

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

In the Matter of the Proposed Short-Term)	CORRECTING ORDER ON
Lease of Existing Water Rights for Instream)	PROPOSED INSTREAM LEASE and
Use and Preliminary and Final Award of)	MITIGATION CREDIT PROJECT
Mitigation Credits, Certificate 67706,)	
Deschutes County)	

ORS 537.348 establishes the process in which a water right holder may submit a request to lease an existing water right for instream purposes. OAR Chapter 690, Division 077 implements the statutes and provides the Department's procedures and criteria for evaluating short-term instream lease applications.

OAR 690-521-0100 to 690-521-0600 establishes the process in which anyone may submit a ground water mitigation project to the Department for the purpose of establishing mitigation credits in the Deschutes Ground Water Study Area.

Lessor

City of Sisters
PO Box 39
Sisters, OR 97759

Lessee

Deschutes Water Exchange (DWE) Mitigation Bank
PO Box 1560
Bend, OR 97709
scott@deschutesrc.org

Findings of Fact

1. The City of Sisters and the DWE Mitigation Bank filed an application to lease all of Certificate 67706 to instream use. The Department assigned the application number L-616. The instream lease was approved by the Department on July 15, 2005, as evidenced by Special Order Volume 65, Page 45.
2. Subsequent to issuing the order, the Department identified that the certificate was incorrectly identified as certificate 76606 within the order in Finding of Fact #2, 4 and 5. The correct certificate is 67706 as identified in Finding of Fact #1.
3. The Department also included a condition within the order specifying that if the lease were terminated by the Lessor that notice would need to be filed with the Department by March 1 of each year. This is incorrect. Notice of termination must be filed with the Department by

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 137-004-0080 you may either petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied.

December 1 (at least 30 days in advance of the period of allowed use, which begins on January 1).

4. All other conditions of the Final Order (Special Order Volume 65 Pages 45 - 48) remain the same.

CONCLUSIONS OF LAW

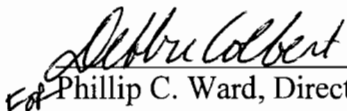
The Department concludes that the lease, as modified above, will not result in injury or enlargement, OAR 690-077-0077. The lease agreement conforms to the applicable provisions of OAR 690-077-0015.

ORDER

Therefore, it is ORDERED:

1. Therefore, it is ORDERED that the Short-Term Lease, as described in Special Order Volume 65, Page 45 with the above modification is APPROVED.
2. The former place of use shall no longer receive water as part of these rights during the term of the lease.
3. The lease shall terminate on December 31, 2009. The lessor shall have the option of terminating the lease in advance of each year, with notification to the Department by December 1, and before any municipal use has occurred.

Dated at Salem, Oregon this 24th day of October 2005.



Phillip C. Ward, Director

OCT 25 2005

Mailing date: _____