

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

Water Rights Application
Number G-18129

Proposed Final Order

Summary of Recommendation: The Department recommends that the attached draft permit be issued with conditions.

Findings of Fact

1. On August 11, 2015, Otley Brothers Inc. submitted an application to the Department for the following water use permit:
 - Amount of Water: 5.33 cubic feet per second (CFS)
 - Use of Water: irrigation of 426.0 acres
 - Source of Water: Well BV1; Well BV2 (HARN 51892/L109045); Well BV3 (HARN 51895/L109043); Well BV4 (HARN 51894/L109042); and Well BV5 in Donner und Blitzen River Basin
 - Area of Proposed Use: Harney County within Sections 8 and 9, Township 29 South, Range 31 East, W.M.
2. On December 25, 2015, the Department mailed the applicant notice of its Initial Review, determining that "...the appropriation of 5.33 CFS of water from Well BV1, Well BV2 (HARN 51892/L109045), Well BV3 (HARN 51895/L109043), Well BV4 (HARN 51894/L109042), and Well BV5 in Donner und Blitzen River Basin for irrigation of 426.0 acres is not allowable...". The applicant did not notify the Department to stop processing the application within 14 days of that date.
3. On December 29, 2015, the Department gave public notice of the application in its weekly notice. The public notice included a request for comments, and information for interested persons about obtaining future notices and a copy of the Proposed Final Order. No written comments were received within 30 days.
4. On January 25, 2016 the applicant put the application on administrative hold, which ended April 18, 2016.
5. On April 13, 2016, the Water Resources Commission revised the applicable Basin Program (OAR 690-512). The new rules allow permits to be issued if they are consistent with the conditions and limitations of the rules. The applicant has indicated that they wish for their application to be subject to the revised rules, specifically OAR 690-512-0020(6), in order for the proposed use to be approved.

In reviewing applications, the Department may consider any relevant sources of information, including the following:

- any applicable basin program
- applicable statutes, administrative rules, and case law

- the amount of water available
- the rate and duty for the proposed use
- any general basin-wide standard for flow rate and duty of water allowed
- the need for a flow rate and duty higher than the general standard
- pending senior applications and existing water rights of record
- any applicable comprehensive plan or zoning ordinance
- recommendations by other state agencies
- the Scenic Waterway requirements of ORS 390.835
- designations of any critical groundwater areas
- any comments received

6. Irrigation is a classified use within the Malheur Lake Basin Program (OAR 690-512-0010). The proposed use is within the South Sub-area of the Greater Harney Valley Groundwater Area of Concern and the applicant has indicated that they request that a permit be issued consistent with the provisions of OAR 690-512-0020(6).

7. Groundwater Findings Under OAR 690-009

The Department determined, consistent with OAR 690-009-0040(4), that the proposed groundwater use will not have the potential for substantial interference with surface water.

In making this determination, the Department considered whether:

- A. There is a hydraulic connection from the proposed well(s) to any surface water sources.
- B. The point of appropriation is a horizontal distance less than one-fourth mile from the surface water source;
- C. The rate of appropriation is greater than five cubic feet per second, if the point of appropriation is a horizontal distance less than one mile from the surface water source;
- D. The rate of appropriation is greater than one percent of the pertinent adopted minimum perennial streamflow or instream water right with a senior priority date, if one is applicable, or of the discharge that is equaled or exceeded 80 percent of time, as determined or estimated by the Department, and if the point of appropriation is a horizontal distance less than one mile from the surface water source;
- E. The groundwater appropriation, if continued for a period of 30 days, would result in stream depletion greater than 25 percent of the rate of appropriation, if the point of appropriation is a horizontal distance less than one mile from the surface water source.

According to the Department's rules, the potential for substantial interference is assumed if A and either B or C or D or E are met. For this application, the Department determined that there is no potential for substantial interference, because either A is not met, or B, C, D, or E are not met, or both.

8. Pursuant to OAR 690-512-0020(6), 1,660 acre-feet of water is available for allocation in the South sub-area.

9. Because the application is consistent with OAR 690-512-0020(6) (a, b, and d), and will be conditioned consistent with 690-512-0020(6)© and (7), the Department finds that groundwater is available for the proposed use.
10. Well BV1, Well BV2 (HARN 51892/L109045), Well BV3 (HARN 51895/L109043), Well BV4 (HARN 51894/L109042), and Well BV5 in Donner und Blitzen River Basin are not within or above a State Scenic Waterway.
11. The Department finds that the amount of water requested, 5.33 CFS, is an acceptable amount.
12. Documentation has been submitted from the relevant land-use planning jurisdiction that indicates the proposed use is allowed outright.
13. The proposed groundwater use is not within a designated critical groundwater area.

Conclusions of Law

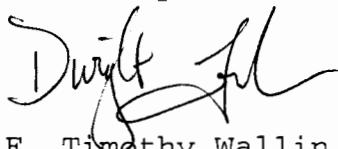
1. Under the provisions of ORS 537.621, the Department must presume that a proposed use will ensure the preservation of the public welfare, safety and health if the proposed use is allowed in the applicable basin program established pursuant to ORS 536.300 and 536.340 or given a preference under ORS 536.310(12), if water is available, if the proposed use will not injure other water rights and if the proposed use complies with rules of the Water Resources Commission.
2. The proposed use requested in this application is allowed in the Malheur Lake Basin Program.
3. Pursuant to the findings made above in 9, water is available for the proposed use.
4. The proposed use will not injure other water rights.
5. No proposed flow rate and duty of water higher than the general basin-wide standard is needed.
6. The application is in compliance with the State Agency Coordination Program regarding land use.
7. The proposed use complies with rules of the Water Resources Commission not otherwise described above.
8. For these reasons, the required presumption has been established.
9. Under the provisions of ORS 537.621, once the presumption has been established, it may be overcome by a preponderance of evidence that either:

- A. One or more of the criteria for establishing the presumption are not satisfied; or
 - B. The proposed use would not ensure the preservation of the public welfare, safety and health as demonstrated in comments, in a protest . . . or in a finding of the department that shows:
 - a. The specific aspect of the public welfare, safety and health under ORS 537.525 that would be impaired or detrimentally affected; and
 - b. Specifically how the identified aspect of the public welfare, safety and health under ORS 537.525 would be impaired or be adversely affected.
10. In this application, all criteria for establishing the presumption have been satisfied, as noted above. The presumption has not been overcome by a preponderance of evidence that the proposed use would impair or be detrimental to the public interest.
11. The Department therefore concludes that the proposed use would ensure the preservation of the public welfare, safety and health as described in ORS 537.525.
12. When issuing permits, ORS 537.628(1) authorizes the Department to include limitations and conditions which have been determined necessary to protect the public welfare, safety, and health. The attached draft permit is conditioned accordingly.

Recommendation

The Department recommends that the attached draft permit be issued with conditions.

DATED May 10, 2016



E. Timothy Wallin, Water Rights Program Manager
for Thomas M. Byler, Director

Protests

Under the provisions of ORS 537.153(7) (for surface water) or ORS 537.621(8) (for groundwater), you can protest this Proposed Final Order. Protests must be received in the Water Resources Department no later than **June 24, 2016**. Protests must be in writing, and must include the following:

- Your name, address, and telephone number;
- A description of your interest in the Proposed Final Order, and, if you claim to represent the public interest, a precise statement of the public interest represented;
- A detailed description of how the action proposed in the Proposed Final Order would impair or be detrimental to your interest;
- A detailed description of how the Proposed Final Order is in error or deficient, and how to correct the alleged error or deficiency;
- Any citation of legal authority to support your protest, if known;
- To affect the department's determination that the proposed use in this application will, or will not, ensure the preservation of the public welfare, safety and health as described in ORS 537.525, ORS 537.621(2)(b) requires that a protest demonstrate, by a preponderance of evidence any of the following: (a) One or more of the criteria for establishing the presumption are, or are not, satisfied; or (b) The specific aspect of the public welfare, safety and health under ORS 537.525 that would be impaired or detrimentally affected, and specifically how the identified aspect of the public welfare, safety and health under ORS 537.525 would be impaired or be adversely affected;
- If you are the applicant, the protest fee of \$350 required by ORS 536.050; and
- If you are not the applicant, the protest fee of \$700 required by ORS 536.050 and proof of service of the protest upon the applicant.
- If you are the applicant, a statement of whether or not you are requesting a contested case hearing. If you do not request a hearing, the Department will presume that you do not wish to contest the findings of the Proposed Final Order.

Requests for Standing

Under the provisions of ORS 537.153(7) (for surface water) or ORS 537.621(8) (for groundwater), persons other than the applicant who support a Proposed Final Order can request standing for purposes of participating in any contested case proceeding on the Proposed Final Order or for judicial review of a Final Order.

Requests for standing must be received in the Water Resources Department no later than **June 24, 2016**. Requests for standing must be in writing, and must include the following:

- The requester's name, mailing address and telephone number;
- If the requester is representing a group, association or other organization, the name, address and telephone number of the represented group;
- A statement that the requester supports the Proposed Final Order as issued;
- A detailed statement of how the requester would be harmed if the Proposed Final Order is modified; and
- A standing fee of \$200. If a hearing is scheduled, an additional fee of \$500 must be submitted along with a petition for party status.

After the protest period has ended, the Director will either issue a Final Order or schedule a contested case hearing. The contested case hearing will be scheduled only if a protest has been submitted and either:

- upon review of the issues, the director finds that there are significant disputes related to the proposed use of water, or
- the applicant requests a contested case hearing within 30 days after the close of the protest period.

If you do not request a hearing within 30 days after the close of the protest period, or if you withdraw a request for a hearing, notify the Department or the administrative law judge that you will not appear or fail to appear at a scheduled hearing, the Director may issue a Final Order by default. If the Director issues a Final Order by default, the Department designates the relevant portions of its files on this matter, including all materials that you have submitted relating to this matter, as the record for purpose of proving a *prima facie* case upon default.

You may be represented by an attorney at the hearing. Legal aid organizations may be able to assist a party with limited financial resources. Generally, partnerships, corporations, associations, governmental subdivisions or public or private organizations are represented by an attorney. However, consistent with OAR 690-002-0020 and OAR 137-003-0555, an agency representative may represent a

partnership, corporation, association, governmental subdivision or public or private organization if the Department determines that appearance of a person by an authorized representative will not hinder the orderly and timely development of the record in this case.

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>

This document was prepared by Barbara Park. If you have any questions about any of the statements contained in this document I can be reached at 503-986-0859.

If you have questions about how to file a protest or a request for standing, please refer to the respective sections in this Proposed Final Order entitled "Protests" and "Requests for Standing". If you have previously filed a protest and want to know its status, please contact Patricia McCarty at 503-986-0820.

If you have other questions about the Department or any of its programs please contact our Customer Service Group at 503-986-0801. Address all other correspondence to:

Water Rights Section, Oregon Water Resources Department, 725 Summer St NE Ste A, Salem OR 97301-1266, Fax: 503-986-0901.

DRAFT

This is not a permit.
STATE OF OREGON

DRAFT

COUNTY OF HARNEY

DRAFT PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS DRAFT PERMIT IS HEREBY ISSUED TO

OTLEY BROTHERS INC
40926 S DIAMOND LANE
DIAMOND, OR 97722

The specific limits and conditions of the use are listed below.

APPLICATION FILE NUMBER: G-18129

SOURCE OF WATER: WELL BV1; WELL BV2 (HARN 51892/L109045); WELL BV3 (HARN 51895/L109043); WELL BV4 (HARN 51894/L109042); AND WELL BV5 IN DONNER UND BLITZEN RIVER BASIN

PURPOSE OR USE: IRRIGATION OF 426.0 ACRES

MAXIMUM RATE: 5.33 CUBIC FEET PER SECOND

PERIOD OF USE: MARCH 1 THROUGH SEPTEMBER 30

DATE OF PRIORITY: AUGUST 11, 2015

WELL LOCATIONS:

WELL BV1: SE ¼ NW ¼ SECTION 9, T29S, R31E, W.M.; 1828 FEET SOUTH AND 1429 FEET EAST FROM NW CORNER, SECTION 9

WELL BV2 (HARN 51892/L109045): SE ¼ NW ¼ SECTION 9, T29S, R31E, W.M.; 1657 FEET SOUTH AND 1608 FEET EAST FROM NW CORNER, SECTION 9

WELL BV3 (HARN 51895/L109043): NW ¼ NW ¼ SECTION 9, T29S, R31E, W.M.; 805 FEET SOUTH AND 891 FEET EAST FROM NW CORNER, SECTION 9

WELL BV4 (HARN 51894/L109042): SE ¼ NW ¼ SECTION 9, T29S, R31E, W.M.; 2271 FEET SOUTH AND 2184 FEET EAST FROM NW CORNER, SECTION 9

WELL BV5: NE ¼ SE ¼ SECTION 9, T29S, R31E, W.M.; 3920 FEET SOUTH AND 4937 FEET EAST FROM NW CORNER, SECTION 9

The amount of water used for irrigation under this right, together with the amount secured under any other right existing for the same lands, is limited to a diversion of ONE-EIGHTIETH of one cubic foot per second and 3.0 acre-feet for each acre irrigated during the irrigation season of each year.

THE PLACE OF USE IS LOCATED AS FOLLOWS:

NE ¼ NE ¼ 26.0 ACRES
 SE ¼ NE ¼ 37.0 ACRES
 NE ¼ SE ¼ 16.0 ACRES
 NW ¼ SE ¼ 9.0 ACRES
 SECTION 8

SW ¼ NE ¼ 21.0 ACRES
 NE ¼ NW ¼ 35.0 ACRES
 NW ¼ NW ¼ 40.0 ACRES
 SW ¼ NW ¼ 40.0 ACRES
 SE ¼ NW ¼ 35.0 ACRES
 NE ¼ SW ¼ 39.0 ACRES
 NW ¼ SW ¼ 26.0 ACRES
 NE ¼ SE ¼ 33.0 ACRES
 NW ¼ SE ¼ 28.0 ACRES
 SW ¼ SE ¼ 3.0 ACRES
 SE ¼ SE ¼ 38.0 ACRES
 SECTION 9

TOWNSHIP 29 SOUTH, RANGE 31 EAST, W.M.

Observation Well Requirement:

Within six (6) months of permit issuance, the permittee shall construct one (1) observation well to penetrate the same aquifer as the production wells, or the permit may be cancelled. This six month deadline shall not be extended. The well shall meet the Department's minimum well construction standards and shall be cased and sealed to the same depth as the production wells. The well shall be constructed at a location approved by the Department for the purpose of instrumentation with continuous water-level monitoring equipment. The landowner or permittee shall provide access to Department staff to install and maintain the monitoring equipment. The well shall not be used for any other purpose. The well shall be completed prior to water use authorized by this permit. Failure to construct a dedicated observation well within six (6) months of permit issuance shall cause the watermaster to regulate off any future use under the permit.

Dedicated Measuring Tube Condition:

Wells with pumps shall be equipped with a minimum 3/4-inch diameter, unobstructed, dedicated measuring tube pursuant to Figure 200-5 in OAR 690-200. If a pump has been installed prior to the issuance of this permit, and if static water levels and pumping levels can be measured using an electrical tape, then the installation of the measuring tube can be delayed until such time that water levels cannot be measured or the pump is repaired or replaced.

Drawdown Condition and Static Water Level Conditions:

All groundwater pumping authorized by this permit shall be prohibited if March groundwater levels indicate 18 feet or more of decline has occurred, as measured in the observation well or any authorized irrigation well, when compared to the first March measurement. Subsequent groundwater pumping may occur with Department approval during the year(s) a subsequent March groundwater level measurement indicates the groundwater level at the observation well has recovered to less than 18 feet of decline when compared to the first March measurement.

The Department requires the water user to obtain, from a qualified individual (see below), the annual static groundwater level measured in any authorized irrigation well. Reports shall be submitted to the Department within 30 days of measurement.

The permittee shall report an initial March static groundwater-level measurement from any authorized irrigation well once well construction is complete and annual measurements thereafter. Annual measurements are required whether or not the well is used. The Director may require the user to obtain and report additional water levels each year if more data are needed to evaluate the aquifer system.

All measurements shall be made by a certified water rights examiner, registered professional geologist, registered professional engineer, licensed well constructor, or pump installer licensed by the Construction Contractors Board. Measurements shall be submitted on forms provided by, or specified by, the Department. Measurements shall be made with equipment that is accurate to at least 0.1 foot. Airlines are not acceptable methods of measurement. The Department requires the individual performing the measurement to accomplish the following:

- A. Associate each measurement with an owner's well name or number and a Department well log ID; and
- B. Report water levels to at least the nearest tenth of a foot as depth-to-water below ground surface; and
- C. Specify the method of measurement; and
- D. Certify the accuracy of all measurements and calculations reported to the Department.

Groundwater Study Findings and Potential for Future Prohibition of Use:

Water use under this permit, or certificate if one is later issued, is prohibited if, based on the Department's Harney Basin Groundwater Study, the Department cannot make a finding that the groundwater use is within the capacity of the resource, is not over appropriated, or will not cause injury to senior water users. The permit holder may provide offset water in the manner described in OAR 690-512-0020(4) within three years of the final report being issued. The Department shall make the findings described in this subsection for each permit issued under Section 6 within one year of completing the Harney Basin

Groundwater Study. The Department's findings described in this condition shall include site-specific substantial evidence.

Setback Requirement and Potential Regulation Condition:

Any well authorized under this permit shall be located more than 1,320 feet from any existing senior exempt, permitted, or certificated well(s) not owned by the permit holder. Any well authorized on this permit, when located between 1,320 feet and 2,640 feet of any senior exempt, permitted, or certificated well not owned by the permit holder, shall immediately cease pumping groundwater if Department staff determine 10 feet or more of measured groundwater level interference related to the authorized well use has occurred in a senior exempt, permitted, or certificated well.

Measurement devices, and recording/reporting of annual water use conditions:

- A. Before water use may begin under this permit, the permittee shall install a totalizing flow meter at each point of appropriation. The permittee shall maintain the device in good working order.
- B. The permittee shall allow the watermaster access to the device; provided however, where any device is located within a private structure, the watermaster shall request access upon reasonable notice.
- C. The permittee shall keep a complete record of the volume of water diverted each month, and shall submit a report which includes water-use measurements to the Department annually, or more frequently as may be required by the Director. Further, the Director may require the permittee to report general water-use information, including the place and nature of use of water under the permit.
- D. The Director may provide an opportunity for the permittee to submit alternative measuring and reporting procedures for review and approval.

Well Identification Tag Condition

Prior to using water from any well listed on this permit, the permittee shall ensure that the well has been assigned an OWRD Well Identification Number (Well ID tag), which shall be permanently attached to the well. The Well ID shall be used as a reference in any correspondence regarding the well, including any reports of water use, water level, or pump test data.

STANDARD CONDITIONS

Failure to comply with any of the provisions of this permit may result in action including, but not limited to, restrictions on the use, civil penalties, or cancellation of the permit.

If the number, location, source, or construction of any well deviates from that proposed in the permit application or required by permit conditions, this permit may be subject to cancellation, unless the Department authorizes the change in writing.

If substantial interference with surface water or a senior water right occurs due to withdrawal of water from any well listed on this permit, then use of water from the well(s) shall be discontinued or reduced and/or the schedule of withdrawal shall be regulated until or unless the Department approves or implements an alternative administrative action to mitigate the interference. The Department encourages junior and senior appropriators to jointly develop plans to mitigate interferences.

The well(s) shall be constructed and maintained in accordance with the General Standards for the Construction and Maintenance of Water Supply Wells in Oregon. The works shall be equipped with a usable access port adequate to determine water-level elevation in the well at all times.

If the riparian area is disturbed in the process of developing a point of appropriation, the permittee shall be responsible for restoration and enhancement of such riparian area in accordance with ODFW's Fish and Wildlife Habitat Mitigation Policy OAR 635-415. For purposes of mitigation, the ODFW Fish and Wildlife Habitat Mitigation Goals and Standards, OAR 635-415, shall be followed.

The use may be restricted if the quality of downstream waters decreases to the point that those waters no longer meet state or federal water quality standards due to reduced flows.

Where two or more water users agree among themselves as to the manner of rotation in the use of water and such agreement is placed in writing and filed by such water users with the watermaster, and such rotation system does not infringe upon such prior rights of any water user not a party to such rotation plan, the watermaster shall distribute the water according to such agreement.

Prior to receiving a certificate of water right, the permit holder shall submit to the Water Resources Department the results of a pump test meeting the Department's standards for each point of appropriation (well), unless an exemption has been obtained in writing under OAR 690-217. The Director may require water-level or pump-test data every ten years thereafter.

This permit is for the beneficial use of water without waste. The water user is advised that new regulations may require the use of best practical technologies or conservation practices to achieve this end.

By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

Construction of the well shall be made within five years of the date of permit issuance. The deadline to begin construction may not be extended. This permit is subject to cancellation proceedings if the begin construction deadline is missed.

Complete application of the water shall be made within five years of the date of permit issuance. If beneficial use of permitted water has not been made before this date, the permittee may submit an application for extension of time, which may be approved based upon the merit of the application.

Within one year after making beneficial use of water, the permittee shall submit a claim of beneficial use, which includes a map and report, prepared by a Certified Water Rights Examiner.

Issued

DRAFT - THIS IS NOT A PERMIT

E. Timothy Wallin, Water Rights Program Manager
for Thomas M. Byler, Director

