

**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 R-8211, Water Right Application R-60122	)	PROPOSED FINAL
in the name of Mark N. Manderscheid and Tami L. Manderscheid	)	ORDER

Permit Information

Application:	R-60122
Permit:	R-8211
Basin:	John Day / Watermaster District 4
Date of Priority:	May 12, 1980
Source of Water:	An unnamed gulch
Storage Facility:	Murkwood Pond and Willowbottom Pond
Purpose of Use:	To be appropriated under Application 60123, Permit 45365
Maximum Volume:	2.0 Acre-Feet (AF) from each

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, 1982 to October 1, 2018.¹
- Make the extension subject to certain conditions set forth below.

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

¹ 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

FPS – Final Proof Survey

Application – Application for Extension of Time

PFO – Proposed Final Order

cfs – cubic feet per second

gpm – gallons per minute

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 R-8211 was issued by the Department on January 26, 1981. The permit authorizes the storage of up to 4.0 AF of water, being 2.0 AF each in Murkwood Pond (Reservoir A), and Willowbottom Pond (Reservoir B), from an unnamed gulch, to be appropriated under Application 60123, Permit 45365. The permit specified actual construction was to begin by January 26, 1982, and complete application of water was to be made on or before October 1, 1982.

2. On February 19, 1982, the Department received "FORM A – Notice of Beginning of Construction," identifying construction began August 3, 1981, and "FORM B – Notice of Completion of Construction," identifying construction was completed September 8, 1981.
3. On December 6, 1982, the Department received "FORM C – Notice of Complete Application of Water to a Beneficial Use," identifying 3.0 acres will be irrigated by July 3, 1984.
4. On June 17, 1988, a representative of the Department made a site inspection and found no storage of water under Permit R-8211. Water being used was from a spring under a water right described by Certificate 61915. The land involved in the permit was owned by the Oregon Department of Veteran's Affairs.
5. On August 4, 1999, another representative of the Department made a site inspection, and found new landowners, Mr. and Mrs. Haag. The new landowner was also not storing water under Permit R-8211, and was only using water from the spring. The new landowner indicated they had no interest in irrigating beyond that allowed under Certificate 61915.
6. On August 30, 1999, a Final Proof Survey (FPS) was submitted to the Department for review.
7. On November 5, 2008, the Department issued a Proposed Order of Certification to cancel Permit R-8211, for failure to provide satisfactory proof of beneficial use of the water.
8. On April 1, 2016, the Department began review of the FPS to issue a water right certificate.
9. On May 17, 2016, the Department issued a Proposed Order of Certification to cancel Permit R-8211, for failure to provide satisfactory proof of beneficial use of the water.
10. On July 8, 2016 an assignment by proof from Marvin and Velma Kinsey to Mark N. Manderscheid and Tami L. Manderscheid was recorded in the records of the Water Resources Department.
11. On July 18, 2016, a Request for Reconsideration in the matter proposing to cancel Permit R-8211 was submitted to the Department.
12. The permit holder, Mark N. Manderscheid and Tami L. Manderscheid, submitted an "Application for Extension of Time" to the Department on July 22, 2016, requesting the time to apply water to full beneficial use under the terms of Permit R-8211 be extended from October 1, 1982 to October 1, 2018. This is the first permit extension requested for

Permit R-8211.

13. Notification of the Application for Extension of Time for Permit R-8211 was published in the Department's Public Notice dated July 26, 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 and/or 539.010(5)⁴.

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

14. On July 22, 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)]

15. Actual construction of the water system began prior to the January 26, 1982 deadline specified in the permit. According to the permit holder, construction of the reservoirs began January 1, 1981.

According to the "FORM A - Notice of Beginning of Construction" submitted to the Department February 19, 1982, actual construction began August 3, 1981. The Department has determined the permit holder has satisfied the condition requiring beginning of construction of the water works.

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.

16. As of July 22, 2016, the permit holder states the remaining work to be completed consists of sealing Murkwood Pond and Willowbottom Pond; 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, 2018, to accomplish the application of water to beneficial use under the terms and conditions of Permit R-8211 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).

²ORS 537.230 applies to surface water permits only.

³ORS 537.248 applies to reservoir permits only.

⁴ORS 539.010(5) applies to surface water and ground water permits.

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)]

17. As stated on the Application, work was accomplished within the time allowed in the permit or previous extension as follows:
 - a. Actual construction of the water system began prior to the January 26, 1982 deadline specified in the permit.
 - b. Work was completed during the original development time frame under Permit R-8211. Construction of Murkwood Pond and Willowbottom Pond began August 3, 1981, and was completed September 8, 1981.

The Department has determined that work has been accomplished 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)]

18. As stated on the Application, an unknown amount of water has been stored from the unnamed gulch in Murkwood Pond and Willowbottom Pond.
19. On December 6, 1982, the previous permit holder submitted "FORM C - Notice of Complete Application of Water to a Beneficial Use" to the Department, identifying application of water to a beneficial use was completed by September 3, 1982. The Department determined submittal of the FORM C was premature, as the reservoirs were unable to store water.
20. The previous permit holder made an attempt to make beneficial use of water; however beneficial use of water has not yet been demonstrated under this permit because no water was stored by October 1, 1982.
21. According to the Application, delay of full beneficial use of water under Permit R-8211 was due, in part, to the ponds not holding water very long, especially during drought conditions. On average, the permit holder gets approximately 7 to 14 days of water from the ponds to date. The permit holder needs more time in which to make full beneficial use of the water, by storing 4.0 AF of water, being 2.0 AF each in Murkwood Pond and Willowbottom Pond.

22. According to the Application, the permit holder plans to continue operation of the reservoirs, but intends to line each pond since stored water dissipates quickly from each reservoir. The permit holder states each year they are able to store water briefly and irrigate the lands to some extent until the reservoirs go dry, resorting to using containers to irrigate with the water that is available.
23. According to the Application, at the end of the 2016 fire season the permit holder will line each pond with bentonite to ensure a proper seal. The permit holder will install a membrane liner on the smaller pond if the bentonite is unsuccessful.

The Department finds the described actions by the permit holder will allow the ponds to hold water longer, in an effort to make proof of beneficial use of the water as required by Permit R-8211.

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

24. The water right permit holder's conformance with the permit or previous extension conditions.
 - a. The Department has considered the permit holder's compliance with conditions, and did not identify any concerns.

The Department determined the permit holder has complied with conditions of the permit, as required by Permit R-8211.

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

25. The Applications states the permit holder has invested about \$2,000, which is about 22 percent of the total projected cost for complete development of this project. The permit holder anticipates an additional \$7,000 investment is needed for the completion of this project.

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

26. The Department has found good faith of the appropriator under Permit R-8211.

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)].

27. 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 R-8211; 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.
28. A current review of water available shows water is not available during the months of July, August and September:
 - A. The points of diversion are located on an unnamed gulch, tributary to John Day River, and are not located within a Withdrawn Area.
 - B. The John Day River is above the John Day Scenic Water Way.
 - C. John Day River 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.
 - D. The points of diversion are not in a location 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)].

29. 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)].

30. 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)].

31. 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)].

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

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

33. No unforeseen events have been identified.

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

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

CONCLUSIONS OF LAW

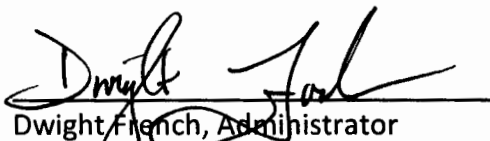
1. The Applicant is entitled to apply for an extension of time to complete construction and/or completely apply water to the full beneficial use pursuant to ORS 537.230(3).
2. The Applicant has submitted a complete extension application form and the fee specified in ORS 536.050, as required by OAR 690-315-0040(1)(a).
3. The Applicant complied with begin actual 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 13 through 24, full application of water to beneficial use can be accomplished by October 1, 2018⁵, 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 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 apply water to beneficial use under Permit R-8211 from October 1, 1982 to October 1, 2018.

DATED: September 6, 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.*

⁵Pursuant 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 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 **October 28, 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>

