

#### Water Rights Due Diligence in Land & Utility Acquisitions

Laura Schroeder & Wyatt Rolfe

May 6, 2020

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### **Presentation Outline**

#### Researching your water rights





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## Managing and Protecting Water Rights

### Step 1: Research Your Water Rights



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### **Researching Water Rights**

Start with Oregon Water Resources Department website

- https://www.Oregon.gov/OWRD/

 Choose "Find Water Rights" tab at lower left & then "Water Rights Information System (WRIS)"

 <u>http://www.apps.wrd.state.or.us/apps/wr/w</u> <u>rinfo/</u>





#### Water Resources Department

Serving the public by practicing and promoting responsible water management

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OREGON.GOV Water Right Information Search ☆ > Programs > Water Rights > Water Right Information Search

Publications and Reports Newsroom -

Access Data/Maps - Forms Programs -

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**Online Payments** 

#### Water Right Information Search

Home About Us -

WATER RIGHT TOOLS	The Water Rights Information System (WRIS) is a warehouse of information pertaining to water right applications, permits, certificates transfers, leases and related information.
WRIS Query	The information reflected on these pages is derived by interpretations of paper records. Please refer to the actual water rights record for the details on any water right. Care was taken in the creation of the data but it is provided "as is". The Water Resources
Platcard	Department cannot accept any responsibility for errors, omission, or accuracy of the information. There are no warranties, expressed or implied, including the warranty of merchantability or fitness for a particular purpose, accompanying this information. However,
POU Summary Report	notification of any errors would be appreciated.
POD Summary Report	
Interactive Water Right Maps	
WRIS Code Key	
Access the Vault	

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#### Water Rights Information Query WRD SCHROEDER LAW OFFICES, P.C. Search by File ID Search by Name Search by Stream Search by Location Search by File ID Oregon **Application:** V Permit: × Washington Certificate: Transfer: T V Idaho Claim: $\mathbf{v}$ Decree: × Nevada Order: Vol Page Page Char California Search Reset Utah International

**Oregon Water Resources Department** 

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#### Search by Location

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18 17 1	16 15	14 13		
19 20 2	21 22	23 24		
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#### Search by Name







#### Oregon Water Resources Department Water Rights Information Query Results 1 mil SWRD

		Records/Page	: 10				25	records fou
SCHROEDER	<u>Contacts</u>	<b>Application</b>	<u>Permit</u>	<u>Certificate</u>	<u>Claim</u>	<u>Decree</u>	Transfers	<u>Status</u>
LAW OFFICES, P.C.	OWNER: ▶ CITY OF KLAMATH FALLS PO BOX 237 KLAMATH FALLS, OR 9760	G7695	G7362					NC
Oregon Washington	OWNER: Select ▷ CITY OF KLAMATH FALLS PO BOX 237 KLAMATH FALLS, OR 9760	G11654	G10854					NC
Idaho Nevada	OWNER: <u>Select</u> CITY OF KLAMATH FALLS PO BOX 237 KLAMATH FALLS, OR 9760	G13335	G12799					NC
California	OWNER: ▶ CITY OF KLAMATH FALLS KLAMATH FALLS, OR 9760	U675 1	U617	24682				NC
Utah International	OWNER: Select ▷ CITY OF KLAMATH FALLS 226 S 5TH ST KLAMATH FALLS, OR 9760	S55977 1	S42539	67078				NC
	OWNER: Select PO BOX 237 KLAMATH FALLS, OR 9760	G10185	G10320	67562				NC



#### Oregon Water Resources Department Water Rights Information Query

**Contact Information** 

#### Cert:80755 (T 6852 RR) \*

Processing History (Click to Collapse...)

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Contact Us

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<ul> <li>Current contact information         <ul> <li>OWNER:</li> <li>CITY OF KLAMATH FALLS             PO BOX 237</li></ul></li></ul>	<ul> <li>Application: G 1679</li> <li>Permit: G 1541 document, paper map</li> <li>Certificate: 80755 document, paper map</li> <li>Order(s)         <ul> <li>Order Origin</li> <li>Volume-Page</li> <li>Signature</li> <li>Description</li> <li>Special</li> <li>60-245</li> <li>6/7/2004</li> <li>APPROVING T-6852</li> </ul> </li> <li>Transfer</li> <li>Transfer type</li> <li>Status</li> <li>Status</li> <li>View right with Web Mapping</li> <li>View Places of Use from Water Rights in the Same Area</li> <li>View Reported Water Use</li> </ul>		÷
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□-Cert:32193 OR CN □-Inchoate: T 6214 CF (REG) □-Cert:80655 CF CN □-Inchoate: T 6852 RR (REG) □-Cert:80755 (T 6852 RR).* □-Inchoate: T 6852 CF (REG) □-Cert:94666 CF *			



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#### Oregon Water Resources Department Water Rights Mapping Tool 🗖 🔍 725 Summer St NE, Sale 🔇 Return 🕓 Contact Us Search Switch Ba + 1.11 Search: Water Right by File ~ Measuren -SENE ~ 9 Application: ~ 9 1 Permit: 0 Certificate: 9 ~ 9 Claim: ~ 9 Transfer: Equals 🗸 9 POD Source: 7600 1000 Include Municipal: 10000 (Draw box on map.) 4. Ò 43 00 Places of Diversion: (Count: 1) Places of Use: (Count: 1) 11200 NENE 72 47.00 ath + Identify Non-Water Right Features Tax Lots 9400 Layers 0.1 Tools POU POD 🔧 🔳 🛛 🖓 🖓 🖬 🖓 Search .... Last Name # ID (select) WRIS Zoom Water Right Use Desc. Priority Date - Water Type First Name Company Supp. Duty Rate 89016 (Details) Map WR Cert:67562 OR \* AH GW CITY OF KLAMATH F ... AIR CONDITIONING OR HEATING 02/24/1982 -1



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### **Researching Water Rights**

- Obtain copies of your water right files from OWRD
- Public records request
  - In person or written request to Salem office
  - OWRD will provide quote for scanning or you can copy in person

for -	Permit	No. 12098 t No. 8509 No. 7837	Tale	Amount Receipt No.		
Norme John Williams Sucar C.	Certificato	No	Total			
By	Stream Index	Page No.		FEES REFUNDED		
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### **Researching Water Rights**

Compile a Water Right Inventory:

- Status of each water right
  - Permit, certificate, inchoate transfer, limited license, etc.
  - Details of each water use right (holder, source, beneficial use, priority, season, etc.)
  - Current? Cancelled?
  - Any necessary action
    - Perfection
    - Water right conditions
    - Type of use (Example: domestic use for lawn & garden)
    - Place of use → UGB, Corporate Limits, Extraterritorial Deliveries, Overlapping Jurisdictions



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Managing and Protecting Water Rights

Step 2: Develop an Action Plan to Get Water Right Certificates



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#### Certificate

#### STATE OF OREGON

WATER DIVISION NO. 2 COUNTY OF UNION .

#### CERTIFICATE OF WATER RIGHT

This is to Certify, That OTTO JOHNSON,

of Cove, State of Orogon, has a right to the use of the waters of MILL CREEK, a tributary of Catherine Creek and the Grande Ronde River, in Union County, Orogon,

for the purpose of irrigation from June 1st to October 1st of each year;

and that said right has been confirmed by decree of the Circuit Court of the State of Oregon for Union County, and the said decree entered of record at Salem, in the Order Record of the Board of Control of the State of Oregon, in Volume 1, at page 207 ; that the priority of the right hereby confirmed dates from 1896;

that the amount of water to which such right is entitled and hereby confirmed for the purpose aforesaid, is limited to an amount actually beneficially used for suid purpose, and shall not exceed 0.2 cubic feet per second.

A description of the lands irrigated under such right, and to which the water hereby confirmed is appurtenant, or, if for other purposes, the place where such water is put to beneficial use, is as follows:

10 a. in NEW132; Sec. 27; 6 a. in NEW132; Sec. 26, Tp. 3 S. R. 40 E. W.M., in Union County, Oregon.

The right to the use of the water aforesaid hereby confirmed is restricted to the lands or place of use herein described.

WITNESS the seal and signature of the Board

of Control, affixed this 1st day

of May , 19 12.

BOARD OF CONTROL

(Seal of Board)

By JOHN H. LEWIS, State Engineer, President

Attest:

II. B. Wann, Secretary

Recorded in State Record of Water Right Certificates, Volume 1, page 359

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### **Permit/Transfer → Certificate**

Permits & transfers create <u>licenses</u> to put water to beneficial use

- "Inchoate" right
- To obtain a vested water right, a permittee must perfect the right and obtain a certificate





### **Certification Process**

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### "Proving Up"

- Reasonable diligence required in construction of water works ORS 537.230
- 5 years allowed to complete construction unless granted an extension (20 years for municipal permits)
- Hire a Certified Water Rights Examiner to submit the Claim of Beneficial Use within one year of completion
  - Older permits did not require COBUs
- OWRD reviews the COBU & issues a water right certificate
  - Reimbursement Authority Program to "fast track" certificate issuance



### **Partial Completion**

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#### Standard Rule – "All or Nothing"

- If permit is not completely developed, permittee can either:
  - Apply for a certificate for the amount perfected, losing the ability to develop the rest; OR
  - Apply for an extension of time to completely develop

#### • Municipal Permits – Incremental Perfection

- Issued certificate for the portion of the permit perfected (at least 25%)
- Can apply for an extension of time to develop the remainder, maintaining the original priority date – OAR 690-320-0040





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### **Action Plan**

- What activities are necessary for each water use right?
  - File a COBU?
  - Use the Reimbursement Authority Program?
  - Identify the portion of a municipal permit that is ready for certification?
  - Identify the need for an extension of time?
    - Permit conditions
    - Complete construction or perfection
  - Identify the need for permit changes?



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## Managing and Protecting Water Rights

### Step 3: Extensions of Time





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### Extensions

- Allow more time for completing construction and/or beneficial use
  - May be granted if <u>due diligence</u> and <u>good cause</u> are demonstrated - ORS 537.230(3)/OAR 690-315-0020(3)(d)(A)
- The deadline to begin construction (physical work) <u>cannot</u> be extended





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### **Extensions of Time**

Showing "Good Cause" is a requirement that covers a broad array factors, including:

- Reasonable diligence
- Costs to appropriate
- Good faith
- Amount of money or water required to provide a fair and reasonable return on investment
- The market and present demands for water to be supplied
- Unforeseeable/uncontrollable events causing delay
- Hardship to the appropriator



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### **Municipal Extensions**

- Treated differently than other extensions
- 1990s municipal permit extensions granted as a matter of course
  - 2002 New rules for municipal extensions
     Requires Water Management & Conservation Plans
  - HB 3038 (2005) ORS 537.230
    - 20 years to begin and complete construction
    - Extensions: further development conditioned to "maintain the persistence" of listed fish species
    - Includes GW when OWRD determines GW has the potential for substantial interference with surface water



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### **Implications of HB 3038**

- Cannot develop undeveloped portion until OWRD approves **WMCP**
- ODFW and OWRD review impacts related to streamflow that will result from using the previously undeveloped portion of the permit
  - If an extension will not maintain persistence of threatened fish species, **ODFW** recommends conditions for OWRD to impose on applicant to ensure persistence





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### Water Management and Conservation Plans

OAR 690-315-0090

- Applicable to quasi-municipal systems if:
  - a population of 1,000 or more is served
  - Quasi-municipal permit holder cannot demonstrate that perfection will occur within 5 years of receiving the extension
  - OWRD determines a plan is necessary





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## Managing and Protecting Water Rights

# Step 4: Anticipate Future Demand



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### **Municipal Water Issues**

- Increased demand
  - Water conservation measures/ordinances
  - Recycled water
  - Develop additional water
    - Unperfected portion of municipal right
    - Development of new water use rights (next slide)
  - Delivery outside POU (ORS 540.510(3))
- Junior priority status
  - Pre-code adjudications
  - Preferences for livestock and human consumption during drought
  - Dated infrastructure
    - Improvements to increase water efficiency



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### Acquire Additional Water Interests

- New water use applications
  - Limited surface water and groundwater availability
  - Groundwater's potential for substantial interference with surface water sources
- Transfers to municipal/quasi-municipal uses (next)
  - Oftentimes agricultural transfers
- Reservations of water (ORS 537.356)
  - State agencies may petition to reserve for future purposes up to 20 years (+ extensions)





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### **Additional Considerations**

- Anticipate employee/leadership turnover and avoid matters "falling through the cracks"
- Create an inventory that can be easily used by future
  - Approach issues with a "75 year" perspective
    - What steps should you take now, in 10 years, in 20 years, etc.?





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### **Step 5: Modifications**



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### Permit Amendments & Transfers

- Permit amendments
   POU & POD/POA
- Permanent transfers

   POU, POD/POA, SW → GW,
   Supplemental → Primary, Substitution,
   Character of Use
  - Reimbursement Authority Program
- District transfers (temporary or permanent)
  - Simplified transfers within districts



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### Example

- Domestic use & outdoor landscaping
  - Varying interpretations of "domestic" use over time
    - None allow large-scale irrigation or garden use for 100 homes
  - Options:
    - No new GW use in Basin
    - Cancel SW irrigation rights as mitigation of new GW use
    - Transfer domestic use to quasi-municipal
      - Must prove up on permit first



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## Managing and Protecting Water Rights

### Step 6: Access Rights



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### **Types of Access Rights**

State statutory rights

- Federal right of ways
- Private easements
  - Express (written)
  - Prescriptive
  - Implied by prior use, necessity, or plat
- Licenses
- Leases
- Profits





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## Managing and Protecting Water Rights

# Step 7: Avoid forfeiture & abandonment



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### **Forfeiture & Abandonment**

- "Use it or lose it"
  - Nonuse for 5 years creates presumption of forfeiture

**Use It** 

or

Lose It

Presumption rebutted for municipal rights (special treatment) – ORS 540.610 (a)&(b)

 Abandonment – intentional relinquishment of a known right



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- S.B. 98 Broadens Ability to Turn Wastewater into Renewable Natural Gas October 2, 2019
- Wifi Through the Sewers in Anacortes September 26, 2019
- Shipping in Pacific Northwest Halted Due to Cracked Barge Lock at Bonneville Dam September 12, 2019
- World Water Week 2019 is Here! August 26, 2019
- Final Revisions Due for Newlands Project Water Rights August 8, 2019

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#### Archives

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### S.B. 98 Broadens Ability to Turn Wastewater into Renewable Natural Gas

- 👿 Written October 2, 2019 by Rachelq Harman
- 🛅 Categories: Legislation, Oregon, Water law
- 🗞 Tags: biogas, clean drinking water, Clean Water Act, conservation, renewable natural gas, rng, wastewater, water, water law 🛛 🖓 No Comments »



Starting September 29, 2019, natural gas providers in Oregon will have a new, renewable way of powering their customers' homes. Governor Kate Brown executed a new law at the end of July, 2019 allowing capture, treatment, and conversion of methane found in wastewater into renewable...

Continue reading

#### Wifi Through the Sewers in Anacortes

- 👿 Written September 26, 2019 by Brian Fairbanks
- Categories: International, Washington
- 🏷 Tags: international, land use, municipal water, washington

Q No Comments »



The city of Anacortes, WA, is making news by running part of its new fiber optic cable network through its water system. Brown and Caldwell's Water News for September 25, 2019, links to a report by KUOW News: "Wifi wires will run through water pipes...

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