

**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 S-53756, Water Right Application S-84613 ) PROPOSED FINAL  
in the name of Stoney Acres Ranch, LLC ) ORDER

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**Permit Information**

Application:	S-84613
Permit:	S-53756
Basin:	Rogue / Watermaster District 13
Date of Priority:	July 18, 2000
Source of Water:	Applegate Lake Reservoir, a tributary of Applegate River
Purpose of Use:	Irrigation of 24.0 Acres
Maximum Volume:	108.0 Acre-Feet per year of stored water only

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***Please read this Proposed Final Order in its entirety.***

*In summary, the Department proposes to:*

- Grant an extension of time to apply water to full beneficial use from October 1, 2006 to October 1, 2017.<sup>1</sup>

This Extension of Time request is being processed in accordance with Oregon Revised Statute 537.230 and 539.010(5), and Oregon Administrative Rule Chapter 690, Division 315

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<sup>1</sup> Pursuant to ORS 537.230(4), upon the completion of beneficial use of water allowed under the permit, the permit holder 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 permit holder shall submit a map of the survey and the claim of beneficial use.

## **ACRONYM QUICK REFERENCE**

Department – Oregon Water Resources Department

ODFW – Oregon Department of Fish and Wildlife

PFO – Proposed Final Order

AF – acre-feet

## **AUTHORITY**

**Generally, see ORS 537.230 and OAR Chapter 690 Division 315.**

**ORS 537.230(3)** provides in pertinent part that the Oregon Water Resources Department (Department) may, for good cause shown, order an extension of time within which irrigation or other works 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 S-53756 was issued by the Department on November 23, 2001. The permit authorizes the use of up to 108.0 AF of stored water from the Applegate Lake Reservoir, a tributary of Applegate River, for irrigation of 24.0 acres. The permit specified complete application of water was to be made on or before October 1, 2006.
2. On April 27, 2015, the Department issued a letter by certified mail, requesting either a Claim of Beneficial Use or an extension of time be submitted, or cancellation proceedings for Permit S-53756 would begin.
3. On May 13, 2016, the Department issued an Order in the Matter of Cancellation of Certain Permit(s) to Appropriate Water under the provisions of ORS 537.260 for Permit S-53756, for failure to make proof of appropriation of water under the terms and conditions of the permit.

4. On June 13, 2016, Dennis Byrne submitted a request for reinstatement of permit S-53576.
5. On June 22, 2016, the Department issued an order in the Matter of Reinstatement of Permit S-53756.
6. On July 7, 2016, an assignment by proof from Dennis Byrne, Larry Byrne, Kathrine Smith and Rita Mitchell to Stoney Acres Ranch, LLC was recorded in the records of the Water Resources Department.
7. Dennis Byrne, Foreman for Stoney Acres Ranch, LLC, submitted an "Application for Extension of Time" to the Department on July 7, 2016, requesting the time to apply water to full beneficial use under the terms of Permit S-53756 be extended from October 1, 2006, to October 1, 2017. This is the first permit extension requested for Permit S-53756.
8. Notification of the Application for Extension of Time for Permit S-53756 was published in the Department's Public Notice dated July 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 537.230<sup>2</sup>, 537.248<sup>3</sup> and/or 539.010(5)<sup>4</sup>.*

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

9. On July 7, 2016, 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)]**

10. Construction of the water system began prior to permit issuance. The Application states, construction began around 1955-1956 for a supplemental right under Certificate 21613.

According to the Notice of Beginning of Construction (Form A) located in Application file S-27216 (Certificate 21613), submitted to the Department September 21, 1953, construction of work associated with Permit S-53756 began February 10, 1953. The Department has determined the permit holder has satisfied the condition requiring beginning of construction of the water works.

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<sup>2</sup>ORS 537.230 applies to surface water permits only.

<sup>3</sup>ORS 537.248 applies to reservoir permits only.

<sup>4</sup>ORS 539.010(5) applies to surface water and ground water permits.

**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.*

11. As of July 7, 2016, the Application states the remaining work to be completed consists of purchasing and installing a flow meter, meeting all permit conditions, 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 accomplish the application of water to beneficial use under the terms and conditions of Permit S-53756 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 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)]**

12. The Application states work was accomplished within the time allowed in the permit or previous extension as follows:
  - a. Construction of the water system began prior to permit issuance. The Application states that power, pump, mainline, sprinklers and related irrigation equipment was installed circa 1955-1956.
  - b. Work was completed during the original development time frame under Permit S-53756. According to the Application, fish screen and bypass was installed under a cooperative agreement with ODFW in 2002.

The Department has determined that work has been accomplished prior to permit issuance and within the time allowed in the permit, which provides 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)]**

13. The Application states a maximum volume of 108.0 AF of water has been diverted from the Applegate Lake Reservoir, a tributary of Applegate River for irrigation of 24.0 acres.

14. Beneficial use of water has not yet been demonstrated under this permit because not all permit conditions were satisfied by the October 1, 2006.

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

15. The water right permit holder's conformance with the permit or previous extension conditions.
- a. The required fish screen and bypass device was installed under a cooperative agreement with ODFW.
  - b. The permit holder has maintained a current service contract with the Bureau of Reclamation.
  - c. The Department has considered the permit holder's compliance with conditions, and has identified the following concerns: (1) the record does not show that a meter or other suitable measuring device has been installed by October 1, 2006.

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.

The Department has determined that this extension will allow for installation of a flow meter after 2006 to satisfy compliance of the condition of "Before water use may begin under this permit, the permittee shall install a meter or other suitable measuring device as approved by the Director", in an effort to make proof of beneficial use of the water as required by Permit S-53756.

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

16. The Applications states the permit holder has invested approximately \$28,000, which is about 97 percent of the total projected cost for complete development of this project. The permit holder anticipates an additional \$1,000 investment is needed for the completion of this project.

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

17. The Department has found good faith of the appropriator under Permit S-53756.

**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)].*

18. A review of the amount of water available to satisfy other affected water rights and scenic waterway flows was determined at the time of issuance of Permit S-53756; 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.
19. A current review of water availability has determined that water is available from Applegate Lake Reservoir with the maintenance of a Bureau of Reclamation, Applegate Lake Reservoir Water Service Contract.
  - A. The point of diversion is located on Applegate Lake Reservoir, a tributary of Applegate River, and is not located within a Withdrawn Area.
  - B. The Applegate River, is located within the Rogue Scenic Waterway
  - C. Applegate River 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.
  - D. The point of diversion is in a location listed by the Department of Environmental Quality as a water quality limited stream. The Applegate River – River Mile 0 to 46.8 – is listed under Water Quality Limited for temperature, pH, and flow modification.

**Other economic interests dependent on completion of the project [OAR 690-315-0040(4)(e)].**

20. No other economic interests dependent on completion of the project 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)].**

21. No other factors relevant to the determination of the market and present demand for water and power have been identified.

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

22. 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)]**

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

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

24. No unforeseen events have been identified.

**Denial of an Extension Would Result in Undue Hardship [OAR 690-315-0040(2)(i)]**

25. The Application did not state if a denial of the extension would result in undue hardship.

**CONCLUSIONS OF LAW**

1. The Applicant is entitled to apply for an extension of time to completely apply water to the full beneficial use pursuant to ORS 537.230(3).
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 construction timeline requirements pursuant to ORS 537.230 as required by OAR 690-315-0040(1)(b) and OAR 690-315-0040(5).
4. Based on Finding of Facts 10 through 17, full application of water to beneficial use can be accomplished by October 1, 2017<sup>5</sup>, 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 apply water to full beneficial use pursuant to OAR 690-315-0040(1)(d).

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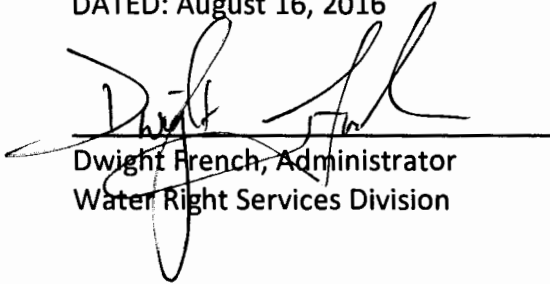
<sup>5</sup>Pursuant to ORS 537.230(3), upon the completion of beneficial use of water allowed under the permit, the permittee shall hire a certified water rights examiner to survey the appropriation. Within one year after the complete application of water to a beneficial use (or by the date allowed 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.

## 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 water to beneficial use under Permit S-53756 from October 1, 2006 to October 1, 2017.

DATED: August 16, 2016



Dwight 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 **September 30, 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.



