

B-Engrossed
House Bill 2099

Ordered by the Senate June 2
Including House Amendments dated April 24 and Senate Amendments
dated June 2

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Rural Communities, Land Use and Water)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Changes water management and conservation plan approval condition for extension of time to construct works or perfect right for municipal use of water.

[Requires certain permit holders receiving extension of time to develop water for municipal use under permit issued prior to November 2, 1998, to implement strategies for avoiding or minimizing potential effects on fish or to make monthly payments to State Wildlife Fund.]

[Requires Water Resources Department to give priority to processing application for extension of time to develop water for municipal use under permit issued prior to November 2, 1998, if priority is requested by permit holder. States that process for granting extension of time to develop water for municipal use does not exempt permit holder from obligations under federal law.]

[Specifies method for determining undeveloped portion of water for municipal use under permit issued prior to November 2, 1998, to qualifying cities within Hood River County.]

Prohibits issuance of water right certificate for municipal use if extension of time is required but order approving extension has not become final.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to community water supply; amending ORS 537.230, 537.250, 537.409 and 537.630; and de-
3 clarating an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 537.230 is amended to read:

6 537.230. (1) **As used in this section, "undeveloped portion" means the difference between**
7 **the maximum rate or duty specified in a water right permit and the maximum rate or duty**
8 **diverted as of the later of:**

9 **(a) June 29, 2005;**

10 **(b) The time specified in the permit to perfect the water right; or**

11 **(c) The time specified in the last-approved extension of time to perfect the water right.**

12 **(2)** Except for a holder of a permit for municipal use, the holder of a water right permit shall
13 prosecute the construction of any proposed irrigation or other work with reasonable diligence and
14 complete the construction within a reasonable time, as fixed in the permit by the Water Resources
15 Department, not to exceed five years from the date of approval.

16 **[(2)] (3)** The holder of a permit for municipal use shall commence and complete the construction
17 of any proposed works within 20 years from the date on which a permit for municipal use is issued
18 under ORS 537.211. The construction must proceed with reasonable diligence and be completed
19 within the time specified in the permit, not to exceed 20 years. However, the department may order
20 and allow an extension of time to complete construction or to perfect a water right beyond the time

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 specified in the permit under the following conditions:

2 (a) The holder shows good cause. In determining the extension, the department shall give due
3 weight to the considerations described under ORS 539.010 (5) and to whether other governmental
4 requirements relating to the project have significantly delayed completion of construction or per-
5 fection of the right;

6 **(b) The extension of time is conditioned to require that the holder submit, and obtain**
7 **department approval of, a water management and conservation plan;**

8 [(b)] (c) The extension of time is conditioned to provide that the holder may divert [*water beyond*
9 *the maximum rate diverted for beneficial use before the extension*] **the undeveloped portion of the**
10 **permit** only upon approval by the department of [a] **the** water management and conservation plan;
11 and

12 [(c)] (d) For the first extension issued after June 29, 2005, for a permit for municipal use issued
13 before November 2, 1998, the department finds that the undeveloped portion of the permit is condi-
14 tioned to maintain, in the portions of waterways affected by water use under the permit, the per-
15 sistence of fish species listed as sensitive, threatened or endangered under state or federal law. The
16 department shall base its finding on existing data and upon the advice of the State Department of
17 Fish and Wildlife. An existing fish protection agreement between the permit holder and a state or
18 federal agency that includes conditions to maintain the persistence of any listed fish species in the
19 affected portion of the waterway is conclusive for purposes of the finding.

20 [(3)] (4) Except as provided in ORS 537.240 and 537.248 and subsection [(2)] (3) of this section,
21 the Water Resources Department, for good cause shown, shall order and allow an extension of time,
22 including an extension beyond the five-year limit established in subsection [(1)] (2) of this section
23 within which irrigation or other works shall be completed or the right perfected. In determining the
24 extension, the department shall give due weight to the considerations described under ORS 539.010
25 (5) and to whether other governmental requirements relating to the project have significantly de-
26 layed completion of construction or perfection of the right.

27 [(4)] (5) Except as provided in subsection [(5)] (6) of this section and ORS 537.409, upon com-
28 pletion of beneficial use as required under this section, the [*permittee*] **holder of a permit** shall hire
29 a water right examiner certified under ORS 537.798 to survey the appropriation. Within one year
30 after application of water to a beneficial use or the beneficial use date allowed in the permit, the
31 [*permittee*] **holder** shall submit a map of the survey as required by the Water Resources Department,
32 [*which*] **that** shall accompany the request for a water right certificate submitted to the department
33 under ORS 537.250. If any property described in the permit is not included in the request for a water
34 right certificate, the [*permittee*] **holder** shall state the identity of the record owner of that property.

35 [(5)] (6) The Water Resources Director may waive the requirement under subsection [(4)] (5) of
36 this section that a [*permittee*] **holder of a permit** hire a water right examiner certified under ORS
37 537.798 if:

38 (a) The permit is a supplemental water right that shares the same distribution system and same
39 place of use as the primary water right; and

40 (b) The department determines that there is sufficient information in the records of the depart-
41 ment to determine proof of beneficial use.

42 [(6)] (7) Notwithstanding ORS 537.410, for purposes of obtaining a water right certificate under
43 ORS 537.250 for a supplemental water right, the [*permittee*] **holder of a permit** shall have a facility
44 capable of handling the full rate and duty of water requested from the supplemental source and be
45 otherwise ready, willing and able to use the amount of water requested, up to the amount of water

1 approved in the water right permit. To obtain a certificate for a supplemental water right, the
2 [permittee] holder is not required to have actually used water from the supplemental source if:

3 (a) Water was available from the source of the primary water right and the primary water right
4 was used pursuant to the terms of the primary water right; or

5 (b) The nonuse of water from the supplemental source occurred during a period of time within
6 which the exercise of the supplemental water right permit was not necessary due to climatic con-
7 ditions.

8 **SECTION 2.** ORS 537.250 is amended to read:

9 537.250. (1) After the Water Resources Department has received a request for issuance of a
10 water right certificate accompanied by the survey required under ORS 537.230 [(4)] that shows, to
11 the satisfaction of the department, that an appropriation has been perfected in accordance with the
12 provisions of the Water Rights Act, **except as provided in subsection (4) of this section**, the de-
13 partment shall issue to the applicant a certificate of the same character as that described in ORS
14 539.140. The certificate shall be recorded and transmitted to the applicant as provided in that sec-
15 tion.

16 (2) When issuing a water right certificate under [subsection (1) of] this section in the name of
17 a district as defined in ORS 540.505, or in the name of a government agency for a district, the de-
18 partment may issue the water right certificate for land not described in the permit in accordance
19 with ORS 537.252.

20 (3) Rights to the use of water acquired under the provisions of the Water Rights Act, as set
21 forth in a certificate issued under [subsection (1) of] this section, shall continue in the owner thereof
22 so long as the water shall be applied to a beneficial use under and in accordance with the terms
23 of the certificate, subject only to loss:

24 (a) By nonuse as specified and provided in ORS 540.610; or

25 (b) As provided in ORS 537.297.

26 (4) **The department may not issue a water right certificate for municipal use under this
27 section if:**

28 (a) **An extension of time is required; and**

29 (b) **The order approving the extension of time has not become final by operation of law
30 or on appeal.**

31 **SECTION 3.** ORS 537.409 is amended to read:

32 537.409. (1) In lieu of the process set forth in ORS 537.140 to 537.211 for applying for a water
33 right permit, an owner of a reservoir may submit an application to the Water Resources Department
34 to issue a water right permit under ORS 537.211 or a certificate under ORS 537.250 according to the
35 process set forth in this section if the reservoir:

36 (a) Has a storage capacity of less than 9.2 acre-feet or a dam or impoundment structure less
37 than 10 feet in height;

38 (b) Does not injure any existing water right;

39 (c) Does not pose a significant detrimental impact to existing fishery resources as determined
40 on the basis of information submitted by the State Department of Fish and Wildlife; and

41 (d) Is not prohibited under ORS 390.835.

42 (2) An application for a water right permit for a reservoir under subsection (1) of this section
43 shall provide sufficient information to demonstrate compliance with the criteria set forth in sub-
44 section (1) of this section. The application shall:

45 (a) Include the quantity of water to be stored by the reservoir, a map indicating the location

1 of the reservoir and the source of the water used to fill the reservoir; and

2 (b) Be accompanied by the fee established in ORS 536.050 (1)(q).

3 (3) The map required under subsection (2) of this section need not be prepared by a water right
4 examiner certified under ORS 537.798. The map submitted with the application shall comply with
5 standards established by the Water Resources Commission.

6 (4) Within 60 days after receiving an application under subsection (1) of this section, the Water
7 Resources Department shall provide public notice of the application in the manner the department
8 determines to be the most appropriate.

9 (5) Within 60 days after the department provides public notice under subsection (4) of this sec-
10 tion, any person may submit detailed, legally obtained information in writing, requesting the de-
11 partment to deny the application for a permit on the basis that the reservoir:

12 (a) Would result in injury to an existing water right; or

13 (b) Would pose a significant detrimental impact to existing fishery resources.

14 (6) In accordance with rules established by the Water Resources Commission for an expedited
15 public interest review process for applications submitted under this section or in response to a re-
16 quest under subsection (5) of this section, the department shall conduct a public interest review of
17 the reservoir application. The review shall be limited to issues pertaining to:

18 (a) Water availability;

19 (b) Potential detrimental impact to existing fishery resources; and

20 (c) Potential injury to existing water rights.

21 (7) Within 180 days after the department receives an application for a permit under subsection
22 (1) of this section, the department shall issue a final order granting or denying the permit or
23 granting the permit with conditions.

24 (8) If the department issues an order under subsection (7) of this section denying the permit, the
25 applicant may request a contested case hearing, which shall be conducted in accordance with ap-
26 plicable provisions of ORS chapter 183.

27 (9) If the department does not find injury or impact under subsection (6) of this section and the
28 department issues a final order under subsection (7) of this section allowing the issuance of a permit,
29 the order shall be subject to judicial review of orders in other than contested cases as provided in
30 ORS chapter 183.

31 (10) Notwithstanding the requirement for a survey under ORS 537.230 [(4)], a survey of the ap-
32 propriation is not required for a reservoir that has a storage capacity of less than 9.2 acre-feet of
33 water. For a reservoir qualifying under this subsection, a permittee shall submit to the department
34 a claim of beneficial use within one year after the date of completion of construction. A claim of
35 beneficial use for a reservoir qualifying under this subsection shall require only a written affidavit
36 signed by the permittee that includes the following:

37 (a) The dimensions of the reservoir.

38 (b) The maximum capacity of the reservoir in acre-feet.

39 (c) A map identifying the location of the reservoir. The map shall comply with standards estab-
40 lished by the Water Resources Commission. The map required under this subsection need not be
41 prepared by a water right examiner certified under ORS 537.798.

42 (11) Any person applying for a secondary permit for the use of stored water from a reservoir
43 qualifying under subsection (10) of this section shall submit a survey prepared by a water right ex-
44 aminer certified under ORS 537.798. The survey required under this subsection shall apply to the
45 storage reservoir and to the secondary use of the water in the reservoir.

1 **SECTION 4.** ORS 537.630 is amended to read:

2 537.630. (1) **As used in this section, “undeveloped portion” means the difference between**
3 **the maximum rate or duty specified in a water right permit and the maximum rate or duty**
4 **appropriated as of the later of:**

5 **(a) June 29, 2005;**

6 **(b) The time specified in the permit to perfect the water right; or**

7 **(c) The time specified in the last-approved extension of time to perfect the water right.**

8 (2) Except for the holder of a permit for municipal use, the holder of a permit issued pursuant
9 to ORS 537.625 shall prosecute the construction of a well or other means of developing and securing
10 the ground water with reasonable diligence and complete the construction within a reasonable time
11 fixed in the permit by the Water Resources Department, not to exceed five years after the date of
12 approval of the application. However, the department, for good cause shown, shall order and allow
13 an extension of time, including an extension beyond the five-year period, for the completion of the
14 well or other means of developing and securing the ground water or for complete application of
15 water to beneficial use. In determining the extension, the department shall give due weight to the
16 considerations described under ORS 539.010 (5) and to whether other governmental requirements
17 relating to the project have significantly delayed completion of construction or perfection of the
18 right.

19 [(2)] (3) The holder of a permit for municipal use shall commence and complete the construction
20 of any proposed works within 20 years from the date on which the permit for municipal use is issued
21 under ORS 537.625. The construction must proceed with reasonable diligence and be completed
22 within the time specified in the permit, not to exceed 20 years. However, the department may order
23 and allow an extension of time to complete construction or to perfect a water right beyond the time
24 specified in the permit under the following conditions:

25 (a) The holder shows good cause. In determining the extension, the department shall give due
26 weight to the considerations described under ORS 539.010 (5) and to whether other governmental
27 requirements relating to the project have significantly delayed completion of construction or per-
28 fection of the right;

29 **(b) The extension of time is conditioned to require that the holder submit and obtain**
30 **department approval of a water management and conservation plan;**

31 [(b)] (c) The extension of time is conditioned to provide that the holder may [*divert water beyond*
32 *the maximum rate diverted for beneficial use before the extension*] **appropriate the undeveloped**
33 **portion of the permit** only upon approval by the department of a water management and conser-
34 vation plan; and

35 [(c)] (d) For the first extension issued after June 29, 2005, for a permit for municipal use issued
36 before November 2, 1998, the department finds that the undeveloped portion of the permit is condi-
37 tioned to maintain, in the portions of waterways affected by water use under the permit, the per-
38 sistence of fish species listed as sensitive, threatened or endangered under state or federal law. The
39 department shall base its finding on existing data and upon the advice of the State Department of
40 Fish and Wildlife. An existing fish protection agreement between the permit holder and a state or
41 federal agency that includes conditions to maintain the persistence of any listed fish species in the
42 affected portion of the waterway is conclusive for purposes of the finding.

43 [(3)] (4) If the construction of any well or other means of developing and securing the ground
44 water is completed after the date of approval of the application for a permit under ORS 537.625,
45 within 30 days after the completion, or if the construction is completed before the date of approval,

1 within 30 days after the date of approval, the permit holder shall file a certificate of completion with
2 the Water Resources Department, disclosing:

3 (a) The depth to the water table;

4 (b) The depth, diameter and type of each well, and the kind and amount of the casing;

5 (c) The capacity of the well pump in gallons per minute and the drawdown thereof;

6 (d) The identity of the record owner of any property that was described in the application for
7 a permit under ORS 537.625 but is not included in the certificate of completion; and

8 (e) Any other information the department considers necessary.

9 [(4)] (5) Upon completion of beneficial use necessary to secure the ground water as required
10 under this section, the permit holder shall hire a water right examiner certified under ORS 537.798
11 to survey the appropriation. Within one year after applying the water to beneficial use or the ben-
12 efiticial use date allowed in the permit, the permit holder shall submit the survey as required by the
13 Water Resources Department to the department along with the certificate of completion required
14 under subsection [(3)] (4) of this section. If any property described in the permit is not included in
15 the request for a water right certificate, the [permittee] **holder of the permit** shall state the identity
16 of the record owner of that property.

17 [(5)] (6) After the department has received a certificate of completion and a copy of the survey
18 as required by subsections [(3) and] (4) **and** (5) of this section that show, to the satisfaction of the
19 department, that an appropriation has been perfected in accordance with the provisions of ORS
20 537.505 to 537.795 and 537.992, **except as provided in subsection (7) of this section**, the depart-
21 ment shall issue a ground water right certificate of the same character as that described in ORS
22 537.700. The certificate shall be recorded and transmitted to the applicant as provided in ORS
23 537.700.

24 **(7) The department may not issue a water right certificate for municipal use under this**
25 **section if:**

26 **(a) An extension of time is required; and**

27 **(b) The order approving the extension of time has not become final by operation of law**
28 **or on appeal.**

29 [(6)] (8) The procedure for cancellation of a permit shall be as provided in ORS 537.260.

30 [(7)] (9) Notwithstanding ORS 537.410, for purposes of obtaining a water right certificate under
31 subsection [(5)] (6) of this section for a supplemental water right, the [permittee] **holder of a permit**
32 shall have a facility capable of handling the full rate and duty of water requested from the supple-
33 mental source and be otherwise ready, willing and able to use the amount of water requested, up
34 to the amount of water approved in the water right permit. To obtain a certificate for a supple-
35 mental water right, the [permittee] **holder** is not required to have actually used water from the
36 supplemental source if:

37 (a) Water was available from the source of the primary water right and the primary water right
38 was used pursuant to the terms of the primary water right; or

39 (b) The nonuse of water from the supplemental source occurred during a period of time within
40 which the exercise of the supplemental water right permit was not necessary due to climatic con-
41 ditions.

42 **SECTION 5. This 2017 Act being necessary for the immediate preservation of the public**
43 **peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect**
44 **on its passage.**