



**RECEIVED**

By frenchkr at 10:14 am, Apr 09, 2015

April 9, 2015

Kim French  
 Oregon Water Resources Department  
 725 Summer Street NE, Suite A  
 Salem, OR 97301

RE: Avion Water Company - Application G-17606

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

Dear Ms. French:

In response to the Department's letter dated February 12, 2015, GSI Water Solutions, Inc. is providing this response on behalf of Avion Water Company (Avion).

Table 1 below describes the timelines and increments for Avion's proposed Incremental Development Plan. Avion intends to satisfy its mitigation obligation through a combination of permanent mitigation credits, temporary mitigation credits from a qualified bank, and offsets, as applicable. Avion understands it has a General Zone of Impact obligation. Avion currently has access to over 200 permanent mitigation credits from Mitigation Projects (MP) 113, 126, and 129 upon payment of "exit fees" to Central Oregon Irrigation District. Additional permanent mitigation credits may also be available to Avion under transfers T-11111 and T-11110, both pending since 2009. The majority of these permanent mitigation credits will be from Central Oregon Irrigation District's water right certificate 83571. In addition to these existing permanent mitigation credits Avion has access to an abundant supply of temporary mitigation credits through the Deschutes River Conservancy's Groundwater Mitigation Bank.

Table 1. Avion's Proposed Timelines and for Increments Incremental Development Plan (Application G-17606)			
Increment	Year	Estimated Annual Volume Appropriated (acre-feet) per Increment	OWRD's estimated consumptive use (mitigation obligation)
1	2016	38	15.2
2	2017	214	85.6
3	2018	396	158.4
4	2019-2020	639	255.6
<b>Total</b>		<b>1,287</b>	<b>514.8</b>

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This proposed Incremental Development Plan assumes that Avion's permit will be issued in 2016. To the extent this date varies, Avion 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, Avion will propose to update its Incremental Development Plan.

Please let me know if you have any questions regarding this information. My telephone number is 541-257-9001.

Sincerely,  
GSI Water Solutions, Inc.



Adam Sussman  
Principal Water Resources Consultant

Cc: Jason Wick, Avion Water Company, Inc.

Enclosure: Response to Notice of Mitigation Obligation

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

Municipal or Quasi-Municipal ground water 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 CO INC.

Applicant's agent (*if applicable*): Adam Sussman

Application number: G-17606

Proposed Use: QUASI-MUNICIPAL USES

Period of Use requested: YEAR-ROUND

Rate requested: 10.0 CUBIC FEET PER SECOND

Volume requested: 1287.0 acre-feet

Mitigation Obligation: 514.8 acre-feet

Zone of Impact: General Zone of Impact

**Please read and initial the following statements:**

A.S. We intend to provide incremental mitigation.

A.S. 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).

A.S. 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.

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

A.S. 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.

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

(over)

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**Incremental Development beyond increments one and two:**

Application 6-17606

Applicant: Avion Water Co.

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:

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*See 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:

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**ATTACH ADDITIONAL PAGES AS NECESSARY**

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

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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 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**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 4/9/2015

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