

**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-54507, Water Right Application S-87163) PROPOSED FINAL
in the name of Richard and Renee Smith) ORDER

Permit Information

Application:	S-87163
Permit:	S-54507
Basin:	Rogue / Watermaster District 14
Date of Priority:	May 5, 2008
Source of Water:	Applegate Reservoir, constructed under Permit R-7810
Purpose or Use:	Irrigation of 1.54 acres
Maximum Volume:	6.93 Acre-Feet (AF)

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, 2012 to October 1, 2017.¹

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

Application – Application for Extension of Time
Department – Oregon Water Resources Department
ODFW – Oregon Department of Fish and Wildlife
PFO – Proposed Final Order
AF – acre-feet
FOF – Finding of Fact
ODFW – Oregon Department of Fish and Wildlife
BOR – Bureau of Reclamation

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) 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 therefor; and the income or use that may be required to provide fair and reasonable returns upon the investment.

OAR 690-315-0040 provides that in order to approve an application for an extension of time to complete construction or apply water to full beneficial use, the Department shall make the findings in OAR 690-315-0040(1) including a finding that there is “good cause” to approve the extension. OAR 690-315-0040(2)-(4) contains the factors that the Department must consider to make findings that support a “good cause” determination.

FINDINGS OF FACT

1. On November 19, 1990, Permit S-51123 was issued by the Department. The permit authorizes the use of up to 6.93 AF of water from Applegate Lake Reservoir, constructed under Permit R-7810, a tributary of Rogue River, for irrigation of 1.54 acres. A Claim of Beneficial Use was submitted in 1993, and on April 16, 2008, an Order of Certification to cancel Permit S-51123 (Special Order Volume 74, Page 543) was issued due to no valid contract with the Bureau of Reclamation (BOR).
2. On October 23, 2008, Permit S-54507 was issued by the Department. This permit replaces Permit S-51123. The permit authorizes the use of up to 6.93 AF of water from Applegate Reservoir, constructed under Permit R-7810, for irrigation of 1.54 acres. The permit specified complete application of water to the use was to be made on or before October 1, 2012.

3. On December 5, 2016, the permit holder, Renee Smith, submitted an "Application for Extension of Time" (Application) to the Department, requesting the time to apply water to full beneficial use under the terms of Permit S-54507 be extended from October 1, 2012, to October 1, 2017. This is the first permit extension requested for Permit S-54507.
4. On December 13, 2016, notification of the Application for Extension of Time for Permit S-54507 was published in the Department's Public Notice. No public comments were received regarding the extension application.
5. On February 16, 2017, the permit holder submitted additional information to supplement their Application for an Extension of Time. The additional information was to clarify the amount of water diverted from Applegate Reservoir for irrigation.

Review Criteria [OAR 690-315-0040]

In order to approve an Application for an Extension of Time to complete construction and/or apply water to full beneficial use pursuant to ORS 537.230 or 537.630, or to begin construction, pursuant to ORS 537.248, the Department must make the findings in OAR 690-315-0040(1)(a) – (d).

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

6. On December 5, 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)]

7. Construction of the water system began prior to permit issuance. The permit holder states, construction of the water system began in September 1992 by the previous land owner.
8. According to the Application for a Permit to Use Surface Water submitted to the Department May 5, 2008, the applicant stated construction of the water system was completed.

Based on Finding of Fact (FOF) 7 and 8, the Department has determined the permit holder has satisfied the condition requiring beginning of construction of the water works.

Good Cause [OAR 690-315-0040(1)(d)]

The Department must find that there is "good cause" to approve the extension. In making a "good cause" finding, the Department shall consider the requirements set forth under OAR 690-315-0040(2).

Reasonable Diligence of the Appropriator [OAR 690-315-0040(2)(a)]

In order to make a finding of "good cause" to approve the extension, the Department shall consider whether the applicant has demonstrated "reasonable diligence" in previous performance under the permit. OAR 690-315-0040(2)(a). In determining "reasonable diligence",

the Department shall consider, but is not limited to, the following factors: a) The amount of construction completed within the time allowed in the permit or previous extension; b) The amount of beneficial use made of the water during the permit or previous extension time limits; c) Water right holder conformance with the permit or previous extension conditions; and d) Financial investments made toward developing the beneficial use of water.

Amount of Construction [OAR 690-315-0040(3)(a)]

The amount of construction completed within the time allowed in the permit.²

9. Construction of the water system began prior to permit issuance. The Application states the irrigation system was installed by the previous land owner in September 1992.
10. No other work was accomplished during the original development time frame under Permit S-54507, as a majority of the work was accomplished prior to permit issuance.
11. Since October 1, 2012, the permit holder has installed a totalizing flow meter.

The Application provides evidence of progress of physical work made towards completion of the water system, enough to qualify as the minimum necessary for the Department to find good cause and reasonable diligence towards complete application of water to a beneficial use.

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

The water right permit holder's conformance with the permit conditions.

12. On June 30, 2008, the Department received a copy of Applegate Reservoir Water Service Contract No. 089E101670, with the United States Department of the Interior, BOR.
13. On December 5, 2016, the Department received an Oregon Department of Fish and Wildlife (ODFW) Fish Screening Program Small Pump Screen Self Certification for Permits or Transfers Issued Prior to February 1, 2011, providing evidence a fish screen has been installed.

The Department has determined based on FOF 12 and 13, that the permit holder has demonstrated compliance with the following permit conditions, as required by Permit S-54507:

- "The use of water under this right is subject to the terms and conditions of Contract No. 089E101670, or a satisfactory replacement, between the Bureau of Reclamation and the applicant, a copy of which is on file in the records of the Water Resources Department."

² "Actual Construction" is defined in OAR 690-315-0020(3)(d)(A) and (B) as physical work performed toward completion of the water system which demonstrates the water right permit holder's good faith and intention to complete the project with reasonable diligence. Actual construction does not include planning a diversion system, formulating a business plan, securing financing, letting contracts, purchasing but not installing equipment, surveying, clearing land or planting crops.

- “The water user shall install, maintain, and operate fish screening and by-pass devices consistent with current Oregon Department of Fish and Wildlife (ODFW) standards.....The required screen and by-pass devices are to be in place and functional, and approved in writing by ODFW prior to diversion of water. The water user may submit evidence in writing that ODFW has determined screens and/or by-pass devices are not necessary.”

14. The Department has considered the permit holder’s compliance with conditions, and has identified the following concern: the record does not show that a totalizing flow meter or other suitable measuring device has been installed by October 1, 2012.

15. The Application states a totalizing flow meter was installed in July 2016.

The Department has determined based on FOF 14 and 15, that the permit holder has not demonstrated compliance with the following permit condition by October 1, 2012, as required by Permit S-54507:

- “Before water use may begin under this permit, the permittee shall install a totalizing flow meter at each point of diversion, and maintain the meter(s) in good working order.”

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

The amount of beneficial use made of the water during the permit time limits.

16. The Application states a maximum volume of 6.93 AF of water has been diverted from Applegate Reservoir for irrigation of 1.54 acres.

Based on FOF 14 and 15, the Department has determined that beneficial use of water has not yet been demonstrated under this permit because not all permit conditions were satisfied by October 1, 2012.

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

17. The Applications states the irrigation system was installed by the previous land owner and the amount of investment is unknown. The permit holder has invested about \$1,303 towards the complete development of this project, which included the installation of a totalizing flow meter.

The Department has determined based on FOF 17, that the permit holder had made an investment, which provides evidence of good cause and reasonable diligence towards the complete application of water to a beneficial use.

Reasonable Diligence of the Appropriator [OAR 690-315-0040(2)(a)]

The Application provides evidence of progress towards completion of the water system; a financial investment has been made; the permit holder has not demonstrated compliance with all permit conditions, and; beneficial use has not been demonstrated. The Department has determined the applicant has demonstrated the minimum necessary for the Department to find reasonable diligence towards complete application of water to a beneficial use.

The Market and Present Demands for Water [OAR 690-315-0040(4)(a-f)]

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:

- *(a) The amount of water available to satisfy other affected water rights and scenic waterway flows;*
- *(b) 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);*
- *(c) The habitat needs of sensitive, threatened or endangered species, in consultation with the Oregon Department of Fish and Wildlife;*
- *(d) Economic investment in the project to date;*
- *(e) Other economic interests dependent on completion of the project; and*
- *(f) Other factors relevant to the determination of the market and present demands for water and power.*

OAR 690-315-0040(4)(a)

The amount of water available to satisfy other affected water rights and scenic waterway flows.

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-54507; 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. Current Water Availability Analysis shows that 6.93 AF of water is available from Applegate Reservoir, constructed under Permit R-7810, under Contract No. 089E101670 with the BOR.

OAR 690-315-0040(4)(b)

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).

20. The point of diversion is located on Applegate River, and is not located within a Withdrawn Area.
21. Applegate River, is located above the Rogue River Scenic Water Way.
22. The point of diversion is in a location listed by the Department of Environmental Quality as a water quality limited stream.
 - a. Applegate River, River Mile 0 to 32.4 listed under Water Quality Limited for Dissolved Oxygen.
 - b. Applegate River, River Mile 0 to 46.8 listed under Water Quality Limited for pH.

OAR 690-315-0040(4)(c)

The habitat needs of sensitive, threatened or endangered species, in consultation with the Oregon Department of Fish and Wildlife.

23. Applegate River is located within 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.

OAR 690-315-0040(4)(d)

Economic interests dependent on completion of the project.

24. The Application states an approximate total of \$1,303 has been invested in the project.

OAR 690-315-0040(4)(e)

Other economic interests dependent on completion of the project.

25. The Application did not identify economic interests other than those of the applicant’s that may be dependent on completion of the project.

OAR 690-315-0040(4)(f)

Other factors relevant to the determination of the market and present demand for water and power.

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

OAR 690-315-0040(2)(f)

Fair Return Upon Investment

27. The Application did not identify that the use and income from the permitted water development will likely result in reasonable returns upon the investment made to date.

OAR 690-315-0040(2)(g)

Other Governmental Requirements

28. The Application did identify a delay in the development of this project that was caused by other governmental requirements. On October 6, 2000, the Department received notice from the BOR that the previous landowner's contract had been terminated. The current landowner was not notified of the contract termination.

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

29. According to the permit holder, unforeseen events extended the length of time needed to fully develop and perfect Permit S-54507, in that the permit holder Richard Smith was faced with serious health issues, and passed away in 2014, which restricted their ability to complete development of the project in a timely manner.

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

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

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

31. Based on FOF 7, 8, 9, 11, 12, 13, 15, 16, 17, and 24, the Department has found good faith of the appropriator under Permit S-54507.

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.

32. As of December 5, 2016, the permit holder states the remaining work to be completed consists of meeting all permit conditions, and applying water to full beneficial use, as development is complete.

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-54507 is both reasonable and necessary.

Good Cause [OAR 690-315-0040(1)(d)]

The Department must find that there is "good cause" to approve the extension. In making a "good cause" finding, the Department shall consider the requirements set forth under OAR 690-315-0040(2).

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).

CONCLUSIONS OF LAW

1. 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).
2. The Applicant complied with construction timeline requirements to begin construction as required by ORS 537.230, OAR 690-315-0040(1)(b) and OAR 690-315-0040(5).
3. Based on Finding of Facts 7 through 31, full application of water to beneficial use can be accomplished by October 1, 2017³, as required by OAR 690-315-0040(1)(c).
4. The Applicant can complete the project within the time period requested for the extension on the project. OAR 690-315-0050(5).
5. The Applicant has demonstrated good cause for the extension. OAR 690-315-0050(5).

continued on the following page

³Pursuant 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-54507 from October 1, 2012, to October 1, 2017.

DATED: February 21, 2017


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 **April 7, 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
 - 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 any 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 503-986-0801.
 - 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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