required by the Department, for issuance of a water right certificate; or (2) continue to appropriate water under the water right permit until the Department conducts a survey and issues a water right certificate under ORS 537.625.

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 the water to beneficial use under Permit G-15369 from October 1, 2007 to October 1, 2027.

Subject to the following conditions:

CONDITIONS

1. Development Limitations

A maximum appropriation of 0.89 cfs of water is currently allowed under Permit G-15369. Any appropriation of water beyond 0.89 cfs (not to exceed the maximum amount authorized under the permit, being 2.23 cfs) 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-15369 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-15369 that has been established under a prior WMCP or Extension final order 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: December 22, 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 **February 5, 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 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>

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- If you have any questions about statements contained in this document, please contact Machel A. Bamberger at 503-986-0802.
 - 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 503-986-0801.
 - 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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Mailing List for Extension PFO Copies

PFO Date: December 22, 2015

Application G-15729

Permit G-15369

Original mailed to Applicant:

City of Keizer
Attn: Bill Lawyer
PO Box 21000
Keizer, OR 97307

Copies sent to:

1. WRD - App. File G- 14916/ Permit G-15369
2. 4B Engineering & Consulting, LLC
Atten: Brooke Saltarello
3700 River Road N, Suite 2
Keizer, OR 97303

Fee paid as specified under ORS 536.050 to receive copy:

3. None

Receiving electronic copy via e-mail (10 AM Tuesday of signature date)

4. WRD - Watermaster District 16 – Joel Plahn
5. WRD – Lisa Jaramillo, Transfer and Conservation Services (TACS)
Done by _____ Date _____

CASEWORKER: MAB

<p style="text-align: center;">Copies Mailed</p> <p>By: _____ (SUPPORT STAFF)</p> <p>on: _____ (DATE)</p>
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