



Oregon

John A. Kitzhaber, MD, Governor

Water Resources Department

North Mall Office Building

725 Summer Street NE, Suite A

Salem, OR 97301-1271

503-986-0900

FAX 503-986-0904

**CERTIFIED MAIL
Return Receipt Requested**

NRI INC
19004 NE SAN RAFAEL
PORTLAND, OR 97230

July 22, 2011

Reference: File G-17454

Dear Applicant:

**THIS IS NOT A PERMIT AND IS
SUBJECT TO CHANGE AT THE NEXT PHASE OF PROCESSING.**

This letter is to inform you of the preliminary analysis of your water use permit application and to describe your options. In determining whether a water use permit application may be approved, the Department must consider the factors listed below, all of which must be favorable to the proposed use if it is to be allowed. Based on the information you have supplied, the Water Resources Department has made the following preliminary determinations:

Initial Review Determinations:

1. The application proposed the appropriation of 55.0 gallons per minute (gpm), or 0.123 cubic foot per second (CFS), of water from Well 1 (MULT 105704) in Columbia Slough Basin for year-round industrial use (geo-thermal heating & cooling).

The water for geo-thermal heating & cooling will be injected into Well 2 (MULT 106416) and the use will be non-consumptive.

2. The proposed use is not prohibited by law or rule except where otherwise noted below.
3. The Department has determined, based upon Oregon Administrative Rule (OAR) 690-009, that the wells will produce ground water from unconfined alluvium within a quarter mile of the banks of surface water and is therefore presumed to be hydraulically connected to surface water (OAR 690-502-0240). The rules indicate that this presumption may be rebutted by the applicant if you provide satisfactory information or demonstration to the contrary.

Such hydraulically connected ground water is classified the same as the surface source under OAR 690-502-0240, unless surface water impacts are mitigated through storage releases.

The use of water from Well 1 (MULT 105704) in Columbia Slough Basin for year-round industrial use (geo-thermal heating & cooling) is not allowed under OAR 690-502-0150(4). However, because the use is non-consumptive, it will not likely impair or be detrimental to the public welfare, safety and health. At the next stage of processing, the Department will likely find that the proposed use is in the public interest despite the Willamette Basin Program classification.

4. If properly conditioned, the proposed use of ground water will avoid injury to existing ground water rights and the resource.

The Department has determined, based upon OAR 690-009, that the proposed ground water use will not have the potential for substantial interference with any surface water source.

5. Please refer to the **Additional Information Required** section below for specific information regarding deficiencies with the application.

Summary of Allowable Water Use

Because not all items above are favorable, the appropriation of 0.123 CFS of water from Well 1 (MULT 105704) in Columbia Slough Basin for year-round industrial use (geothermal heating & cooling) is not allowable. However, the Department may find that the proposed use is in the public interest.

At this time, you must decide whether to proceed or to withdraw your application as described below.

Please reference the application number when sending any correspondence regarding the conclusions of this Initial Review. Comments received within the comment period will be evaluated at the next phase of the process.

Additional Information Required:

Additional information will be required prior to issuance of any Proposed Final Order that may recommend permit approval. Please provide the following:

- Documentation that demonstrates the proposed use complies with the local acknowledged comprehensive land-use plan, or that you are actively pursuing approval from the Multnomah County Land Use Planning Department.
 - If the use is allowed outright or not regulated, the Department can proceed once we've received that documentation.
 - If discretionary land-use approval is required, the Department can proceed once we've received documentation that you are actively pursuing approval. (However, *before a permit will be issued* the Department must receive documentation that an approved land-use decision has been obtained, and that either no administrative appeals were received, or all such appeals have concluded.)

Please submit this information no later than Thursday, August 25, 2011. If you are unable to submit the information listed above, you may request an administrative hold for up to an additional 180 days. You must submit the request in writing, stating how much more time you will need and why you need additional time. If an administrative hold is granted, your application will not be processed further until the requested information is received or the extended deadline has passed.

If we do not receive the item requested above or a request for an administrative hold by this date, the Department will likely proceed with a Proposed Final Order recommending denial of the application.

Withdrawal Refunds:

If you choose not to proceed, you may withdraw your application and receive a refund (minus a \$200 processing charge per application). To accomplish this you must notify the Department in writing by **Friday, August 5, 2011**. For your convenience you may use the enclosed "STOP PROCESSING" form.

To Proceed With Your Application:

If you choose to proceed with your application, you do not have to notify the Department. Your application will automatically be placed on the Department's Public Notice to allow others the opportunity to comment. After the comment period the Department will complete a public interest review and issue a Proposed Final Order.

If A Permit Is Issued It Will Likely Include The Following Conditions:

1. Measurement, recording and reporting conditions:
 - A. Before water use may begin under this permit, the permittee shall install a totalizing flow meter at each production well and injection well. The permittee shall maintain the meter or measuring device in good working order.
 - B. The permittee shall keep a complete record of the amount of water diverted each month, and shall submit a report which includes the recorded report water-use measurements to the Department annually or more frequently as may be required by the Director. Further, the Director may require the permittee to report general water-use information, including the place and nature of use of water under the permit.
 - C. The permittee shall allow the watermaster access to the meter; provided however, where any meter is located within a private structure, the watermaster shall request access upon reasonable notice.
 - D. The Director may provide an opportunity for the permittee to submit alternative measuring and reporting procedures for review and approval.
2. Prior to using water from any well listed on this permit, the permittee shall ensure that the well has been assigned an OWRD Well Identification Number (Well ID tag), which shall be permanently attached to the well. The Well ID shall be used as a reference in any correspondence regarding the well, including any reports of water use, water level, or pump test data.
3. Prior to use of water under this permit, the permit holder must register the injection activity with the Oregon Department of Environmental Quality's Underground Injection Control (UIC) Program. At the time of permit issuance, the program coordinator is Barbara Priest, who can be contacted at 811 SW 6th Ave, Portland OR 97204, or 503-229-5945.
4. All extracted (pumped) ground water shall be injected into the same (originating) aquifer.
5. Prior to receiving a certificate of water right, the permit holder shall submit documentation affirming that any applicable additional requirements of the Department's Division 230 rules have been met.

6. The use of water under this right must be non-consumptive.

This initial review does not attempt to address various public interest issues such as sensitive, threatened, or endangered fish species. These issues will be addressed as the Department reviews comments from the public and other agencies, and prepares a Proposed Final Order. You should be aware that, if significant public interest issues are found to exist, such a finding could have an impact on the eventual outcome of your application.

The water source identified in your application may be affected by an Agricultural Water Quality Management Area Plan. These plans are developed by the Oregon Department of Agriculture (ODA) with the cooperation of local landowners and other interested stakeholders, and help to ensure that current and new appropriations of water are done in a way that does not adversely harm the environment. You are encouraged to explore ODA's Water Quality Program web site at http://www.oregon.gov/ODA/NRD/water_agplans.shtml to learn more about the plans and how they may affect your proposed water use.

If you have any questions:

Feel free to call me at 503-986-0816 if you have any questions regarding the contents of this letter or your application. Please have your application number available if you call. General questions about water rights and water use permits should be directed to our customer service staff at 503-986-0801. When corresponding by mail, please use this address: Kerry Kavanagh, Oregon Water Resources Department, 725 Summer St NE Ste A, Salem OR 97301-1266. Our fax number is 503-986-0901.

Sincerely,



Kerry Kavanagh
Water Right Application Caseworker

enclosures: Application Process Description and Stop Processing Request Form

G-17454
WAB 2-no psi (all gw re-injected – non-consumptive use)
POU 2- no psi (all gw re-injected – non-consumptive use)
GW

APPLICATION FACT SHEET

Application File Number: G-17454

Applicant: NRI INC

County: Multnomah

Watermaster: 20

Priority Date: March 16, 2011

Source: WELL 1 (MULT 105704) IN COLUMBIA SLOUGH BASIN

Use: INDUSTRIAL USE (GEO-THERMAL HEATING & COOLING)

Quantity: 0.123 CUBIC FOOT PER SECOND

Basin Name & Number: Willamette, #2

Stream Index Reference: Volume 26 COLUMBIA R & MISC WWM

Well Locations:

WELL 1 (MULT 105704) - PRODUCTION WELL - NWNW, SECTION 23, T1N, R2E,
W.M.; 155 FEET SOUTH AND 870 FEET EAST FROM NW CORNER, SECTION 23

WELL 2 (MULT 106416) - INJECTION WELL - NWNW, SECTION 23, T1N, R2E,
W.M.; 120 FEET SOUTH AND 765 FEET EAST FROM NW CORNER, SECTION 23

Place of Use:

NW $\frac{1}{4}$ NW $\frac{1}{4}$
SECTION 23
TOWNSHIP 1 NORTH, RANGE 2 EAST, W.M.

14 DAY STOP PROCESSING DEADLINE DATE: Friday, August 5, 2011

PUBLIC NOTICE DATE: Tuesday, July 26, 2011

30 DAY COMMENT DEADLINE DATE: Thursday, August 25, 2011

Mailing List for IR Copies

Application #G-17454

IR Date: July 22, 2011

Original mailed to applicant:

NRI INC
19004 NE SAN RAFAEL
PORTLAND, OR 97230

Copies sent to:

1. WRD - File # G-17454
2. WRD - Water Availability: Ken Stahr

IR, Map, and Fact Sheet Copies sent to:

3. WRD - Watermaster # 20

Copies Mailed By: _____ (SUPPORT STAFF) on: _____ (DATE)
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Affected Landowners (include "Notice of Initial Review--Affected Landowner"):

Copies sent to Other Interested Persons (CWRE, Agent, Well Driller, Commenter, etc.)

4. DEQ, Water Quality Division, Barbara Priest, 811 SW 6th, Portland OR 97204-1390
5. Pyxis Labs, 12423 NE Whitaker Way, Portland, OR 97230
6. Geonomics Development, 1940 Sylvan Way, West Linn, OR 97068

VCOPYSHT.IR

Caseworker: Kerry Kavanagh