



WaterWatch of Oregon
Protecting Natural Flows In Oregon Rivers

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April 6, 2026

Mary Bjork
Oregon Water Resources Department
725 NW Summer Street NE, Suite A
Salem, OR 97301
Mary.f.bjork@water.oregon.gov

Re: Comments in opposition, Application LL-2023, in the name of Knife River

Dear Ms. Bjork,

Thank you for this opportunity to comment on LL-2023. WaterWatch is a river conservation group dedicated to protecting and restoring rivers, streams and aquifers statewide. We have been working in the Deschutes Basin, including the Crooked River sub basin specifically, for nearly 40 years.

Knife River has applied for a limited license for 500 gpm. The application notes that the “source” is L149465. It is unclear what they mean by this as this does not represent a surface water source, groundwater source or permit in the OWRD’s WRIS that we could locate. That said, the application does note that this is Crooked River sub-basin groundwater. The application further notes that they will pump from one well using a 50-hp submersible pump and convey the water by pipeline to a pond reservoir for consumptive use.

Knife River’s application notes that this use is “industrial and commercial—dust control and general cleanup”. That said, the Water Master Water Availability Review notes that Knife River’s use includes aggregate washing. The land use form accompanying the application notes that the applicant has also stated that groundwater will be used for irrigation on the berm and aggregate stockpiles.

As the Department is well aware, surface water sources in the Deschutes basin are over-appropriated, and groundwater is in decline. Moreover, groundwater quality is impaired in the vicinity of the mine.

WaterWatch opposes the issuance of LL-2023 limited license application for several reasons, including but not limited to the following:

1. Limited licenses cannot be issued for more than 5 consecutive years for the same use. ORS 537.143(8). Application LL 2023 appears to continue forward the same use as authorized by LL-1876 for another 5 years, which means 10 years of consecutive use. This is not allowed by law.
2. Limited licenses can only be issued for uses of short term or limited duration. ORS 537.143. This mining operation is not short term or limited duration, rather it is an ongoing long-term use as is evidenced by the fact that the applicant is not only seeking yet another limited license, but according to the land use forms is seeking to expand their operations.

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3. Knife River does not have reservoir rights to store water that would be appropriated under this limited license. Knife River notes they will pipe groundwater to pond reservoirs. Knife River cannot store water without a reservoir permit. ORS 537.400. Despite this, the Water Master Water Availability Review notes that the ponds reservoir cannot exceed 15.2 AF in total storage. It is unclear what the water master is referring to as there is no statutory exemption for small reservoirs or ponds, aside from the historical ponds that were grandfathered in the early/mid 1990s (HB 2153, HB 2376). As such, any storage of water under this limited license absent a reservoir right would be illegal.
4. Limited licenses cannot be issued for irrigation, except in very limited circumstances. According to the land use forms accompanying the application, Knife River will be irrigating the berms and stockpiles, as well as planting and watering trees. The application materials also note that the mining operation will move operations around its 100 acre plot, with the areas not being used for mining being irrigated. None of these irrigation uses are allowed under the very limited exceptions for irrigation found under ORS 537.143(6).
5. The land use form accompanying the application notes that groundwater will only be used for irrigation, and further states that use of groundwater for washing rock would need to be approved through a modification of the CUP. We could find no documentation of a modification to the CUP in the application materials that would allow the use proposed under this limited license. The OWRD cannot issue a limited license for a use not allowed under the County's Comprehensive Plan.
6. Limited licenses cannot be approved unless the OWRD can determine that the use will not impair or be detrimental to the public interest, including ensuring that water is available for the requested use. This limited license raises a number of public interest concerns:
 - a. The WRD water availability determination is incorrect. OWRD finds that the requested source has not been regulated. This statement is contrary to the purpose and effect of the Deschutes Groundwater Mitigation Program. The Deschutes GW mitigation program is a regulatory program that is meant to mitigate against effects of groundwater pumping on scenic waterway flows and senior water rights (instream and out-of-stream). Absent mitigation, post 1995 groundwater rights are subject to regulation, as such, we would assert that OWRD's characterization of the source as unregulated is not accurate.

Overall, the Watermaster review appears to ignore both the science and available data on water availability in the Crooked and Deschutes basins. In addition to the point made in the previous paragraph, the groundwater review for Knife River's previous limited license (LL-1876) found that there was a potential for substantial interference with the Crooked River, thus it is likely the same finding will be found for this same use. The Crooked River system is over appropriated twelve months of the year and is routinely regulated. This means water is not available for new uses. Despite this, the water master states that the stream or basin has not been regulated. No explanation was given. The watermaster also noted that there are subtle long-term declines in groundwater levels, yet then said there would be water available for this use. It appears the water master is not abiding by the definitions of water availability or determinations that bind water allocation found in OAR 690-400 and OAR 690-410. Add

to this the fact that Oregon is headed into a drought year, meaning already over-appropriated rivers and aquifers will be under additional stress. We dispute the watermasters report.

Moreover, while there is not yet a groundwater review for this application in the file, it is worth noting that since the OWRD's approval of Knife River's previous limited license the state has adopted new groundwater allocation rules that require the state to determine that the aquifer is reasonably stable before allowing new uses. As the OWRD is aware, aquifer levels are declining in some areas of the Deschutes basin. We will offer additional comments when the groundwater review is complete.

- b. The proposed use risks harm to water quality. As the OWRD is likely aware, domestic well users near the Knife River gravel mine have raised concerns as to impacts on water quality. Domestic wells near the mine are now contaminated with dangerously high levels of manganese and aluminum. Since the mine started operations, well water has become undrinkable. Oregon Public Broadcasting¹ and Central Oregon Daily² have done extensive reporting on the issue. As a result of intervention by Senators Merkley and Wyden, the EPA has allocated \$1,000,000 to DEQ to address the issue. As of March 18, 2026 tests have also found arsenic, in addition to manganese and aluminum.³ Granting an additional limited license to allow this use to continue into the future is not in the public interest.
- c. The Deschutes Basin Plan states that rights to use water for industrial or mining purposes granted by any state agency in the Lower Crooked River subbasin can only be issued on the condition that any effluents or return flows from such used shall not interfere with other beneficial uses of water. OAR 690-505-0040(4). Given the water quality issues that are likely tied to this use, and the effect on other beneficial uses such as drinking water, the OWRD cannot issue a limited license and be in compliance with this requirement. It is not just that that the limited license must be conditioned to protect other beneficial uses in the future, but rather that the OWRD must be sure this basin plan requirement is being met in advance of issuing a limited license.
- d. Knife River does not provide evidence to indicate that they have obtained mitigation for this use. The limited license proposes to appropriate water within the Deschutes Groundwater Study Area, which means they must provide mitigation for their consumptive use under OAR 690-505. Because of the localized impact to the Crooked, that mitigation must be provided in

¹ <https://www.opb.org/article/2025/08/26/crook-county-oregon-well-drinking-water-knife-river-pollution/>; <https://www.opb.org/article/2024/06/13/merkley-monitor-crook-county-wells/>; <https://www.opb.org/article/2023/09/11/oregon-groundwater-pollution-reports-surface-us-senate-hearing/>; <https://www.opb.org/article/2023/06/13/oreogn-water-pollution-knife-river-corporation-crook-county/>;

² https://www.centraloregondaily.com/news/prineville/merkley-crook-county-groundwater-contamination-funding/article_333b93d2-3ee8-4979-a101-63c95b19fe4a.html;
https://www.centraloregondaily.com/news/in-focus/prineville-oregon-contaminated-groundwater-knife-river-dogami/article_e327fdfa-6587-11ef-8a17-0bab8a264204.html

³ https://www.centraloregondaily.com/news/in-focus/crook-county-toxic-well-water/article_8f41b9c8-0371-11f0-a4c7-a7c981b78a28.html

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the Crooked, not the general zone. The current limited license (LL-1876) requires mitigation; knowing mitigation would be required for this one as well it is unclear why the applicant did not address this head on. Given the truncated timeline on limited licenses, the OWRD should not even consider this limited license until the applicant can show they will have mitigation in hand before the requested start date.

- e. It doesn't appear that this limited license has undergone an interagency Division 33 Review as required by rule. Division 33 Reviews from DEQ and ODFW are not found on WRIS. As a limited license that exceeds 120 days for the use of groundwater that is hydraulically connected to the Crooked River, which supports state sensitive redband trout, this limited license is required to undergo a Div 33 Review. OAR 690-033-0310(1)(A). Until this is completed, OWRD cannot process this limited license. We will provide additional comments once these are complete and posted on WRIS.

In conclusion, we urge denial of LL-2023. This use is not allowed by law, and if issued would impair the public interest. Thank you for your consideration of our comments.

Sincerely,



Kimberley Priestley
Senior Policy Analyst