

Season 3 (limited to 1/20.8th cfs per acre)
 Duty: limited to 15.42 acre-feet per acre

Priority Date	Season 1	Season 2	Season 3	Duty
February 1, 1905	0.034 CFS	0.034CFS	0.034 CFS	92.52 AF
April 25, 1905	0.029 CFS	0.042 CFS	0.060 CFS	
Totals:	0.063 CFS	0.076 CFS	0.094CFS	

The listed quantities reflect the allowance of a 65% canal transmission loss as determined by decree of the Circuit Court of Deschutes County, dated March 24, 1933. Direct diversions are not allowed this transmission loss.

Source: Deschutes River, tributary to the Columbia River.

Authorized Point of Diversion (POD):

Twp	Rng	Mer	Sec	Q-Q	Survey Coordinates
18 S	11 E	WM	27	NE SW	ARNOLD CANAL POD #1 – 2800 FEET SOUTH AND 3740 FEET WEST FROM THE NE CORNER OF SECTION 27.

Authorized Place of Use:

DOMESTIC AND LIVESTOCK					
Twp	Rng	Mer	Sec	Q-Q	Acres
18 S	11 E	WM	24	NE SW	6.0

- The lease application includes the information required under OAR 690-077-0076(3). The Department provided notice of the lease application pursuant to OAR 690-077-0077(1). The notice provide by the Department identified this lease as IL-435, rather than its current designation as IL-935. No comments were received.

The instream use is as follows:

Instream Reach: From the POD #1 (as described in Finding of Fact #2) to Lake Billy Chinook

INSTREAM RATE					
Certificate	Priority Date	Season 1	Season 2	Season 3	Total Instream Volume
74197	February 1, 1905	0.012 CFS	0.012 CFS	0.012 CFS	4.98 AF
	April 25, 1905	0.029 CFS	0.042 CFS	0.060 CFS	15.47 AF
Totals		0.041 CFS	0.054 CFS	0.072 CFS	19.29 AF

- Other conditions to prevent injury and enlargement are:

The amount of water to be leased instream under Certificate 74197 does not include a 65% transmission loss associated with this right when used for its originally authorized purpose. The transmission loss may not be leased and protected instream.

- Supplemental water right Certificate 76714 is appurtenant to all or a portion of the lands described in Finding of Fact # 2. However, on June 17, 2008 the applicants requested the Department not to include that the portion of instream lease L-435 involving Certificate 76714. During the term of the lease, water use under this right will be suspended.
- If approved, this instream lease is not reasonably expected to significantly affect land use as prescribed by ORS 197.180, OAR Chapter 660, Divisions 30 and 31, and OAR Chapter 690, Division 5.

7. Based upon review of the application, comments received, information provided by the Department's Watermaster, and other available information, the Department finds that the lease will not result in injury or enlargement. This finding is made through an abbreviated review recognizing that the lease may be modified or revoked under OAR 690-077-0077 if the Department later finds that the lease is causing injury to any existing water right or enlargement of the original right.
8. If a right which has been leased is later proposed to be leased again or transferred to an instream use under ORS 537.348 and OAR 690-077-0070 or OAR 690-077-0075 a new injury review shall be required. Transfers will be subject to a full and complete review to determine consistency with the requirements of OAR Chapter 690, Division 380 and Division 077. Approval of this lease does not establish a precedent for approval of future leases or transfers.
9. The lease will terminate on October 31, 2012.
10. The Lessor has requested the option of terminating the lease early with written notice to the Department.

CONCLUSIONS OF LAW

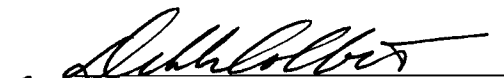
The Department concludes that the lease will not result in injury or enlargement, OAR 690-077-0077. The lease conforms to the applicable provisions of OAR 690-077-0015.

ORDER

Therefore, it is ORDERED:

1. That the Lease as described herein is APPROVED.
2. The former place of use will no longer receive water as part of these rights, any supplemental rights or other layered water rights for irrigation use, including but not limited to those under Certificate 76714 or any ground water registrations during the term of the lease.
3. The lease will terminate on October 31, 2012. The Lessor has the option of terminating the lease each year, with notification to the Department prior to March 1 of each year and before any use has occurred on the property.

Dated at Salem, Oregon this 15th day of July 2008.


Phillip C. Ward, Director

Mailing date: JUL 08 2008