

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

In the Matter of Instream Lease Application) DETERMINATION and
IL-1549, Deschutes County) FINAL ORDER ON PROPOSED
) INSTREAM LEASE

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.

Lessor

Pooled Instream Lease on behalf of several water right holders

Co-Lessor

Tumalo Irrigation District (TID)
64697 Cook Ave.
Bend, OR 97701

Lessee

Deschutes River Conservancy (DRC)
700 NW Hill Street, Suite 1
Bend, Oregon 97703

Findings of Fact

1. On April 26, 2016, DRC and TID, on behalf of several water right holders, filed an application to lease a portion of Certificates 74146 and 74147 for instream use. The Department assigned the application number IL-1549.
2. On June 7, 2016, the Department requested additional information for several properties to support that water had been used within the five years prior to the lease application being received. Additional information was provided by the Co-Lessor on June 22 and 23, 2016.
3. On June 30, July 25, and August 5, 2016, the Co-Lessor requested to remove the following portions of each right from the lease application:

Certificate	Twp	Rng	Mer	Sec	Q-Q	Tax Lot	Acres	Lessor
74147	16 S	11 E	WM	13	SW SE	1300	2.50	Howard Day Living Trust
74146	16 S	11 E	WM	13	SW SE	1300	2.60	Howard Day Living Trust
74147	16 S	11 E	WM	24	NW NE	200	0.40	Howard Day Living Trust

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.

Certificate	Twp	Rng	Mer	Sec	Q-Q	Tax Lot	Acres	Lessor
74146	16 S	11 E	WM	24	NW NE	200	3.70	Howard Day Living Trust
74146	16 S	11 E	WM	28	NW SE	1000	13.30	Michael and Catherine Wallenfels
74147	16 S	11 E	WM	35	SE NW	1500	2.40	Robert and Gretchen Peterson
74146	16 S	12 E	WM	16	SW NW	800	0.43	Deschutes River Ranch Group, LLC
74146	16 S	12 E	WM	16	SW NW	700	3.17	Deschutes River Ranch Group, LLC
Total Acres							28.50	

4. Based upon review of the lease application and Department records, the Department has identified that a portion of the right to be leased is inconsistent with the Claim of Beneficial Use and Final Proof map for Transfer T-10512. The following portion of each right may not be leased instream at this time:

Certificate	Twp	Rng	Mer	Sec	Q-Q	Tax Lot	Acres	Lessor
74146	16 S	12 E	WM	16	SW NW	800	0.07	Deschutes River Ranch Group, LLC
74146	16 S	12 E	WM	16	SW NW	700	0.60	
74146	16 S	12 E	WM	16	SW NW	703	0.10	
Total Acres							0.77	

5. A portion of the lands involved in this lease originated from Certificate 76106. Allocation of Conserved Water project CW-9 cancelled Certificate 76106 and incorporated acreage under the 9/1900 priority date in Certificate 74146 (as described in Special Order Volume 54, Page 826, and Volume 64, Page 157). Lands involved in this transaction, included in this lease, are as follows:

Twp	Rng	Mer	Sec	Q-Q	Tax Lot	Acres	Lessor
16 S	12 E	WM	16	SW NW	700	4.70	Deschutes River Ranch Group, LLC
17 S	11 E	WM	2	NE NW	200	3.00	Big Rock Properties
17 S	11 E	WM	2	NE NW	201	6.10	Big Rock Properties
Total Acres						13.80	

6. The portion of the first right to be leased has been modified from the lease application and is as follows:

Certificate: 74146 in the name of Tumalo Irrigation District (confirmed by Tumalo Creek Decree of record at Salem, in the order Record of the Water Resources Director, in volume 1, at Page 135 and in volume 16, at Page 188)

Use: Irrigation of 77.45 acres, being 41.05 acres under the September 1900 priority date, 30.0 acres under the June 1, 1907 priority date, 3.4 acres under the May 27, 1907 priority date, and 3.0 acres under the August 5, 1900 priority date

Priority Date: September 1900, August 5, 1900, June 1, 1907, and May 27, 1907

Quantity: **Limit:** one-seventieth of one cubic foot per second (or its equivalent) and 1.8 acre-feet (af), measured at or within one-half mile of the land to be irrigated, for each acre irrigated during the irrigation season of each year

Source: Tumalo Creek, tributary to the Deschutes River

Authorized Point of Diversion (POD):

Twp	Rng	Mer	Sec	Q-Q	Measured Distances
17 S	11 E	WM	23	SW NE	POD NO. 1 (TUMALO FEED CANAL) – NORTH 70 DEGREES 21' WEST; 1550 FEET FROM THE EAST ¼ CORNER OF SECTION 23
18 S	10 E	WM	2	NW SW	POD NO. 2 – NORTH 14 DEGREES 02' WEST; 1713 FEET FROM THE SOUTH ¼ CORNER OF SECTION 2

Authorized Place of Use:

Twp	Rng	Mer	Sec	Q-Q	Priority Date	Tax Lot	Acres	Water Right Holder (Lessor)	
16 S	11 E	WM	27	SW NW	9/1900	206	6.50	Thomas Anderson	
17 S	11 E	WM	2	NE NW	9/1900	200	3.00	Big Rock Properties	
17 S	11 E	WM	2	NE NW	9/1900	201	6.10	Big Rock Properties	
17 S	11 E	WM	2	NE NW	6/1/1907	200	2.00	Big Rock Properties	
16 S	12 E	WM	30	NW SE	5/27/1907	2100	3.40	C.L.R. Inc.	
16 S	11 E	WM	24	SE NW	9/1900	800	2.60	Howard M. Day Jr. Trust	
16 S	11 E	WM	24	SE NW	9/1900	700	2.40	Matt Day Jr. Trust	
16 S	11 E	WM	26	SE SE	6/1/1907	700	15.00	Charles and Linda Frick	
16 S	11 E	WM	34	NW NE	9/1900	301	5.00	Keith and Rebecca Krueger Revocable Living Trust	
16 S	11 E	WM	24	NW SE	9/1900	1300	2.50	David Thwing	
16 S	11 E	WM	13	SE SE	9/1900	1400	2.50	Howard Day Living Trust	
16 S	11 E	WM	13	SE SE	6/1/1907	1400	1.00	Howard Day Living Trust	
16 S	12 E	WM	16	SW NW	9/1900	700	5.95	Deschutes River Ranch Group, LLC	
16 S	12 E	WM	17	NE SE	9/1900	2500	4.50	Deschutes River Ranch Group, LLC	
16 S	12 E	WM	17	NE SE	6/1/1907	2500	12.00	Deschutes River Ranch Group, LLC	
16 S	12 E	WM	17	NE SE	8/5/1900	2500	3.00	Deschutes River Ranch Group, LLC	
Total Acres							77.45		

7. Certificate 74146 does not specify the irrigation season. However, the Tumalo Creek Decree establishes the irrigation season for the area as April 15 to October 15.
8. Certificate 74146 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 No. 6), 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 PODs (described in Finding of Fact No. 6), the portion of the right involved in this instream lease would be limited as described in the table below. These rates and duty are also the quantities by which the diversion at the PODs under Certificate 74146 shall be reduced, if this instream lease is approved.

Priority Date	Rate (CFS)	Volume (AF)
August 5, 1900	0.400	5.40
September, 1900	0.387	73.89
May 27, 1907	0.045	6.12
June 1, 1907	0.402	54.00
Totals	1.234	139.41

9. The portion of the second right to be leased is as follows:

Certificate: 74147 in the name of Tumalo Irrigation District (perfected under Permit S-19628)

Priority Date: October 29, 1913

Use: Irrigation of 60.1 acres

Season of Use: April 1 to November 1, further limited as follows:

April 1 to May 1 and Oct. 1 to Nov. 1 described herein as Season 1

May 1 to May 15 and Sept. 15 to Oct. 1 described herein as Season 2

May 15 to Sept. 15 described herein as Season 3

Quantity: Rate: Season 1: 0.751 CFS (limited to 1/80th CFS/acre)

Season 2: 1.002 CFS (limited to 1/60th CFS/acre)

Season 3: 1.855 CFS (limited to 1/32.4th CFS/acre)

Duty: 595.59 AF (limited to 9.91 AF per acre)

Source: Tumalo Creek, tributary to the Deschutes River

Authorized Place of Use:

Twp	Rng	Mer	Sec	Q-Q	Tax Lot	Acres	Water Right Holder (Lessor #1)
17 S	11 E	WM	2	NE NW	200	0.2	Big Rock Properties
17 S	11 E	WM	2	NE NW	201	2.7	Big Rock Properties
16 S	12 E	WM	30	SE NE	100	13.2	C.L.R. Inc.
16 S	12 E	WM	30	NE SE	100	16.0	C.L.R. Inc.
16 S	12 E	WM	30	NE SE	2000	5.0	C.L.R. Inc.
16 S	12 E	WM	30	NE SE	2100	1.9	C.L.R. Inc.
16 S	12 E	WM	30	NW SE	2100	0.7	C.L.R. Inc.
16 S	11 E	WM	34	NE SE	1100	13.0	Stephen and Cynthia Lane Personal Residence Trust
16 S	11 E	WM	23	NE SW	516	3.0	Mark Murzin & Krista Knoernschild
16 S	11 E	WM	23	NW SW	516	2.0	Mark Murzin & Krista Knoernschild
16 S	11 E	WM	13	SE SE	1400	2.4	Howard Day Living Trust
Total Acres						60.1	

Authorized POD:

Twp	Rng	Mer	Sec	Q-Q	Measured Distances
17 S	11 E	WM	23	SW NE	TUMALO CREEK POD No. 1 (TUMALO FEED CANAL) – NORTH 70 DEGREES 21' WEST; 1550 FEET FROM THE EAST ¼ CORNER OF SECTION 23

10. Certificates 74146 and 74147 describe the authorized place of use by township, range, section, quarter quarter, and tax lots. The tax lots on which a portion of the rights to be leased have changed since these certificates were issued. Some tax lot configurations no longer match those shown on the map of the water right and some of the original tax lots identified on the water right of record have been partitioned or subdivided. The portion of the water rights to be leased described in Findings of Fact No. 6 and 9 are consistent with the water rights of record in so far as possible.

11. There are supplemental irrigation water rights appurtenant to all or a portion of the lands described in Finding of Fact No. 6 and 9. The Lessor and Lessee have requested that these water rights not be included as part of this lease application. During the term of the lease, water use under these rights will also be suspended.

12. 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.
13. The quantity of water that may be protected instream under Certificate 74147 requires modification. Use of water under every water right is subject to beneficial use without waste in accordance with ORS 536.310. Beneficial use is the measure and limit of all water rights (ORS 540.610). Certificate 74147 allows the diversion of up to 9.91 Acre-Feet (AF) per acre. As stated on the original permit (S-19628), the purpose of this water right is to secure the same duty for the District as fixed in the Deschutes River Decree, being 9.91 AF per acre. The Deschutes River Decree also identifies that the duty at the point of diversion includes transmission losses of 45 percent. Based upon review of the water right record and consultation with the Watermaster, the Department has determined that the full rates and seasonal volume allowed at the point of diversion must be reduced by 45% considering beneficial use without waste.
14. The lease application requests to protect water instream from Tumalo Creek into the Deschutes River. An instream reach is generally from the point of diversion to the mouth of the source stream (Tumalo Creek), but may be protected further if measurable in the receiving stream (Deschutes River) (OAR 690-077-0015 (8)). The quantity that may be leased instream from Tumalo Creek is measurable into the receiving stream, and may be protected into the Deschutes River.
15. The Lessors and Lessee have requested to protect water instream from the POD on Tumalo Creek (described in Findings of Fact No. 6 and 9) to the mouth of the Deschutes River. A portion of the water diverted at the POD returns to Tumalo Creek and to the Deschutes River within the proposed reach. Return flows from the existing use generally back in the river system once river flows reach the Madras Gage. To prevent injury or enlargement of the rights, the quantity of water that may be protected instream requires modification to account for return flows at the Madras Gage.

16. The instream use has been modified from the lease application to prevent injury and enlargement and is as follows:
Tumalo Creek, tributary to the Deschutes River

Instream Reach: From the Tumalo Feed Canal POD (as described in Finding of Fact No. 6 and 9) on Tumalo Creek and then into the Deschutes River to the Madras Gage

Priority Date	Instream Rate (CFS)							Instream Volume (AF)
	Certificate 74146							
	4/1 - 4/15	4/15 - 4/30	5/1 - 5/14	5/15 - 9/14	9/15 - 9/30	10/1 - 10/15	10/16 - 10/26	
8/5/1900		0.015	0.015	0.015	0.015	0.015		5.40
9/1900		0.203	0.203	0.203	0.203	0.203		73.89
5/27/1907		0.017	0.017	0.017	0.017	0.017		6.12
6/1/1907		0.148	0.148	0.148	0.148	0.148		54.00

Priority Date	Instream Rate (CFS)							Instream Volume (AF)
Certificate 74147								
10/29/1913	0.413	0.413	0.551	1.020	0.551	0.413	0.413	327.51
Totals	0.413	0.796	0.934	1.403	0.934	0.796	0.413	466.92

Instream Reach No. 2: From the Madras Gage to the mouth of the Deschutes River

Priority Date	Instream Rate (CFS)							Instream Volume (AF)
Certificate 74146								
	4/1 - 4/15	4/15 - 4/30	5/1 - 5/14	5/15 - 9/ 14	9/15 - 9/30	10/1 - 10/15	10/16 -10/26	
8/5/1900		0.015	0.015	0.015	0.015	0.015		5.40
9/1900		0.203	0.203	0.203	0.203	0.203		73.89
5/27/1907		0.017	0.017	0.017	0.017	0.017		6.12
6/1/1907		0.148	0.148	0.148	0.148	0.148		54.00
Certificate 74147								
10/29/1913	0.261	0.261	0.261	0.261	0.261	0.261	0.261	108.18
Totals	0.261	0.644	0.644	0.644	0.644	0.644	0.261	247.59

17. Other conditions to prevent injury and enlargement are:

Within the specified stream reach, the amount of water this right is entitled shall not exceed the quantity of water legally available at the original points of diversion. Stream channel losses and gains, calculated from available data and water use by senior appropriators, will determine the amount of water this right is entitled downstream from the original points of diversion, within the specified stream reach.

18. The amount and timing of the proposed instream flow is allowable within the limits and use of the original water rights.

19. 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 within the proposed reach and have been accounted for in the reach from the Madras Gage to the mouth of the Deschutes River.

20. 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.

21. 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.

22. 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.
23. 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.
24. 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.
25. The Lessors, Co-Lessor, and Lessee have requested that the lease terminate on October 31, 2016. The lease may commence on the date this final order is signed.

Conclusions of Law

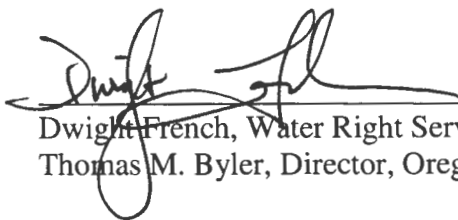
The Department concludes that the lease will not result in injury or enlargement, OAR 690-077-0077. The lease conforms to the applicable provisions of OAR 690-077-0015.

Now, therefore it is ORDERED:

1. The Lease as described herein is APPROVED.
2. During of 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, 2016.

Dated at Salem, Oregon this 16 day of August, 2016.

This document was prepared by Laura Wilke and if you have any questions, please call 503-986-0884.



 Dwight French, Water Right Services Division Administrator, for
 Thomas M. Byler, Director, Oregon Water Resources Department

Mailing date: AUG 18 2016