

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

In the Matter of Instream Lease Application) DETERMINATION AND FINAL ORDER ON
IL-2041 and Preliminary and Final Award of) PROPOSED INSTREAM LEASE and
Mitigation Credits for Mitigation Project) MITIGATION CREDIT PROJECT
MP-323, Crook County)

Authority

Oregon Revised Statute (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. Oregon Administrative Rule (OAR) Chapter 690, Division 077 implements the statutes and provides the Department's procedures and criteria for evaluating 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

Pooled Instream Lease on
behalf of multiple water users
(As described in Finding of Fact No. 2)

Co-Lessor

Ochoco Irrigation District (OID)
1001 NW Deer Street
Prineville, OR. 97754
ochocoid@crestviewcable.com

Lessee

Deschutes River Conservancy Mitigation Bank (DRCMB)
700 NW Hill Street, Suite 1
Bend, Oregon 97703
gen@deschutesriver.org
james@deschutesriver.org

Findings of Fact

1. On May 8, 2024, the DRCMB and OID on behalf of multiple water users filed an application to lease a portion of Certificate 82246 for instream use. The Department assigned the application number IL-2041.
2. The portion of the right to be leased has been modified from the lease application and is as follows:
 - Certificate:** 82246 in the name of Ochoco Irrigation District (perfected under Permit S-5426)
 - Use:** Irrigation of 140.6 acres
 - Priority Date:** August 10, 1917

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.

Quantity: **Rate:** 1.758 Cubic Foot per Second (CFS)

Volume: 562.4 Acre-Feet (AF)

Limit: The amount of water used for irrigation together with the amount secured under any other right existing for the same lands is limited to a diversion of one-eightieth of one cubic foot per second (or its equivalent) for each acre irrigated and shall be further limited to 4.0 acre feet for each acre irrigated during the irrigation season of each year.

Source: Ochoco Creek and Ochoco Reservoir constructed under R-528, tributary to the CROOKED RIVER

Authorized Point of Diversion (POD):

POD#	Twp	Rng	Mer	Sec	Q-Q	Survey Coordinates
1	15 S	17 E	WM	5	SW NW	OCHOCO FEED CANAL: 500 FEET NORTH AND 250 FEET EAST FROM THE W1/4 CORNER OF SECTION 5

Authorized Place of Use:

Irrigation							Supplemental Information	
Twp	Rng	Mer	Sec	Q-Q	Acres	Tax lot	Water User	
14 S	15 E	WM	11	NW NW	5.0	200	Frances H Davis LTD Partnership	
14 S	15 E	WM	11	NE NW	5.0	200		
14 S	15 E	WM	11	SW NW	5.0	200		
14 S	15 E	WM	11	SE NW	5.0	200		
14 S	15 E	WM	23	NW NW	1.6	304	Walt Williams	
14 S	15 E	WM	23	SW NW	10.0	405		
14 S	15 E	WM	23	SE NW	4.2	302		
14 S	15 E	WM	23	NE SW	12.2	302	Kathleen Lieser	
14 S	15 E	WM	25	NW SE	5.0	1200		
14 S	15 E	WM	25	SW SE	3.4	1200	Dave Molony	
14 S	15 E	WM	36	NE NE	3.1	1900		
14 S	15 E	WM	36	SE NE	2.4	1900		
14 S	15 E	WM	36	SE NE	3.1	1800	Creations Northwest, LLC	
14 S	15 E	WM	36	NE NE	5.8	1700		
14 S	15 E	WM	36	SE NE	1.0	1700		
14 S	15 E	WM	36	NW NE	1.9	1700		
14 S	15 E	WM	36	SW NE	3.7	1700	David Wiship	
14 S	15 E	WM	36	NW NE	7.1	1600		
14 S	15 E	WM	36	SW NE	1.6	1600		
14 S	16 E	WM	29	SE NW	4.7	113	Stearns Land Company LLC	
15 S	16 E	WM	4	NE SE	9.4	2500		
15 S	16 E	WM	4	SE NE	5.1	2500		
15 S	16 E	WM	4	NW SE	19.9	2500		
15 S	16 E	WM	4	SW NE	9.6	2500		
15 S	16 E	WM	4	SW NE	0.5	2500		
15 S	16 E	WM	4	SW NE	1.3	2500		
15 S	16 E	WM	4	SE NE	4.0	2505		
Total					140.6			

- The maximum duty for the right is set at 4.0 acre-feet per acre; however, for the purpose of the water being leased instream, OID has set the duty to 3.0 acre-feet per acre, calculations will be made using 3.0 acre-feet per acre as requested.
- Certificate 82246 does not specify the irrigation season; The Crooked River Decree specifies the Irrigation Season as February 1 through December 1.

5. There is a supplemental irrigation water right, Certificate 82247, appurtenant to all or a portion of the lands described in Finding of Fact No. 2. The Lessors and Lessee have requested that this water right not be included as part of this lease application. During the term of the lease, water use under this right will also be suspended.
6. 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). No comments were received.
7. The lease application requests to protect water instream from Ochoco Creek into the Crooked River. An instream reach is generally from the point of diversion to the mouth of the source stream (Ochoco Creek) but may be protected further if measurable in the receiving stream (the Crooked River) (OAR 690-077-0015 (8)). The quantity that may be leased instream from Ochoco Creek is measurable into the Crooked River and may be protected instream in the Crooked River.
8. The Lessors and Lessee have requested to protect water instream from the POD on Ochoco Creek (as described in Finding of Fact No. 2) to Lake Billy Chinook on the Crooked River. A portion of the water diverted at the POD returns back into the Crooked River along the proposed reach and is available to downstream uses. To prevent injury or enlargement of the right, the quantity of water that may be protected instream in the Crooked River has been reduced by 10% to account for return flows starting at the mouth of Ochoco Creek to Lake Billy Chinook.
9. The instream use has been modified from the lease application to prevent injury and enlargement and is as follows:
Ochoco Creek, tributary to the Crooked River

Instream Reach No. 1: From the POD (as described in Finding of Fact No. 2) to the mouth of Ochoco Creek

Certificate	Priority Date	Instream Rate (CFS)	Instream Volume (AF)	Period Protected Instream
82246	8/10/1917	1.156	421.8	April 15 through October 15

Crooked River, tributary to the Deschutes River

Instream Reach No. 2: From the mouth of Ochoco Creek to Lake Billy Chinook

Certificate	Priority Date	Instream Rate (CFS)	Instream Volume (AF)	Period Protected Instream
82246	8/10/1917	1.04	379.62	April 15 through October 15

10. The amount and timing of the proposed instream flow is allowable within the limits and use of the original water right.
11. The protection of flows within the proposed reach is appropriate, considering:
 - a. The instream water use begins at the recorded point of diversion;
 - b. The location of confluences with other streams downstream of the point of diversion.

- c. There are no 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.
12. The total monthly quantities of water to be protected under the existing and proposed instream rights in the reach will provide for a beneficial purpose.
 13. The total monthly quantities of water to be protected instream under existing and proposed instream rights in the reach do not exceed the estimated average natural flow.
 14. If approved, this instream lease is not reasonably expected to affect land use significantly as prescribed by ORS 197.180, OAR Chapter 660, Divisions 30 and 31, and OAR Chapter 690, Division 5.
 15. Based upon review of the application, information provided by the Department's Watermaster, and other available information, the Department finds that the lease will not result in injury or enlargement. The order approving this instream 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.
 16. If a right which has been leased is later proposed to be leased again, transferred and/or reviewed under an allocation of conserved water, a new injury review shall be required. For example, instream 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 any future transactions.
 17. The Lessors and Lessee have requested that the lease terminate on October 31, 2024. The lease may commence on the date this final order is signed.

Preliminary Award of Deschutes Basin Mitigation Credits

18. The Lessee, a mitigation bank chartered by the Water Resources Commission, has requested that the portion of the right to be protected instream be used to generate mitigation credits.
19. The Department assigned this mitigation credit project number MP-323.
20. The Department provided notice of the mitigation credit project pursuant to OAR 690-521-0300 (6). The Department also provided notice of the mitigation credit project to the Oregon Department of Fish and Wildlife, Oregon Department of Environmental Quality (DEQ), Oregon Parks and Recreation Department, Oregon Department of State Lands, the Oregon Department of Agriculture, and the Department's Watermaster pursuant to OAR 690-521-0300 (7) and OAR 690-505-0630 (2). Comments were received by DEQ in favor of the application.
21. The Department finds that **253.1** mitigation credits may be awarded to this mitigation credit project and assigned to the DRC Mitigation Bank. The mitigation credits may be used to mitigate for ground water permit applications and existing conditioned ground water permits and certificates, providing mitigation pursuant to the Deschutes Ground Water Mitigation Rules, OAR Chapter 690, Division 505, within the General and Crooked River Zones of Impact.

22. The mitigation credits expire on December 31, 2024.
23. The use and maintenance of the mitigation credits is subject to the terms and conditions of the DRC Mitigation Bank Charter.
24. The Department shall award final mitigation credits upon completion of the approved project by the applicant and verification by the Department that the project is complete. The issuance of the Final Order approving the proposed instream lease shall result in completion of the project and verification that the project is complete.
25. No precedent is set by this Final Order as to the amount of mitigation credits that may be generated by a subsequent mitigation credit project.

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.

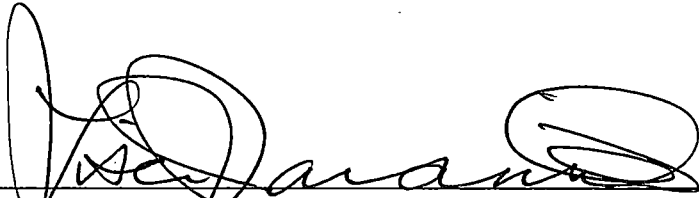
This mitigation project results in mitigation credits pursuant to ORS 537.746 and OAR 690-521-0300 and 690-521-0400.

Now, therefore it is ORDERED:

1. The Lease as described herein is APPROVED.
2. During the term of the lease, the former place of use will no longer receive water as part of these rights, any supplemental rights, or any other layered irrigation water rights, including ground water registrations and permits.
3. The term of the lease will commence upon approval of the instream lease and terminate on October 31, 2024.
4. **Final Award of Deschutes Basin Mitigation Credits:** Issuance of this Final Order results in completion of the project and verification by the Department that the project is complete. The Department concludes that the mitigation credit project is awarded mitigation credits, as described above, pursuant to OAR 690-521-0400 and ORS 537.746. Mitigation Credits, in the amount of **253.1** credits, as described herein, are awarded to this mitigation project and assigned to the DRC Mitigation Bank. Mitigation Credits may be used to satisfy a mitigation obligation of a ground water permit applicant and/or ground water permit/certificate holder in the **General and Crooked River Zones of Impact**.
5. Mitigation credits are valid until used (or until they expire or are terminated) to satisfy a mitigation obligation of a ground water permit applicant and/or ground water permit/certificate holder within the Deschutes Ground Water Study Area pursuant to the Deschutes Ground Water Mitigation Rules. Mitigation credits are used when a person submits to the Department documentary evidence that valid credits have been obtained and assigned to satisfy a mitigation obligation.
6. The mitigation credits shall expire on December 31, 2024.

7. The use and maintenance of the mitigation credits shall be subject to the terms and conditions of the DRC Mitigation Bank Charter.

Dated at Salem, Oregon this day JUN 28 2024.



Lisa J. Jaramillo, Transfer and Conservation Section Manager, for
Douglas E. Woodcock, Acting Director
Oregon Water Resources Department

Mailing date: JUL 03 2024

This document was prepared by Sarah Henderson. If you have any questions, please call 503-979-9872.