

**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-12646, Water Right Application G-12997,) PROPOSED FINAL ORDER
in the name of Northwest Farm Credit Services, FLCA, and)
Clancy R. Roth, Bar DR Land and Cattle, LLC, and)
Stephen F. Roth)

Permit Information

Application:	G-12997
Permit:	G-12646
Basin:	5 – Deschutes / Watermaster District 11
Date of Priority:	June 23, 1992
Source of Water:	A well within the Deschutes Basin
Purpose of Use:	Irrigation of 381.0 acres
Maximum Rate:	4.76 cubic feet per second (cfs)

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

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, 2017.
- Grant an extension of time to apply water to full beneficial use from October 1, 1999 to October 1, 2017¹.
- Make the extension subject to certain conditions set forth below.

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.

OAR 690-315-0050(5) states that extension orders may include, but are not limited to, any condition or provision needed to: ensure future diligence; mitigate the effects of the subsequent development on competing demands on the resource; and periodically document the continued need for the permit.

FINDINGS OF FACT

Background

1. Permit G-12646 was issued by the Department on July 31, 1996. The permit authorizes the use of up to 4.76 cfs of water from a well within the Deschutes Basin for irrigation of 381.0 acres. The permit specified actual construction of the well was to begin by July 31, 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 September 28, 2000, a Claim of Beneficial Use was submitted to the Department for review prior to certificate issuance.
3. On September 14, 2001, an assignment from Hampton Butte Grazing Cooperative to David and Jonette Roth was recorded in the records of the Department.
4. On August 5, 2009, an assignment by proof from David Roth and Jonette Roth to Stephen F. Roth, Clancy R. Roth, and Northwest Farm Credit Services, FLCA was recorded in the records of the Department.
5. On September 19, 2014, the Department began review of the COBU for certificate issuance.
6. On September 26, 2014, an assignment from Stephen Roth and Clancy Roth to Northwest Farm Credit Services, FLCA, and Clancy R. Roth, Bar DR Land and Cattle, LLC, and Stephen F. Roth was recorded in the records of the Department.
7. On December 12, 2014, the Department issued a Proposed Order of Certification to cancel Permit G-12646, for failure to comply with the following conditions: installation of a meter or other suitable measuring device, submitting annual water use reports and March static water level measurements prior to October 1, 1999, and appropriation of water from the well without repairing to conform to current well construction standards, as the well was not reconstructed and sealed to a minimum depth of 88 feet, as required by Permit G-12646.
8. On April 14, 2015, the Department issued a Proposed Order of Certification, Special Order Volume 95, Page 543, cancelling Permit G-12646, for failure to comply with the following conditions: installation of a meter or other suitable measuring device, submitting annual water use reports and March static water level measurements prior to October 1, 1999, and appropriation of water from the well without repairing to conform to current well construction standards, as the well was not reconstructed and sealed to a minimum depth of 88 feet, as required by Permit G-12646.
9. On May 28, 2015, the Department received a request for reconsideration to cancel Permit G-12646, so that the permit holder may submit an Application for Extension of Time to come into compliance of the permit conditions.
10. On June 3, 2015, the Department issued Order Granting Reconsideration, Reversing Cancellation Order and Reinstating Permit G-12646, Special Order Volume 96, Page 27.
11. The permit holder, Stephen F. Roth, submitted an "Application for Extension of Time" to the Department on December 30, 2015, requesting 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-12646

be extended from October 1, 1999 to October 1, 2017. This is the first permit extension requested for Permit G-12646.

12. Notification of the Application for Extension of Time for Permit G-12646 was published in the Department's Public Notice dated January 12, 2016. 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 December 30, 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 prior to the deadline specified in the permit, being July 31, 1997. The permit holder states, construction of the well began May 14, 1991.

According to the well log received by the Department on April 30, 1993, Well (DESC 1707) construction began May 14, 1991. The Department has determined that the prosecution of the construction of the well began prior to July 31, 1997.

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 December 30, 2015, the permit holder states the remaining work to be completed consists of reconditioning Well 1 (DESC 1707) which includes installing a case and seal to 88 feet; 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, 2017, 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-12646 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)]

16. The application states, 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 July 31, 1997 deadline specified in the permit. Construction of Well (DESC 1707) began May 14, 1991 and was completed October 8, 1991. A pump and pivots were installed.
- b. No work was completed during the original development time frame under Permit G-12646, as all construction was completed prior to permit issuance.

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)]

17. The application states a maximum rate of 8.03 cfs of water has been appropriated from Well (DESC 1707) for irrigation of 381.0 acres. This exceeds the amount of water authorized under this permit. The authorized amount of water is 4.76 cfs.

18. Beneficial use of water has not yet been demonstrated under this permit because not all permit conditions were satisfied by October 1, 1999.

The Department has determined that this extension will allow the annual water use reports and March static water level measurements submitted to the Department after October 1, 1999, to satisfy the compliance of the permit conditions, in an effort to make proof of beneficial use of the water as required by Permit G-12646. The Department has also determined that this extension will allow the permit holder time to recondition Well (DESC 1707) to conform to current well construction standards, specifically reconstructed and sealed to a minimum depth of 88 feet, to satisfy the compliance of the permit conditions, in an effort to make proof of beneficial use of the water as required by Permit G-12646.

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

19. From October 1, 1999 the permit holder has submitted the annual water use records, and submitted the static water level measurements required under Permit G-12646.
20. The Department has considered the permit holder's compliance with conditions, and has identified the following concern: (1) the record does not show that Well (DESC 1707) was repaired to conform to current well construction standards, specifically reconstructed and sealed to a minimum depth of 88 feet, and proof of such repair is not on file with the Enforcement Section of the Water Resources Department.

Therefore, the Department has determined the permit holder did not comply with conditions of the permit, by not repairing Well (DESC 1707) to conform to current well construction standards, specifically reconstructed and sealed to a minimum depth of 88 feet, and providing proof of such repair with the Enforcement Section of the Water Resources Department as required by Permit G-12646.

Failure to comply with permit conditions constitutes illegal use of water. 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)]

21. The application states the permit holder has invested about \$303,500, which is approximately 85.8 percent of the total projected cost for complete development of this project. The permit holder anticipates an additional \$50,000 investment is needed for the completion of this project.

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

22. The Department has found good faith of the appropriator under Permit G-12646.

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)].

23. 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-12646; 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-12646, located within the South Fork Crooked River Basin, is not located within a limited or critical ground water area. South Fork Crooked River is above the Deschutes Scenic Waterway located within or above any state or federal scenic waterway, however, 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)].

24. 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)].

25. None have been identified.

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

26. 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)]

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

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

28. 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. 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. Based on Finding of Facts 14 through 22 completion of construction and full application of water to beneficial use can be accomplished by October 1, 2017, 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).

Continued on the following page

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-12646 from October 1, 1998 to October 1, 2017.

Extend the time to apply water to beneficial use under Permit G-12646 from October 1, 1999 to October 1, 2017.

Subject to the following conditions:

CONDITIONS

1. **Well Reconstruction Condition**
No water shall be appropriated under the terms of Permit G-12646 until Well (DESC 1707) has been repaired to conform to current well construction standards and proof of such repair is filed with the Enforcement Section of the Water Resources Department. Specifically, the well shall be reconstructed and sealed to a minimum depth of 88 feet.

DATED: February 16, 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 **April 1, 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 Regarding Service Members: Active duty service members have a right to stay proceedings under the federal Service Members Civil Relief Act. 50 U.S.C. App. §§501-597b. You may contact the Oregon State Bar or the Oregon Military Department for more information. The toll-free telephone number for the Oregon State Bar is: 1 (800) 452-8260. The toll-free telephone number of the Oregon Military Department is: 1 (800) 452-7500. The Internet address for the United States Armed Forces Legal Assistance Legal Services Locator website is: <http://legalassistance.law.af.mil>

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- 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
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Mailing List for Extension PFO Copies

PFO Date: February 16, 2016

Copies Mailed

Application: G-12997

By: _____

Permit: G-12646

On: _____

Original mailed to Applicant:

Stephen F. Roth
Clancy Roth
Bar DR Land and Cattle, LLC
41600 Hwy 20
Brothers, OR 97712

Northwest Farm Credit Services, FLCA
3113 South Hwy 97, Suite 100
PO Box 607
Redmond, OR 97756

Copies sent to:

1. WRD - App. File G-12997/ Permit G-12646
2. Agent or CWRE representing the Permit Holder

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 11, Jeremy Giffin

CASEWORKER: CAC