**OWRD Final Proposed Rules** October 22, 2004

WATER RESOURCES DEPARTMENT 1 2 **CHAPTER 690, DIVISION 17 CANCELLATION OF PERFECTED WATER RIGHTS** 3 4 \*NOTE: ONLY THE PORTIONS OF DIVISION 17 PROPOSED FOR 5 6 MODIFICATION ARE INCLUDED. THE FULL TEXT OF DIVISION 17 CAN **BE FOUND AT** 7 http://arcweb.sos.state.or.us/rules/OARS 600/OAR 690/690 017.html 8 9 10 690-017-0010 11 **Definitions** 12 13 (1) "Affidavit" means a declaration upon oath, in writing, signed by the party and sworn 14 to before a notary public. 15 16 (2) "Affiant" means the individual completing, swearing to and signing an affidavit. 17 18 (3) "Bankruptcy" means proceedings under federal bankruptcy statutes to relieve a debtor 19 (the bankrupt) from insurmountable debt. The commencement of a bankruptcy action 20 occurs with the date a petition for relief is filed by a debtor or creditor to the bankruptcy 21 22 court. 23 24 (4) "Cancellation" means the action taken by the Director, the Commission, or the courts to abolish all or part of a permit or certificate of water right. 25 26 (5) "Deed-in-Lieu" means a deed tendered by the record owner to prevent the creditor 27 from asserting a legal right to recover payment of a debt through a foreclosure action. 28 29 (6) "District" has the meaning of the term as defined in ORS 540.505 30 31 (6) (7)"Foreclosure" means a proceeding in or out of court to extinguish all right, title 32 and interest of the record owner(s) of property in order to sell or repossess the property to 33 satisfy a lien against it. A foreclosure action begins on the date presentation of the official 34 demand for payment is made to the debtor by the creditor by certified mail. 35 36 37 (7) (8)"Forfeiture" means the loss of a water right caused by the failure of the appropriator or record owner of the right to use the water for five successive years. 38 39 40 (8) (9) "Judicial Action" means a suit, injunction, or litigation filed with or allowed by the courts. 41 42 43 (9) (10)"Natural Disaster" means an act of God, such as flooding or erosion, which occurred with such magnitude that it either prohibited or severely limited the ability to 44 45 use the water. Bold and underlined text (example) is proposed new text. Text with strikethrough (example) is proposed for deletion.

Bold text (example) is text proposed to be added to 7/23/04 hearing draft rules. Text in brackets [example] is proposed to be deleted from the 7/23/04 hearing draft rules. 1

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(10) (11) "Perfected Water Right" means a water right which has been confirmed by the issuance of a certificate of water right or by a court decree.

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(11) (12) "Presumption of Forfeiture" means a conclusion established by statute that a water right, in whole or in part, is forfeited by nonuse of the right for five successive years.

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(12) (13) "Principal Farm Operator" means the record owner, including a lessee to whom the right of possession of agricultural property has been granted by the lessor for a specified period of time in return for a consideration.

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(13) (14) "Rebuttable Presumption" means a presumption which, by statute, may be overcome by evidence sufficient to explain or disprove the presumption.

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(14) (15) "Record Owner" means the person shown as the owner of the land in the county deed records established under ORS Chapter 93.

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#### 690-017-0100

## Cancellation Authorized by Record Owner

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(1) Perfected water rights shall be cancelled by order of the Director in accordance with the provisions of ORS 540.621 when so requested by notarized affidavit of the record owner of the land to which the water right in question is appurtenant.

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(2) The affidavit shall contain, at a minimum, the following:

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(a) A statement that the affiant is the record owner of the lands associated with the water right in question;

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(b) The certificate number of the water right;

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(c) A statement that the affiant has abandoned any and all interest in and to all or a specified portion of the water right;

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(d) Where only part of the right has been abandoned, a description of the specific place of use by quarter-quarter section and acres on which the right has been abandoned, with information sufficient to determine the lands on which the right is not to be cancelled; and

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(e) A request that all or part of the certificate be cancelled.

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# (f) A statement of whether, to the best of the affiant's knowledge, the subject water right is within the boundaries of a district or federal reclamation project.

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(3) Based on the best information available to the Department, if the subject water right is within the boundaries of a district or federal reclamation project, the Department shall, as applicable, provide the district and the United States Bureau of Reclamation notice of the water right cancellation request.

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#### 690-017-0400

#### **Cancellation Initiated by Department**

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(1) The Department shall initiate proceedings to cancel a perfected water right, as provided in ORS 540.631 and these rules, whenever it appears that a right has been forfeited as provided in 540.610. The decision to initiate cancellation proceedings shall be based on evidence submitted to the Department, by any person, that alleges five or more years of nonuse so as to create a presumption of forfeiture, and from which evidence it further appears the presumption of forfeiture would not likely be rebutted under OAR 690-017-0800(2)(a), (d) or (e).

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(2) Where the evidence submitted to the Department is in the form of affidavits, notarized affidavits from two individuals shall be required. An affidavit shall contain the following:

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(a) Name, address and telephone number of affiant:

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(b) Page number of the certificate in question as recorded in the State Record of Water Right Certificates, name of the person to whom the certificate was issued, and priority date of the certificate;

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(c) Township, range, quarter-quarter section and number of acres to which the certificate in question is appurtenant;

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(d) The use for which the water right was issued;

(e) The source of water to be used as provided in the certificate;

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(f) A statement of the affiant's knowledge of the lands described in the certificate in question, and an explanation of how the affiant gained this knowledge;

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39 40 (g) A statement that the affiant knows with certainty that no water from the allowed source has been used for the authorized use on the lands, or a portion of the lands, the portion being accurately described, under the provisions of the water right within a period of five or more successive years, and the beginning and ending years of the period of nonuse. Where possible, beginning and ending months should also be given;

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(h) A statement that the affiant believes the allegation of nonuse will not be rebutted 44 under any of the grounds for rebuttal set out in ORS 540.610 [(2)(a)-(n)] (g); and Bold and underlined text (example) is proposed new text. Text with strikethrough (example) is proposed for deletion. Bold text (example) is text proposed to be added to 7/23/04 hearing draft rules. Text in brackets [example] is proposed to be deleted from the 7/23/04 hearing draft rules.

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(i) A copy of the county tax plat map illustrating the lands to which the subject water right is appurtenant, and if applicable, the location of the portion of the water right asserted to have been forfeited;

(i) (i) The affiant's agreement to testify in a hearing before the Water Resources Department if necessary;

(k) To the best of the affiant's knowledge, a statement of whether the subject water right is within the boundaries of a district or federal reclamation project; and

(1) Proof that the affidavit(s) have been served upon the legal owner of the lands to which the water right is appurtenant and to the occupant of such lands.

(3) Based on the best information available to the Department, if the subject water right is within the boundaries of a district or federal reclamation project, the Department shall provide notice of receipt of affidavits submitted under this rule, as applicable, to the district and the United States Bureau of Reclamation at least 90 days prior to initiating a cancellation proceeding.

(4) (3) Where the evidence submitted is solely from Department personnel, such evidence shall be submitted in the form of an affidavit and contain all information described in section (2) of this rule. In addition, the affidavit shall be supported by stream or canal gaging records, water or electric meter readings, static level measurements, system capacity calculations, a summary of field investigations, photos, maps, or other relevant data covering each year of the period of alleged nonuse.

(5) The Department shall initiate proceedings to cancel a water right under ORS 540.631 within 180 days of receiving the evidence required under sections (1) and (2) of this rule.

(6) (4) The Department shall notify the record owner of the land to which a perfected water right is appurtenant that it intends to cancel all or a portion of the water right. The occupant of affected lands, if other than the owner, shall also be notified. If the subject water right is within the boundaries of a district or federal reclamation project, the Department shall, as applicable, mail a copy of the cancellation notice to the district and the United States Bureau of Reclamation. Notice shall be sent to the record owner of the land or occupant each by certified mail, return receipt requested. The notice to the record owner shall be addressed to the owner at the owner's last address or record in the office of the county assessor of the county in which the lands are located. The notice shall contain the following:

(a) A description of the water right and the land to which the water right is appurtenant;

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1 (b) A statement that the information before the Director creates a rebuttal presumption of forfeiture;

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(c) A statement that the record owner or the occupant has a period of 60 days from the date of the mailing of the notice within which to protest the proposed cancellation either by asserting that the water right has been used, or by making rebuttal in the manner and on the grounds provided in OAR 690-017-0600 and 690-017-0800;

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(d) Notice that if the record owner intends to rebut the presumption of forfeiture, the protest shall include a statement of the grounds for rebuttal relied upon, and shall be accompanied by appropriate supporting documentation; and

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14 15 (e) A statement that, following receipt of a protest against the proposed cancellation and determination that the presumption of forfeiture has not been rebutted, a contested case hearing will be scheduled.