

**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-12920, Water Right Application G-13530, in)
the name of Randall P. Manicke) **PROPOSED FINAL ORDER**

Permit Information

Application: G-13530
Permit: G-12920
Basin: 17 – South Coast / Watermaster District 19
Date of Priority: October 18, 1993
Source of Water: Two drilled wells and three sump wells in the Little Twomile Creek Basin
Purpose or Use: Cranberry operations on 55.0 acres
Maximum Rate: 2.5 cubic feet per second (cfs), being 0.5 cfs from each source

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, 2002, to October 1, 2005.

- Grant an extension of time to apply water to full beneficial use from October 1, 2002, to October 1, 2005¹.

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

AF – Acre-Feet

Well 1 – COOS 51154

Well 2 – COOS 51155

Sump Well #3 – COOS 51156

FOF – Finding of Fact

FSA – Farm Service Agency

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 (Department) for good cause shown shall order and allow 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 October 28, 1996, Permit G-12920 was issued by the Department. The permit authorizes the use of up to 2.5 cfs of water, being 0.5 cfs each from two drilled wells and three sump wells in the Little Twomile Creek Basin for cranberry operations on 55.0 acres. The permit specified actual construction of the well to begin by October 28, 1997, construction of the water system was to be completed by October 1, 1998, and complete application of water was to be made on or before October 1, 1999.

2. On August 13, 2003, an assignment from Bruce L. Manicke and Judith R. Manicke to Randall P. Manicke was recorded in the records of the Water Resources Department.
3. One prior permit extension has been granted for Permit G-12920. The most recent extension request resulted in the completion date for construction being extended from October 1, 1998 to October 1, 2002, and full application of water being extended from October 1, 1999, to October 1, 2002.
4. On August 12, 2003, the permit holder, Randall P. Manicke, submitted an "Application for Extension of Time" (Application) 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-12920 be extended from October 1, 2002, to October 1, 2005.
5. On September 2, 2003, notification of the Application for Permit G-12920 was published in the Department's Public Notice. No public comments were received regarding the Application.
6. Due to the Department's backlog of extension applications, the 2003 Application was not processed until 2017.
7. On October 21, 2016, and December 21, 2016, the Department notified the permit holder of record by mail, requesting an update to the Application.
8. On February 23, 2017, the Department notified the permit holder by certified mail, and requesting an update to the Application. This letter was returned to the Department as unclaimed.

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)]

9. On August 12, 2003, the Department received a completed Application 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. Actual construction of the well began prior to the October 28, 1997 deadline specified in the permit. According to the permit holder, construction of the water system and well began within the time specified in the permit.

11. According to the Notice of Beginning of Construction (Form A) received by the Department on September 4, 1998, construction began June 14, 1997. The permit holder stated Sump Well #1 was 70 percent complete, COOS 51156 (Sump Well #3) was 10 percent complete, and 16.0 acres of pipe had also been completed.

The Department has determined based on Finding of Fact (FOF) 10 and 11 that the prosecution of the construction of the well began prior to October 28, 1997.

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.

OAR 690-315-0040(3)(a)

Amount of Construction (The amount of construction completed within the time allowed in the previous extension.²)

12. During the most recent extension period, being from October 1, 1999, to October 1, 2002, the permit holder developed an additional 2.0 acres of cranberry operations.
13. Since October 1, 2002, the applicant states additional development of cranberry operations was accomplished.

Based on FOF 12 and 13, 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.

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.

OAR 690-315-0040(3)(c)

Compliance with Conditions

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

Well 1, Well 2, and Sump Well #3

14. On April 23, 1999, initial March static water level measurements were received by the Department for COOS 51154 (Well 1), COOS 51155 (Well 2), and Sump Well #3.

The Department has determined, based on FOF 14 that the permit holder has demonstrated compliance with permit conditions as required by Permit G-12920:

- "The Department requires the permittee to submit an initial water level measurement in the month specified [March] once well construction is complete and annually thereafter until use of water begins."
15. 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, (2) the required seven consecutive March static water level measurements have not been received by the Department, and (3) annual reports of the amount of water used each month have not been received by the Department.

The Department has determined based on FOF 15, that the permit holder has not demonstrated compliance with following permit conditions as required by Permit G-12920:

- "Before water use may begin under this permit, the permittee shall install a meter or other suitable measuring device as approved by the Director. The permittee shall maintain the meter or measuring device in good working order, shall keep a complete record of the amount of water used each month and shall submit a report which includes the recorded water use measurements to the Department annually or more frequently as may be required by the Director"; and
- "Following the first year of water use, the user shall submit seven consecutive annual reports of static water level measurements."

Sump Well #1 and Sump Well #2

16. 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, (2) the required seven consecutive March static water level measurements have not been received by the Department, and

(3) annual reports of the amount of water used each month have not been received by the Department.

The Department has determined based on FOF 16, that the permit holder has not demonstrated compliance with following permit conditions as required by Permit G-12920:

- “Before water use may begin under this permit, the permittee shall install a meter or other suitable measuring device as approved by the Director. The permittee shall maintain the meter or measuring device in good working order, shall keep a complete record of the amount of water used each month and shall submit a report which includes the recorded water use measurements to the Department annually or more frequently as may be required by the Director”;
- “The Department requires the permittee to submit an initial water level measurement in the month specified [March] once well construction is complete and annually thereafter until use of water begins”; and
- “Following the first year of water use, the user shall submit seven consecutive annual reports of static water level measurements.”

Failure to comply with permit conditions constitutes illegal use of water. 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.

OAR 690-315-0040(3)(b)

Beneficial Use of Water: *the amount of beneficial use made of the water during the previous extension conditions.*

17. The Application states a maximum rate of 70 gpm (0.16 cfs) of water has been appropriated for cranberry operations on 26.0 acres. This exceeds the amount of water for cranberry operations authorized under this permit. The authorized amount of water for cranberry operations is 0.5 cfs from each source.
18. According to the permit holder, delay of full beneficial use of water under Permit G-12920 was due, in part, to a budget shortfall at the Farm Service Agency (FSA), which delayed funding for the permit holder to complete development of the permit. The permit holder needs more time in which to obtain the full quantity of water allowed under the permit.

The Department has determined based on FOF 15 and 16 that beneficial use of water has not yet been demonstrated under this permit because not all permit conditions were satisfied by October 1, 2002.

OAR 690-315-0040(2)(b),(3)(d),(4)(d)

Financial Investments to Appropriate and Apply Water to a Beneficial Purpose

19. The Application states the permit holder has invested about \$750,000, which is approximately 85 percent of the total projected cost for complete development of this project. The permit holder anticipates an additional \$135,000 investment is needed for the completion of this project.

The Department has determined based on FOF 19, 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.

20. 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-12920; 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.

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).

21. The points of appropriation for Permit G-12920, located within the Fourmile Creek Basin, are not located within a limited or critical groundwater area.
22. Fourmile Creek is not located within or above any state or federal scenic waterway.
23. The points of appropriation are not in an area listed by the Department of Environmental Quality as a water quality limited stream.

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.

24. Fourmile Creek 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.

25. The Application states an approximate total of \$750,000 has been invested in the project.

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

Other economic interests dependent on completion of the project.

26. 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.

27. 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

28. 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

29. The Application did not identify any delay in the development of this project that was caused by any other governmental requirements.

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

Unforeseen Events

30. According to the permit holder, unforeseen events extended the length of time needed to fully develop and perfect Permit G-12920, in that the permit holders were faced with a lack of funding from the FSA due to a budget shortfall, which restricted their ability to complete development of the project in a timely manner.

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

Denial of the Extension Will Result in Undue Hardship

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

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

Good Faith of the Appropriator

32. The Application provides evidence of good faith of the appropriator under Permit G-12920.

Based on FOF 10 through 14, 17, 19, and 25, the Department has determined that the applicant has shown good faith and diligence.

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.

33. As of August 12, 2003, the Application states the remaining work to be completed consists of completing construction of the water system; meeting all permit conditions, which includes installing meters, submitting annual water use reports, and March static water level measurements; and applying water to full beneficial use on the remaining 29.0 acres.

Given the amount of development left to occur, the Department has determined that the permit holder's request to have until October 1, 2005, 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-12920 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 complete construction and 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 has complied with the construction timeline requirements to begin actual construction as required by ORS 537.630, OAR 690-315-0040(1)(b) and OAR 690-315-0040(5).
3. Based on Finding of Facts 10 through 32, completion of construction and full application of water to beneficial use can be accomplished by October 1, 2005, 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).

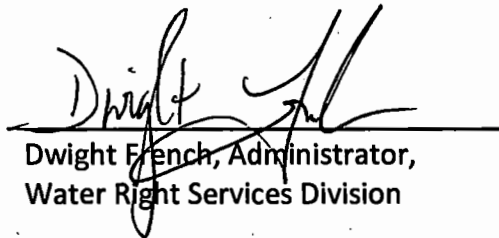
PROPOSED ORDER

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-12920 from October 1, 2002, to October 1, 2005.

Extend the time to apply water to beneficial use under Permit G-12920 from October 1, 2002, to October 1, 2005.

DATED: May 30, 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 **July 14, 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;

