

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

|                                       |   |                             |
|---------------------------------------|---|-----------------------------|
| In the Matter of Instream Transfer    | ) | FINAL ORDER APPROVING A     |
| Application T-10274 and Mitigation    | ) | CHANGE IN PLACE OF USE AND  |
| Project MP-92 for Ground Water Permit | ) | CHARACTER OF USE, PROPOSING |
| Application G-15074, Deschutes County | ) | APPROVAL OF A MITIGATION    |
|                                       | ) | PROJECT, AND PARTIAL        |
|                                       | ) | CANCELLATION OF A           |
|                                       | ) | SUPPLEMENTAL WATER RIGHT    |

**Authority**

ORS 540.505 to 540.580 establishes the process in which a water right holder may submit a request to transfer the point of diversion, place of use, or character of use authorized under an existing water right. OAR Chapter 690, Division 380 implements the statutes and provides the Department's procedures and criteria for evaluating transfer applications. OAR Chapter 690, Division 077 provides additional criteria for evaluating transfers to instream water rights.

OAR 690-505-0500 to 690-505-0630 establishes the process in which anyone may submit a ground water mitigation project to the Department for the purpose of providing mitigation for a ground water permit application in the Deschutes Ground Water Study Area.

OAR 690-380-2250 and ORS 540.510 establishes the process in which the Department may cancel a supplemental water right when not included as part of the transfer application.

**Applicant**

CENTRAL OREGON IRRIGATION DISTRICT  
ON BEHALF OF TENANT LAND COMPANY, LLC  
1055 SW LAKE COURT  
REDMOND, OR 97756

**Findings of Fact**

**Background**

1. On November 30, 2006, Central Oregon Irrigation District (COID) filed an application, on behalf of Tenant Land Company, LLC, to change the place of use and character of use under a portion of Certificate 76358 to instream use. The Department assigned the application number T-10274.

This final order is subject to judicial review by the Court of Appeals under ORS 183.482. Any petition for judicial review must be filed within the 60-day time period specified by ORS 183.482(1). Pursuant to ORS 536.075 and OAR 137-003-0675, you may 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.

2. On September 26, 2007, Certificate 83571 was issued superseding Certificate 76358.
3. The portion of the right to be transferred is as follows:

**Certificate:** 83571 in the name of Central Oregon Irrigation District

**Use:** Irrigation of 6.2 acres

**Priority Date:** October 31, 1900 and December 2, 1907

**Season of Use:** April 1 through October 31, further limited as follows:

April 1 through April 30 & October 1 through October 31

May 1 through May 14 & September 16 through September 30

May 15 through September 15

**Maximum Quantity (Rate) that can be applied to an acre:**

Season 1: limited to 1/80<sup>th</sup> cubic foot per second (CFS) per acre

Season 2: limited to 1/60<sup>th</sup> CFS per acre

Season 3: limited to 1/32.4<sup>th</sup> CFS per acre

**Maximum Duty that can be applied to an acre:**

Not to exceed 9.91 acre-feet (AF) per acre.

The above listed rates and duty reflect allowance of a 45% transmission loss as determined by decree of the Circuit Court of Deschutes County, dated March 24, 1933. Those lands not served from the district main canal systems, but by direct pumping from the Deschutes River, are not allowed the 45% transmission loss.

**Source:** The Deschutes River, tributary to the Columbia River

**Authorized Point of Diversion (POD):**

| Township |   | Range |   | Meridian | Sec | ¼ ¼   | Survey Coordinates                                                                                         |
|----------|---|-------|---|----------|-----|-------|------------------------------------------------------------------------------------------------------------|
| 17       | S | 12    | E | WM       | 29  | SE NE | POD #11 (COID NORTH CANAL):<br>850 FEET NORTH AND 630 FEET<br>WEST FROM THE EAST ¼<br>CORNER OF SECTION 29 |

**Authorized Places of Use:**

| Township |   | Range |   | Meridian | Sec | ¼ ¼   | Acres |
|----------|---|-------|---|----------|-----|-------|-------|
| 15       | S | 13    | E | WM       | 9   | NE SW | 6.20  |

4. The Department has information that the season of use described in Certificate 83571 contains scrivener errors. Consistent with the Decree for the Deschutes River (Volume 12, Page 282), the irrigation season should be:

**Season of Use:** April 1 through October 31, further limited as follows:

April 1 through April 30 & October 1 through October 31 described herein as Season 1

May 1 through May 14 & September 15 through September 30 described herein as Season 2

May 15 through September 14 described herein as Season 3

5. Certificate 83571 is a deficient water right. If water were diverted simultaneously to all authorized lands and uses described in the right at the maximum rates and duty allowed (described in Finding of Fact #3), the total rate and duty for the water right would be

exceeded. In the event water were diverted simultaneously to all authorized lands and uses described in the right at the maximum rates and duty allowed at the POD (described in Finding of Fact #3), the portion of the right involved in this transfer would be limited as described in the tables below. These rates and duty are also the quantities by which Certificate 83571 shall be reduced, if this transfer is approved.

| Priority Date    | Season 1  | Season 2  | Season 3  | Duty     |
|------------------|-----------|-----------|-----------|----------|
| October 31, 1900 | 0.077 CFS | 0.103 CFS | 0.136 CFS | 61.29 AF |
| December 2, 1907 |           |           | 0.055 CFS |          |

6. A total of 33.79 AF of water, excluding transmission losses, may be beneficially used annually for primary irrigation under the portion of Certificate 83571 proposed for transfer.
7. Supplemental right, Certificate 76714, is appurtenant to the same lands from which the primary right under Certificate 83571 is proposed to be transferred to instream use. The applicant has requested that the affected portion of Certificate 76714 be cancelled upon issuance of the Final Order approving T-10274.
8. The applicant is not the owner of the lands to which the water right described in Finding of Fact #3 is appurtenant. However, water right conveyance agreements have been completed and interest in the water rights has been conveyed to COID from the landowner described in the table below. The portion of this right to be transferred was appurtenant to lands owned by the identified landowner at the time interest in the water right was conveyed through a Quit Claim Deed, a water right conveyance agreement.

| Landowner                 | Water Right Interest Holder | T   | R   | Sec | ¼ ¼   | Tax Lot |
|---------------------------|-----------------------------|-----|-----|-----|-------|---------|
| Tennant Land Company, LLC | COID                        | 15S | 13E | 9   | NE SW | 101     |

9. Application T-10274 proposes to change the character of use to instream use for conservation, maintenance and enhancement of aquatic and fish life, wildlife, fish and wildlife habitat and any other ecological values; pollution abatement; and recreation. The applicant has also requested that this transfer be used to establish mitigation water for Ground Water Permit Application G-15074, filed by West Bend Property Company, LLC.
10. Application T-10274 proposes to change the place of use of the right to create an instream reach from COID North Canal POD #11 (described in Finding of Fact #3) to Lake Billy Chinook.
11. The applicant proposes the quantities of water to be transferred instream to be protected as follows:

| Certificate | Priority Date    | Rate Instream                                                     | Volume Instream |
|-------------|------------------|-------------------------------------------------------------------|-----------------|
| 83571       | October 31, 1900 | Season 1: 0.043 CFS<br>Season 2: 0.057 CFS<br>Season 3: 0.105 CFS | 33.79 AF        |

12. There are existing instream water rights within the same reach as that proposed for the new instream water right. All of the existing instream water rights were established under

ORS 537.348, the instream transfer process, and ORS 537.470, the allocation of conserved water process. There is a pending instream water right application, filed by the Oregon Department of Fish and Wildlife (ODFW) pursuant to ORS 537.341 to establish an instream water right from POD #11 to Lake Billy Chinook, which if approved will have a priority date of September 19, 1990.

13. The applicant proposes that any instream water right established as a result of this instream transfer to be additive to existing instream water rights for the same reach established pursuant to ORS 537.348 (instream transfer process) and ORS 537.470 (allocation of conserved water process). The applicant also proposes that any instream water right established as a result of this instream transfer replace a portion of any existing instream rights established pursuant to ORS 537.346 (minimum streamflow conversion) and ORS 537.341 (state agency instream application process), with an earlier priority date.
14. The applicant has requested to protect water instream under the October 31, 1900, priority date. Water is diverted at the point of diversion during Season 3 under both the 1900 and 1907 priority dates. The quantity of water diverted under the 1907 priority date during Season 3 makes up a balance of water allowed by the decree for transmission losses. Transmission losses account for 45% of the water diverted at the point of diversion and are not transferable to instream use. The quantities of water proposed by the applicant to be transferred instream, as described in Finding of Fact #11, do not include the 45% transmission loss. The Department finds that water may be protected instream solely under the 1900 priority date.
15. The application includes Land Use Information form completed and signed by a representative of the City of Redmond Planning Department. Additionally, the Department has provided notification of the proposed action to the City of Bend, Deschutes County, and Jefferson County.
16. Notice of the application for transfer was published on December 19, 2006, pursuant to OAR 690-380-4000. No comments were filed in response to the notice.
17. On April 21, 2008, the Department mailed a copy of the draft Preliminary Determination proposing to approve Transfer Application T-10274 to the applicant. The cover letter that accompanied the draft Preliminary Determination set forth a deadline of May 20, 2008, for the applicants to respond. On April 22, 2008, the applicant concurred with the draft Preliminary Determination and requested that the Department proceed with issuance of a Preliminary Determination.
18. On April 25, 2008, the Department issued a Preliminary Determination proposing to approve Transfer Application T-10274 and mailed a copy to the applicant. Additionally, notice of the Preliminary Determination for the transfer application was published in the Department's weekly notice on April 29, 2008, and in The Bulletin on May 5, 12, and 19, 2008, pursuant to ORS 540.520 and OAR 690-380-4020. No comments or protests were filed in response to the Department's weekly notice or to the newspaper notice.

***Instream Transfer Review Criteria (OAR 690-77-0075 and 690-380-4010)***

19. Evidence was submitted with the application indicating that water has been used within the last five years according to the terms and conditions of the right. There is also information in the application file suggesting that there has been an extended period of time during which the right was not exercised. However, the information in the record is not sufficient to initiate cancellation proceedings under ORS 540.631.
20. A diversion structure and ditch sufficient to use the full amount of water allowed under the existing right were present within the five-year period prior to submittal of Application T-10274.
21. The period during which water is requested to be protected instream requires modification to prevent injury and enlargement. At the full rates and duty allowed by the water right to be transferred instream, water may be protected instream for a period of 209 days. The period requested by the applicant is 214 days.
22. Based on the previous Finding of Fact, on October 1 and November 20, 2007, the applicants agreed to modify the quantities to be transferred and protected instream as follows:

Reach: COID North Canal POD #11 (as described in Finding of Fact #3) to Lake Billy Chinook

| Certificate | Priority Date    | Instream Period                       | Instream Rate | Instream volume |
|-------------|------------------|---------------------------------------|---------------|-----------------|
| 83571       | October 31, 1900 | Season 1 (modified to end October 26) | 0.043 CFS     | 33.79           |
|             |                  | Season 2                              | 0.057 CFS     |                 |
|             |                  | Season 3                              | 0.105 CFS     |                 |

23. The proposed change, as modified, would not result in enlargement of the right.
24. The proposed change, as modified, would not result in injury to other water rights.
25. The amount of the proposed instream flow and the timing of the proposed instream flow is allowable within the limits and use of the original water right.
26. The protection of flows within the proposed reach is appropriate, considering:
  - a) The instream water right begins at the recorded point of diversion;
  - b) The location of confluences with other streams downstream of the point of diversion;
  - c) There are known areas of natural loss of streamflow to the river bed downstream from the point of diversion; and
  - d) Any return flows resulting from the exercise of the existing water right would re-enter the river downstream of the reach of the instream water right.

27. Within the proposed reach, the Deschutes River is a designated State Scenic Waterway. The protection of flows necessary to maintain the free flowing character of the Deschutes River for fish and wildlife habitat, and recreation is a matter of statutory policy. Within the reach proposed by the applicant, there are several existing instream water rights, which include the use of water for fish habitat, aquatic life, recreation, aesthetics, and minimizing pollution. There is also a pending instream water right application filed by ODFW for anadromous and resident fish rearing. In addition to flows for the designated Scenic Waterway and the pending instream water right application, which are at times not met during the requested period for instream protection, this segment of the Deschutes River is also on the Oregon Department of Environmental Quality's (DEQ) 303d list of water quality limited streams.
28. By adding to other water rights leased or transferred instream at the same location, or created through the conserved water statutes, the instream right will provide protection for additional streamflows necessary for conservation, maintenance and enhancement of aquatic and fish life, fish and wildlife habitat and other ecological values; recreation; and pollution abatement.
29. By replacing a portion of instream rights created at the request of state agencies or under the minimum streamflow conversion process, the instream right will provide protection for streamflows previously identified as necessary for conservation, maintenance and enhancement of aquatic and fish life, fish and wildlife habitat and other ecological values; recreation; and pollution abatement under earlier priority dates.
30. During the period April 1 through October 26 any instream water right established by this transfer application may replace a portion of instream water rights established pursuant to ORS 537.341 or 537.346 and be in addition to instream water rights established pursuant to ORS 537.348 or 537.470 unless otherwise specified by an order approving a new instream water right under these statutes.
31. The total monthly quantities of water to be protected under the proposed instream right, in addition to the existing instream water rights, within the proposed reach will provide for a beneficial purpose and do not exceed the estimated average natural flow.

***Partial Cancellation of a Water Right***

32. There is an existing supplemental right, Certificate 76714, appurtenant to the portion of lands on which Certificate 83571 is proposed for transfer to instream use. The applicant has not submitted an affidavit certifying that the affected portions under Certificate 76714 have been abandoned. The applicant has requested that affected portions of the supplemental water rights under Certificate 76714 be cancelled upon issuance of the Final Order approving T-10274. The portion of Certificate 76714 to be cancelled has been quit claimed to COID.
33. Consistent with OAR 690-380-2250, the Department provided notice (as part of the draft Preliminary Determination identified in Finding of Fact #17) to the applicant on April 21, 2008, of the Department's intent to cancel the portions of the supplemental water right

described below unless within 30 days of the date of the notification, the applicant modified the application to include the supplemental right or request that the application be withdrawn. On April 22, 2008, the applicant requested that the Department proceed with review of the application. The applicant did not amend the application or request that it be withdrawn.

34. That portion of the supplemental water right to be cancelled is as follows:

**Certificate:** 76714 in the name of Central Oregon Irrigation District  
**Use:** Supplemental Irrigation of 6.2 acres  
**Priority Date:** February 28, 1913  
**Source:** Crane Prairie Reservoir, constructed under permit R-1687, tributary to the Deschutes River

**Authorized PODs:**

| Township |   | Range |   | Meridian | Sec | ¼ ¼   | Survey Coordinates                                                                                          |
|----------|---|-------|---|----------|-----|-------|-------------------------------------------------------------------------------------------------------------|
| 21       | S | 8     | E | WM       | 17  | NE NE | CRANE PRAIRIE RESERVOIR DAM                                                                                 |
| 17       | S | 12    | E | WM       | 29  | SE NE | POD #11 (COID NORTH CANAL):<br>850 FEET NORTH AND 630 FEET<br>EAST FROM THE NORTH ¼<br>CORNER OF SECTION 29 |

**Authorized Places of Use:**

| Township | Range | Meridian | Sec | ¼ ¼ | Tax Lot | Acres         |
|----------|-------|----------|-----|-----|---------|---------------|
| 15       | S     | 13       | E   | WM  | 9       | NE SW 101 6.2 |

35. The Department has information that POD #11 (COID North Canal) described in Certificates 83571 and 76714 is the same diversion point. The location coordinates described in Certificate 76714 contain errors. The location coordinates should be:

| Township |   | Range |   | Meridian | Sec | ¼ ¼   | Survey Coordinates                                                                                        |
|----------|---|-------|---|----------|-----|-------|-----------------------------------------------------------------------------------------------------------|
| 17       | S | 12    | E | WM       | 29  | SE NE | POD # 11 (COID NORTH CANAL):<br>850 FEET NORTH & 630 FEET<br>WEST FROM THE EAST ¼<br>CORNER OF SECTION 29 |

**Mitigation Project Review Criteria**

36. COID (the Applicant) has requested that this transfer be used to establish mitigation water for Ground Water Permit Application G-15074, filed by West Bend Property Company, LLC.
37. The Department assigned this mitigation project number MP-92.
38. The Department consulted with representatives from ODFW, DEQ, Oregon Parks and Recreation Department (OPRD), Oregon Department of State Lands, the Oregon Department of Agriculture, and the Department's Watermaster pursuant to OAR 690-505-0630 (2) on December 28, 2006. Comments were received from OPRD. OPRD stated that the proposed instream transfer, along with other transfers, would improve streamflows for

recreation opportunities over time. OPRD was also supportive of protecting proposed instream flows during the period April 1 through October 26.

39. No changes were made to the instream transfer as a result of comments received or consultation with the above named agencies.
40. Ground Water Permit Application G-15074 has been determined to have a mitigation obligation of 31.6 AF in the General Zone of Impact, as described in the Final Order issued approving this application on February 3, 2005.
41. The proposed transfer of 6.2 acres of irrigation use to instream use may provide 11.2 acre-feet of mitigation water.
42. The proposed reach would protect instream flows within both the Middle Deschutes and General Zones of Impact. Mitigation water generated from this instream transfer may be used to satisfy the mitigation obligation of a ground water permit application within the General Zone of Impact.
43. Based upon Findings of Fact #38 through #41, the Department has determined that the proposed mitigation project will satisfy a portion of the mitigation obligation for Ground Water Permit Application G-15074. The remaining balance of the mitigation obligation (20.4) must be made up from another mitigation project or by obtaining sufficient mitigation credits in the General Zone of Impact.
44. A total of 33.79 AF is proposed to be transferred to instream use and 11.2 AF of that, as identified above, may be used for mitigation purposes. The amount of water transferred instream and not used for mitigation purposes will benefit instream flow.
45. Mitigation water generated by this project may be used to satisfy a portion of the mitigation obligation for Ground Water Permit Application G-15074 upon completion of the approved project (the instream transfer) by the applicant and verification by the Department that the project is complete. The issuance of a certificate(s) for the proposed instream water right shall result in completion of the project and verification that the project is complete.

### **Conclusions of Law**

The changes in character of use and place of use to instream use proposed in application T-10274 are consistent with the requirements of ORS 540.505 to 540.580, ORS 537.348, OAR 690-380-5000, and OAR 690-077-0075 and the abandoned portion of the right should be cancelled.

This mitigation project appears to result in mitigation water pursuant to ORS 537.746 and OAR 690-505-0610.



**Now, therefore, it is ORDERED:**

1. The changes in character of use and place of use to instream use proposed in application T-10274 are approved. The portion of the right that has been abandoned is cancelled.
2. Water Right Certificate 83571 is modified. A new certificate confirming the instream water right shall be issued. The Department shall issue a new water right certificate to supersede Certificate 83571 on a determination that it is necessary to produce a certificate to confirm that portion of the right not involved in this transfer. Approval of this transfer shall reduce the amount of water lawfully available under the remaining portion of Certificate 83571 by the following:

| Priority Date    | Season 1 | Season 2  | Season 3  | Duty     |
|------------------|----------|-----------|-----------|----------|
| October 31, 1900 | 0.077CFS | 0.103 CFS | 0.136 CFS | 61.29 AF |
| December 2, 1907 |          |           | 0.055 CFS |          |

3. The portion of Certificate 76714 that has been abandoned is cancelled. Water right certificate 76714 is modified. The Department shall issue a new water right certificate on a determination that it is necessary to produce a certificate to confirm that portion of the water right not affected by the cancellation described in Finding of Fact #34. Modification of this supplemental water right shall reduce by 6.2 acres the number of acres to which stored water may be applied for supplemental irrigation under the right but does not reduce the total quantity of water available for supplemental irrigation.
4. The instream water right shall provide for the protection of streamflows for conservation, maintenance and enhancement of aquatic and fish life, wildlife, fish and wildlife habitat and other ecological values; pollution abatement; and recreation in the Deschutes River as follows:

Reach: from COID North Canal POD #11 (as described in Finding of Fact #3) to Lake Billy Chinook.


| Priority Date    | Period Protected Instream                                     | Instream Rate | Instream Volume |
|------------------|---------------------------------------------------------------|---------------|-----------------|
| October 31, 1900 | April 1 through April 30 and<br>October 1 through October 26  | 0.043 CFS     | 33.79 AF        |
|                  | May 1 through May 14 and<br>September 15 through September 30 | 0.057 CFS     |                 |
|                  | May 15 through September 14                                   | 0.105 CFS     |                 |

5. Water rights upstream of the original point of diversion shall not be subject to regulation for flows in excess of the quantities to which this instream water right is entitled at the original point of diversion.
6. Within the specified stream reach, the amount of water to which this right is entitled shall not exceed the quantity of water legally available at the original point of diversion.
7. The instream right established by this transfer shall replace a portion of instream water rights established pursuant to ORS 537.341 or 537.346 and be in addition to instream water rights

established pursuant to ORS 537.348 or 537.470 unless otherwise specified by an order approving a new instream water right under these statutes.

8. The right to the use of the water is restricted to beneficial use at the place of use described, and is subject to all other conditions and limitations contained in Certificate 83571 and any related decree.
9. The former place of use of the transferred water shall no longer receive water as part of these rights.
10. **Mitigation Water:** Mitigation Water generated by this project will be used to satisfy a portion of the mitigation obligation for Ground Water Permit Application G-15074 upon completion of the project and verification by the Department that the project has been completed as proposed. Issuance of the attached instream water right certificate, as described herein, results in completion of the project and verification by the Department that the project is complete. This project will generate **11.2 AF** of Mitigation Water in the **General Zone of Impact**.
11. The instream certificate created from this transfer shall be identified as a mitigation project/source for a ground water permit, issued as a result of approval of Ground Water Permit Application G-15074. Within the instream certificate, the volume of mitigation water, the zone of impact in which the mitigation water was generated and may be used, and the volume of water dedicated instream solely for instream benefits shall also be specified.

Dated at Salem, Oregon this 15<sup>th</sup> day of October, 2008.

  
Phillip C. Ward, Director

Mailing Date: OCT 1 6 2008