Groundwater Application and Mitigation
Step-by-Step Process
Prepared by the Deschutes River Conservancy

How to apply for a groundwater Permit in the Deschutes Basin above Madras
The process to acquire a Permit can take up to or exceed 2 years

1. A groundwater use application must be filed with the Oregon Water Resources Department (OWRD).
   a. Applications for groundwater can be found on-line at:
      http://www.wrd.state.or.us/OWRD/PUBS/forms.shtml#water_right
      (application for groundwater permit listed under water right application forms)
   b. Contact the regional Water Resources office: Completed forms sent to/processed by:
      OWRD – South Central Region
      Kyle Gorman or Jeremy Giffin
      231 SW Scalehouse Lp, Suite 103
      Bend, Oregon 97702
      Phone: (541) 306-6885

COSTS
   c. State application fees (last increase 7/1/2013):
      Base fee $1150
      Plus fee for 1st cfs or fraction thereof $300
      Each additional cfs or fraction thereof $300
      Each additional use, diversion or well after 1st $300
      Permit recording fee $450
      Additional fee if permit approval involves mitigation $575
      File Claim of Beneficial Use $175
      Change assignment to new owner $85
   d. $$$$$ Cost to drill well or expand current well
   e. $$ Cost of pump and meter for well
   f. $$$$$$ Purchase of permanent (one time) or temporary (annual) mitigation credits.
   g. $$ Static water level test(s) performed by certified professional.
   h. $$$ Certified Water Rights Examiner charges for Claim of Beneficial Use.

2. After the new groundwater application is submitted to the OWRD, the state reviews the application and if complete, sends an Initial Review to the applicant. The Initial Review determines a Zone of Impact and credit requirement for the groundwater use requested and generates a notice of mitigation obligation*. After Initial Review, the applicant needs to identify a groundwater mitigation credit source, such as the Deschutes River Conservancy’s (DRC) Groundwater Mitigation Bank.

   *A notice of mitigation obligation includes a Zone of Impact and credit requirement. The Zone of Impact is based on underlying aquifer zones and potential impact to surface flows and specific streams. A credit is a volume of water measured in acre-feet of consumptive use. For example 1 acre of pasture consumptively uses 1.8 acre-feet of water, so is assigned a mitigation obligation of 1.8 acre-feet. Consumptive use requirements vary by actual use (i.e., irrigation, industrial, municipal, etc).

3. After Initial Review the application goes through a 30 day public comment period and if uncontested OWRD issues a Proposed Final Order (PFO). At this time, mitigation can be provided with an OWRD Documentary Evidence Form to advance the application to Final Order and Permit at the same time.

4. The PFO goes through a 45 day protest period and if unprotested will move on to a Final Order. If mitigation was provided at PFO, the PFO was not protested, and the Permit recording fees were paid to the state, then the Final Order and Permit could occur at the same time.
5. If mitigation is not provided at PFO, the applicant has a period of 5 years to secure mitigation after the Final Order. If mitigation is not provided within 5 years, the Final Order expires.

6. Once mitigation is provided and accepted by the OWRD with the issuance of a Permit, water use can begin. A meter or other OWRD approved suitable measuring device must be installed on the well before water use begins. Prior to water use, a static water level test may be required. Several years of these measurements may be required. A certified professional must conduct these tests.

7. Once mitigation is provided, a Permit issued and water has been put to beneficial use and the extent of use is complete – the applicant must file a Claim of Beneficial Use** survey prepared by a Certified Water Rights Examiner to obtain a Certificate. A well must be completed and water applied to the use within a specific time limit which is listed on the last page of the Permit Final Order (typically within 3-5 years). Mitigation must be in place for the life of the groundwater use.

**Within one year of complete application of the water, a Claim of Beneficial Use, including a map and report prepared by a certified water rights examiner must be submitted to the OWRD. Also prior to receiving a Certificate, the permit holder must submit the results of a pump test (usually completed with the Claim of Beneficial Use) to the OWRD. Refer to your state issued Groundwater Permit for actual date and other requirements for submitting a Claim of Beneficial Use and for static water level measurement requirements.

How to acquire mitigation credits:

1. Temporary/annual mitigation credits
   a. Created by temporary instream leases of surface water rights
   b. Must be purchased annually
   c. Must be acquired through a State chartered mitigation bank:
      i. The DRC Groundwater Mitigation Bank is the only Bank with State approval to sell temporary mitigation credits.
   d. Availability of temporary credits is not guaranteed from zone to zone or year-to-year.
   e. 2016 Cost - $250 one time set-up fee, $120 per credit ($216/acre) annually.
   g. Mitigation must be provided for the life of the permit/certificate. The state may regulate use or cancel the permit/certificate if mitigation is not maintained. DRC is required to report annual mitigation purchases to the state (buyers and credits).

2. Permanent mitigation credits
   a. Most commonly (and to this date) only created from permanent instream transfers of surface water rights.
   b. One time purchase
   c. Can be acquired from anyone who holds a permanent mitigation credit. If not purchased through a state chartered mitigation bank, confirm with the OWRD that the water right or credit being purchased is valid.
      i. DRC’s state chartered bank works with local irrigation districts to produce and allocate permanent mitigation credits.
         1. Permanent credits are offered based on Zone and client priority in the DRC Mitigation Bank. Very limited availability outside the General Zone.
   d. Permanent credits satisfy the mitigation obligation for the life of the Permit / Certificate
   e. 2014 Cost, if available – varies depending on Zone, transfer, acquisition, and bank operation costs. Range estimate: General Zone $2,000 – 3,000 per credit (fluctuates with district fees).

Deschutes River Conservancy Groundwater Mitigation Bank – non profit
Genevieve Hubert (541)382-4077, ext 16
700 NW Hill Street, Suite #1 gen@deschutesriver.org
Bend, OR 97703 www.deschutesriver.org

Additional Water Bank in Deschutes Basin – Potential Permanent Credit Availability
Water Right Services, LLC
John Short, 541-389-2837
http://www.relylocal.com/bend-oregon/business_listings/water-right-services-llc