

**RESPONSE TO NOTICE OF MITIGATION OBLIGATION
MUNICIPAL OR QUASI-MUNICIPAL INCREMENTAL DEVELOPMENT PLAN**

Municipal or Quasi-Municipal groundwater permit applicants may satisfy a mitigation obligation by incrementally obtaining and providing mitigation to coincide with the incremental development of the permit, provided mitigation is provided prior to each stage of development of the permit, in accordance with the standards under OAR 690-505-0610(2)-(5). A mitigation obligation may be satisfied by obtaining mitigation credits, providing for implementation of a mitigation project, or both (OAR 690-505-0610(2)). Please read and complete this acknowledgment of mitigation obligation and return it to the Department at the address above.

Applicant(s): AVION WATER COMPANY, INC.

Applicant's agent (if applicable): GSI WATER SOLUTIONS, INC.

Application number: G-19169

Proposed Use: QUASI-MUNICIPAL USE

Period of Use requested: JANUARY 1 THROUGH DECEMBER 31

Rate requested: 0.67 CUBIC FOOT PER SECOND

Volume requested: 98.0 ACRE-FEET

Mitigation Obligation: 39.2 ACRE-FEET

Zone of Impact: General Zone of Impact (located anywhere in the Deschutes Basin above the Madras gage, which is located on the Deschutes River below Lake Billy Chinook)

Please read and initial the following statements:

We intend to provide incremental mitigation.

We understand that mitigation must be provided prior to each stage of development of the permit and that the mitigation must meet the requirements of OAR 690-505-0610(2)-(5).

We understand that the first increment of mitigation must be obtained, submitted to the Department, and legally protected instream, prior to a permit being issued.

We understand that after receiving the water right permit, I (we) may not increase water use without providing the corresponding required mitigation.

We understand that we will be required to submit a new or update Water Management and Conservation Plan under OAR Chapter 690, Division 86 within 2 years of the Department issuing a permit.
(WMCP will be required in 5 years or before the 2nd increment, whichever is sooner)

We understand that may we modify the incremental development plan and related mitigation obligation only with prior written Departmental approval.

(over)

Please estimate the time schedule for development of the water right permit and the proposed source of mitigation that may be obtained and used prior to each stage of development (this proposed development schedule must describe 100% of the requested volume).

For the first increment of permit development, we will need approximately _____ acre-feet of the _____ acre-feet requested in the application. The first increment of mitigation will be required by _____ (date).

The proposed source of mitigation water for this increment of use will be (please check):

____ Purchase mitigation credits and / or ____ A mitigation project resulting in credits

Please describe the type of project (e.g., transfer, etc.) and any associated water-right certificate, if known:

_____ **See attached incremental development plan** _____

By _____ (approximate year), for the second increment of permit development, I (we) will need approximately _____ additional acre-feet of the _____ total volume requested in the application.

The proposed mitigation source for this increment of use will be: (please check)

____ Purchase mitigation credits and / or ____ A mitigation project resulting in credits

Please describe the type of project (e.g., transfer, etc.) and any associated water-right certificate, if known:

**Please complete a section for each subsequent stage of
Incremental Development beyond the first two using the additional page below.**

Applicant _____ or Applicant's Agent Owen McMurtrey, GSI

Date 7/15/2024

Mail to: Attn: Adam Frederick
 Oregon Water Resources Department
 725 Summer St NE, Suite A
 Salem OR 97301-1266

Incremental Development beyond increments one and two:

Application G-19169

Applicant: AVION WATER COMPANY, INC.

By _____ (approximate year), for the _____ increment of permit development, we will need approximately _____ additional acre-feet of the _____ total volume requested in the application.

The proposed mitigation source for this increment of use will be (please check):

____ Purchase mitigation credits and / or ____ A mitigation project resulting in credits

Please describe the type of project (e.g., transfer, etc.) and any associated water-right certificate, if known:

By _____ (approximate year), for the _____ increment of permit development, I (we) will need approximately _____ additional acre-feet of the _____ total volume requested in the application.

The proposed mitigation source for this increment of use will be (please check):

____ Purchase mitigation credits and / or ____ A mitigation project resulting in credits

Please describe the type of project (e.g., transfer, etc.) and any associated water-right certificate, if known:

ATTACH ADDITIONAL PAGES AS NECESSARY

Mail to: Attn: Adam Frederick
 Oregon Water Resources Department
 725 Summer St NE, Suite A
 Salem OR 97301-1266



July 15, 2024

Avion Water Company, Inc., Application G-19169, Incremental Development Plan

The permit issued for Application G-19169, in the name of Avion Water Company, Inc. (Avion), will be conditioned to require up to 39.2 mitigation credits (39.2 acre-feet of mitigation water) in the General Zone of Impact. Avion's proposed Incremental Development Plan is outlined below.

| Avion's Timelines for Incremental Permit Development Application G-19169 | | | | |
|---|------------|--|---|-------------------------------|
| Increment | Year | Estimated Annual Volume Appropriated (acre-feet) per Increment | WRD's estimated consumptive use (mitigation obligation) | **Mitigation Credits Provided |
| 1 | *2025-2027 | 48.0 | 19.2 | |
| 2 | 2028-2029 | 25.0 | 10 | |
| 3 | 2030 | 25.0 | 10 | |
| Total | | 98 | 39.2 | |

*Assumes final order will be issued in 2025. Avion intends to provide the first increment of mitigation following final order issuance.

**Will be filled in as Incremental Development Plan is executed.