

September 29, 2021

Sarah R Liljefelt, Attorney Schroeder Law Offices PC 1915 NE Cesar E Chavez Blvd Portland OR 97212 Water Resources Department

North Mall Office Building 725 Summer St NE, Ste A Salem, OR 97301

Phone: 503-986-0900 Fax: 503-986-0904

www.Oregon.gov/OWRD

Re: Specific to General Industrial Notification - Industrial Harbor USA, LLC

Dear Ms. Liljefelt,

We received your letter of July 19, 2021, notifying Oregon Water Resources Department (Department) that Industrial Harbor USA, LLC (Industrial Harbor), is changing the use of water from the specific industrial use of manufacturing to general industrial use under Certificate 80656 and changing the use of water from the specific industrial use of storage for manufacturing under Certificates 80657 and 80658 to storage for general industrial use.

The letter indicates that the general industrial use will include, but not limited to conversion of the mill to a water bottling plant where water will be bottled onsite for sale to customers. The letter describes the location of the industrial facility owned by the holder of the original water right at the time the water right permit was issued. Finally, the letter indicates that the quantity of water used for general industrial use will not be greater than the quantity used to satisfy the authorized specific industrial use.

The requirements for making the change are established under ORS 540.520(9) and OAR 690-380-2340. Your letter appears to include all of the information required under the statutes and rules. We will file your notification in our water right records.

Current statutes and rules do not include a process for Department review and approval of notifications of specific to general industrial changes. Any issues associated with eligibility and compliance will be addressed by the watermaster during normal distribution and regulation activities. However, please be aware that, in accordance with ORS 540.520(9), the quantity of water used for the general industrial use shall not be greater than the rate and volume allowed in the original water right <u>and</u> shall not be greater than the quantity of water diverted, both in rate and in volume, to satisfy the authorized specific use under the original right.

It is also important to note that the Department's rules define "industrial water use" as:

"...the use of water associated with the processing or manufacture of a product. These uses include, but are not limited to, construction, operation and maintenance of an industrial site, facilities and buildings and related uses. Examples of these uses include, but are not limited to, general construction; road construction, nonhydroelectric power production, including down-hole heat exchange and geothermal; agricultural or forest product processing; and fire protection. Such use shall not include irrigation or landscape maintenance of more than ½ acre..."

[OAR 690-300-010(25)]

In the event that Industrial Harbor, or any subsequent holder of the water rights described by Certificates 80656, 80657, and 80658, wishes to request to change the character of use of the rights through the Water Right Transfer process outlined in OAR 690-380, the quantity of water that may be transferred to the new use will be limited to the quantity of water beneficially used without waste for the general industrial use, consistent with the requirements and limitations in ORS 540.520(9).

Please do not hesitate to contact me at 503-979-3511 or <u>Patrick.K.Starnes@oregon.gov</u> if you have any questions.

Sincerely,

Kelly Starnes

Transfer Program Analyst

Transfer and Conservation Section

cc: Water Right Application Files S-29820, R-30079, R-30179
Industrial Harbor USA, LLC, PO Box 119, Centralia, WA 98531
Jake Johnstone, Southwest Region Manager
Susan Douthit, Watermaster District 15