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JUN 9 2025
OWRD

June 9, 2025

Adam Frederick
Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301

RE: City of Bend – Application G-19413

Response to Notice of Mitigation Obligation and Proposed Municipal Incremental Development Plan

Dear Adam,

In response to the Department’s letter dated April 18, 2025, GSI Water Solutions, Inc. is providing this response on behalf of the City of Bend (the City).

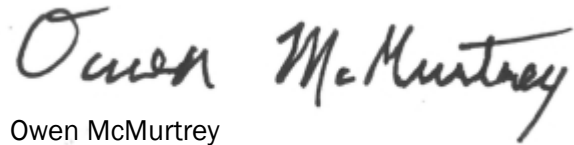
Table 1 below describes the timelines and increments for the City’s proposed Incremental Development Plan. The City intends to satisfy its mitigation obligation through permanent mitigation credits. The City understands it has a Deschutes River Zone of Impact obligation. The city has access to permanent mitigation credits from Mitigation Project 263 (MP-263). The City intends to reassign a portion of these credits to satisfy the first increment of its mitigation obligation for Application G-19413.

Table 1. City of Bend Proposed Timelines and Increments for Incremental Development Plan (Application G-19413)			
Increment	Year	Estimated Annual Volume Appropriated (acre-feet) per Increment	OWRD’s estimated consumptive use (mitigation obligation)
1	2025-2030	1122.15	448.85
2	2031-2035	1122.15	448.85
3	2036-2040	1122.15	448.85
4	2041-2045	1122.15	448.85
Total		4488.6	1795.4

This proposed Incremental Development Plan assumes that the City’s permit will be issued in 2025. To the extent this date varies, the City would request to modify the dates accordingly. In addition, to the extent that projected water demand is greater or lesser than outlined in Table 1, the City will propose to update its Incremental Development Plan.

Please let me know if you have any questions regarding this information. You can reach me via email at omcmurtrey@gsiws.com

Sincerely,
GSI Water Solutions, Inc.

A handwritten signature in black ink that reads "Owen McMurtrey". The signature is fluid and cursive, with the first name "Owen" and last name "McMurtrey" clearly distinguishable.

Owen McMurtrey
Water Resources Consultant

Cc: Lori Faha, City of Bend

Enclosure: Response to Notice of Mitigation Obligation Municipal or Quasi-Municipal Incremental
Development Plan

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**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): CITY OF BEND

Applicant's agent (*if applicable*): GSI WATER SOLUTIONS – OWEN MCMURTREY

Application number: G-19413

Proposed Use: MUNICIPAL USE

Period of Use requested: JANUARY 1 THROUGH DECEMBER 31

Rate requested: 6.2 CUBIC FEET PER SECOND

Maximum Volume: 4,488.6 ACRE-FEET ANNUALLY

Mitigation Obligation: 1,795.4 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)

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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.

☒ 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). **Please see attached incremental mitigation plan.**

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 Cover Letter.

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:

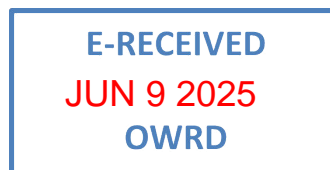
See Attached Cover Letter.

**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: _____

Date: _____

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:

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Application: G-19413

Applicant: CITY OF BEND

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:

See Attached Cover Letter.

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:

See Attached Cover Letter.

ATTACH ADDITIONAL PAGES AS NECESSARY

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