

**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-16050, Water Right Application G-16482, in) PROPOSED FINAL ORDER
the name of Three Quarter Circle A Ranch)

Permit Information

Application: G-16482
Permit: G-16050
Basin: 3 – Lower Deschutes / Watermaster District 3
Date of Priority: June 9, 2005
Source of Water: A well in White River Basin
Purpose or Use: Irrigation use on 4.4 acres; industrial use
Maximum Rate: 0.998 cubic foot per second (cfs), being 0.055 cfs for irrigation
 use, and 0.998 cfs for industrial use

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, 2010 to October 1, 2020.
- Grant an extension of time to apply water to full beneficial use from October 1, 2010 to October 1, 2020¹.

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

Application – Application for Extension of Time

PFO – Proposed Final Order

cfs – cubic feet per second

gpm – gallons per minute

RM – River Mile

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 groundwater 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. On July 27, 2006, Permit G-16050 was issued by the Department. The permit authorizes the use of up to 0.998 cfs of water, being 0.055 cfs for irrigation use on 4.4 acres, and 0.998 cfs for industrial use, from a well in White River Basin. The permit specified completion of construction and complete application of water to the use was to be made on or before October 1, 2010.
2. On January 4, 2011, an assignment from Ashley Family Ranch, LLC to Three Quarter Circle A Ranch was recorded in the records of the Water Resources Department.

3. On July 5, 2016, 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 G-16050 would begin.
4. On October 11, 2016 Charles R. Ashley, owner of Three Quarter Circle A Ranch, submitted an "Application for Extension of Time" to the Department, 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-16050 be extended from October 1, 2010 to October 1, 2020.
5. On October 14, 2016, Larry Toll, agent for Three Quarter Circle A Ranch, submitted an amended Application for Extension of Time. The amended application clarifies the development time line, financial investment, and water usage.
6. Notification of the Application for Extension of Time for Permit G-16050 was published in the Department's Public Notice dated October 18, 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)]

7. On October 11, 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)]

8. Construction of the well began prior to permit issuance. The permit holder states, construction of Well (WASC 3651) began on June 2, 1980.

According to the well log received by the Department on July 7, 1980, Well (WASC 3651) construction began June 2, 1980. The Department has determined that the prosecution of the construction of the well began prior to October 1, 2010.

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.

²ORS 537.230 applies to surface water permits only.

³ORS 537.248 applies to reservoir permits only.

⁴ORS 537.630 applies to groundwater permits only.

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

9. As of October 14, 2016, the Application states the remaining work to be completed consists of completing construction of the water system, including installation of a larger pump in the well and a larger flow meter to accommodate the water use, developing the full rate allowed in the permit, 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, 2020, 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-16050 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)]

10. The Application states, work was accomplished prior to permit issuance, within the time allowed in the permit as follows:
 - a. Construction of the well began prior to permit issuance. Construction of Well (WASC 3651) began on June 2, 1980 and was completed on June 7, 1980. The majority of the system was in place and in use at the time of permit issuance, including aggregate extraction equipment, concrete batch plant, sorting equipment, a water holding tank, a 20-hp pump and irrigation equipment for the four houses' lawns and gardens.
 - b. Work was completed during the original development time frame under Permit G-16050, upgrades to equipment to increase efficiency and handle larger volumes, installation of a variable speed drive 5-hp pump, and installation of a flow meter.
 - c. Since October 1, 2010, the permit holder has continued to upgrade the industrial infrastructure.

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 towards the complete application of water to a beneficial use.

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

11. The Application states a maximum rate of approximately 250 gallon per minute (gpm) (0.56 cfs) of water has been appropriated from Well (WASC 3651) for industrial use and irrigation of 4.0 acres prior to the 20-hp pump being removed in 2010. After installation of a 5-hp pump in 2010, the Application states a maximum rate of 80 gpm (0.18 cfs) of water, being 80 gpm (0.18 cfs) for industrial use and 20 gpm (0.045 cfs) for irrigation use on 4.0 acres has been appropriated from Well (WASC 3651).
12. Beneficial use of water has been demonstrated under this permit as all permit conditions were satisfied by October 1, 2010.

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

13. The Department has considered the permit holder's compliance with conditions, and did not identify any concerns.
14. The record does show that a meter was installed on Well (WASC 3651) in 2010 when the 5-hp pump was installed.

The Department has determined that this extension will allow the permit holder to complete construction, obtain the full rate of water allowed under the permit and to apply the water to full beneficial use on the remaining 0.4 acres.

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

15. The Application states the permit holder has invested about \$1,150,000, which is approximately 98 percent of the total projected cost for complete development of this project. The permit holder anticipates an additional \$25,000 investment is needed for the completion of this project.

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

16. The Department has found good faith of the appropriator under Permit G-16050.

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)].

17. 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 G-16050; 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.
18. During a current review of Permit G-16050, the Department determined the following:
 - a. The point of appropriation for Permit G-16050, located within the White River Basin, is not located within a limited or critical groundwater area.
 - b. White River is located within the Deschutes Scenic Waterway.
 - c. White River is located above an area ranked "highest" 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 appropriation is in an area listed by the Department of Environmental Quality as a water quality limited stream. White River, River Mile (RM) 0 to 12, is listed under water quality limited for temperature and flow modification.

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

19. No other economic interests 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)].

20. 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)]

21. 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)]

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

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

23. No unforeseen events have been identified.

Denial of the Extension Will Result in Undue Hardship [OAR 690-315-0040(2)(i)]

24. 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 537.630(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 construction timeline requirements to begin construction as required by ORS 537.630, OAR 690-315-0040(1)(b) and OAR 690-315-0040(5).
4. Based on Finding of Facts 8 through 15, completion of construction and full application of water to beneficial use can be accomplished by October 1, 2020 , 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).

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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-16050 from October 1, 2010 to October 1, 2020.

Extend the time to apply water to beneficial use under Permit G-16050 from October 1, 2010 to October 1, 2020.

DATED: November 22, 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 **January 6, 2017**, 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

