

**BEFORE THE WATER RESOURCES DEPARTMENT
OF THE
STATE OF OREGON**

In the Matter of the Proposed Short-Term)	DETERMINATION and
Lease of Existing Water Rights for Instream)	FINAL ORDER ON
Use, Certificates 74197 & 76714, Deschutes)	PROPOSED INSTREAM
County, Oregon)	LEASE

FINDINGS OF FACT

1. A Short-Term Lease Application, which proposed to lease all or a portion of certificate 74197, primary from the Deschutes River, and certificate 76714, supplemental from Crane Prairie Reservoir, for instream purposes was submitted to the Department by:

Lessor #1
High Mountain Properties, LLC
520 NE Shoshone Dr.
Redmond, OR 97756

Lessor #2
Arnold Irrigation District
PO Box 9220
Bend, OR 97708

Lessee
Deschutes Resource Conservancy
PO Box 1560
Bend, OR 97709

2. The Department assigned this lease agreement number L-437.
3. The lease application includes the required information under OAR 690-077-0077(3). The Department provided notice of the lease application pursuant to OAR 690-077-0077(6).
4. The 0.85 acres of irrigated lands to be leased instream are located in Township 18 south, Range 12 east, Section 18, SE 1/4 SE 1/4.
5. Certificate 76714 is supplemental to certificate 74197. The portion of Certificate 76714 being leased instream will only be protected instream if the full rate and duty under certificate 74197 are not available instream during the period in which water is being leased instream.
6. The lessor shall have the option of terminating the lease each year, prior to the lease being exercised, with 30 days written notice to the Department.
7. The lease will terminate on October 31, 2007.

This is a final order in other than contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-080 and OAR 690-01-005 you may either petition for judicial review or petition the Director for reconsideration of this order.

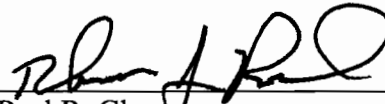
CONCLUSIONS OF LAW

The Department concludes that the lease will not result in injury or enlargement, OAR 690-077-0077.

ORDER

Therefore, it is ORDERED that the Short-Term Lease described herein is APPROVED.

Dated at Salem, Oregon this 21st day of July, 2003.


Paul R. Cleary
Director