

**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 824,)	
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 #1

Pooled Instream Lease for several landowners
(described in Finding of Fact #2)

Lessor #2

Three Sisters Irrigation District (TSID)
PO Box 2230
Sisters, OR 97759

Lessee

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

Findings of Fact

1. On June 6, 2005, TSID and the DWE Mitigation bank filed an instream lease application, on behalf of several landowners, to lease a portion of Certificate 824 to instream use. The Department assigned the application number L-487. The instream lease was approved by the Department on July 15, 2005, as evidenced by Special Order Volume 65, Page 282.
2. Subsequent to issuing the order, the Department identified that the following condition requested by the applicant was not included in that final order:

The portion of water protected under this lease shall be based on the same percentage diversion and delivery rate that Three Sisters Irrigation District is diverting to rights of the same priority within the district. Each Monday morning during the period of this lease, the District shall report to the District 11 Watermaster's office the percentage

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.

diverted under the 1895 priority date. This information only needs to be reported to the Watermaster's office once the District is diverting water on a percentage basis. Subsequent reports only need to be made to the Watermaster's office when changes are made to the percentage of water being diverted. Once the District begins diverting water on a percentage basis, the amount water leased instream will be adjusted by that same percentage.

3. All other conditions of the Final Order (Special Order Volume 65 Pages 282-286) remain the same.

CONCLUSIONS OF LAW

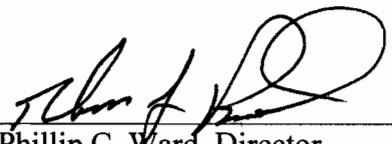
The Department concludes that the lease, as modified above, will not result in injury or enlargement, OAR 690-077-0077. The lease agreement conforms to the applicable provisions of OAR 690-077-0015.

ORDER

Therefore, it is ORDERED:

1. Therefore, it is ORDERED that the Short-Term Lease, as described in Special Order Volume 65, Page 282 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 October 31, 2005.

Dated at Salem, Oregon this 20th day of July 2005.


Phillip C. Ward, Director

Mailing date: JUL 22 2005