

**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-16513, Water Right Application G-16835,)
in the name of Heritage Buidling, LLC)

PROPOSED FINAL ORDER

Permit Information

Application:	G-16835
Permit:	G-16513
Basin:	2 – Lower Willamette / Watermaster District 20
Date of Priority:	April 19, 2007
Source of Water:	A well (MULT 86584) (P-2) in Willamette River Basin
Purpose of Use:	Commercial Uses (Geothermal Heating and Cooling)
Maximum Rate:	0.33 cubic foot 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, 2013 to October 1, 2016.
- Grant an extension of time to apply water to full beneficial use from October 1, 2013 to October 1, 2016¹.

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

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-16513 was issued by the Department on June 4, 2009. The permit authorizes the use of up to 0.33 cfs of water from a well (MULT 86584) (P-2) in Willamette River Basin for commercial uses (geothermal heating and cooling). 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. The permit holder, Eric Wentland, managing member of the Heritage Building, LLC, submitted an "Application for Extension of Time" to the Department on November 20, 2015, 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-16513 be extended from October 1, 2013 to October 1, 2016. This is the first permit

extension requested for Permit G-16513.

3. Notification of the Application for Extension of Time for Permit G-16513 was published in the Department's Public Notice dated December 1, 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)]

4. On November 20, 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)]

5. Construction of the well began within 5 years of permit issuance, being June 4, 2014. The application states, construction of Well (MULT 86584) began September 20, 2006.

According to the well log received by the Department on November 1, 2006, Well P-2 (MULT 86584) construction began September 20, 2006. The Department has determined that the prosecution of the construction of the well began prior to June 4, 2014.

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.

6. As of November 20, 2015, the permit holder states the remaining work to be completed consists of meeting all permit conditions, including installing a totalizing flow meter; completing construction of the water system; and applying water to full beneficial use.

Given the amount of development left to occur, the Department has determined that the permit holder's request to have until October 1, 2016, 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-16513 is both reasonable and necessary.

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.

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)]

7. The application states, 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, 2013. Construction of Well P-2 (MULT 86584) began September 20, 2006 and was completed September 28, 2006. The permit holder installed an injection well, and a low temperature HVAC system. A water meter was installed on Well P-2 (MULT 86584).
- b. No work was completed during the original development time frame under Permit G-16513.

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

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

- 8. The application states a maximum rate of 0.31 cfs of water has been appropriated from Well P-2 (MULT 86584) for commercial uses (geothermal heating and cooling).
- 9. Beneficial use of water has not yet been demonstrated under this permit because not all permit conditions were satisfied by October 1, 2013.

The Department has determined that this extension will allow the installation of a totalizing flow meter after October 1, 2013, to satisfy compliance of the condition of installation of a totalizing flow meter at each point of appropriation and Injection Well (I-1), in an effort to make proof of beneficial use of the water as required by Permit G-16513.

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

10. The Department has considered the permit holder's compliance with conditions, and has identified the following concern: (1) the record does not show that a meter or other suitable measuring device has been installed.

Therefore, the Department has determined the permit holder did not comply with conditions of the permit, by not installing a totalizing flow meter at the Injection Well (I-1) as required by Permit G-16513.

Beneficial use of water under this permit, therefore, has not yet been demonstrated. In order to legally perfect the use of water under this permit, the permit holder must demonstrate that all conditions of the permit have been satisfied.

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

11. The application states the permit holder has invested approximately \$54,500, which is approximately 96 percent of the total projected cost for complete development of this project. The permit holder anticipates an additional \$2,500 investment is needed for the completion of this project.

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

12. The Department has found good faith of the appropriator under Permit G-16513.

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)].

13. 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-16513; 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-16513, located within the

Willamette River Basin, is not located within a limited or critical ground water area. Willamette River is not located within or above any state or federal scenic waterway, however, it 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. 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)].

14. 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)].

15. None have been identified.

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

16. 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)]

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

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

18. None have been identified.

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. Based on Finding of Facts 5 through 8, completion of construction and full application of water to beneficial use can be accomplished by October 1, 2016, as required by OAR 690-315-0040(1)(c).
4. 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-16513 from October 1, 2013 to October 1, 2016.

Extend the time to apply water to beneficial use under Permit G-16513 from October 1, 2013 to October 1, 2016.

DATED: January 5, 2016


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 **February 19, 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;

Mailing List for Extension PFO Copies

PFO Date: January 5, 2016

Copies Mailed

Application: G-16835

By: _____

Permit: G-16513

On: _____

Original mailed to Applicant:

Heritage Buidling, LLC
PO Box 3406
Portland, OR 97208

Copies sent to:

1. WRD - App. File G-16835/ Permit G-16513
2. Roger N. Smith Associates, Inc.
Attn: Roger N. Smith
2424 SE Caruthers St
Portland, OR 97293

Fee paid as specified under ORS 536.050 to receive copy:

3. None

Receiving via e-mail (10 AM Tuesday of signature date)
(DONE BY EXTENSION SPECIALIST)

4. WRD - Watermaster District 20, Amy Kim

CASEWORKER: CAC