

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

In the Matter of the Short-Term Lease of)	FINAL ORDER TO
Existing Water Right for Instream Use,)	TERMINATE
Certificate 76358 and 76714, Deschutes)	INSTREAM LEASE &
County, Oregon)	MITIGATION CREDIT
		PROJECT

FINDINGS OF FACT

1. On January 26, 2005, a Short-Term Lease Application, which proposed to lease a portion of certificates 76358 (primary) and 76714 (supplemental) for instream purposes and to establish mitigation credits was submitted to the Department by:

Lessor #1

Eugene Gramzow Revocable Trust
Eugene Gramzow, Trustee
678 Rendezvous Court
Pagosa Springs, CO 81147

Lessor #2

Central Oregon Irrigation District (COID)
2598 N Hwy. 97
Redmond, OR 97756

Lessee

Deschutes Water Exchange (DWE) Mitigation Bank
PO Box 1560
Bend, OR 97709

2. The Department assigned this lease agreement number L-599 and the mitigation credit project number MP-30.
3. The lease application requested to protect water instream for five years, terminating on October 31, 2007. A Final Order approving this lease and mitigation credit project was issued by the Department on March 14, 2005, as evidenced by Special Order Volume 63, Page 388. The mitigation credit project was awarded 41.1 mitigation credits for use in the General and Middle Deschutes River Zones of Impact. These mitigation credits were assigned to the Deschutes Water Exchange Mitigation Bank.
4. The final order contains a condition allowing the lease and mitigation credit project to be terminated with written notification from all parties. On February 16, 2006, the Department received a request from Eugene Gramzow and COID to terminate the lease and mitigation credit project prior to the 2006 irrigation season. On February 21, 2006, the Department received a request from the DWE Mitigation Bank to terminate the lease and mitigation credit project.

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.

5. The lease was exercised during the 2005 water use period, ending on October 31, 2005. Mitigation credits were used during the 2005 calendar year.

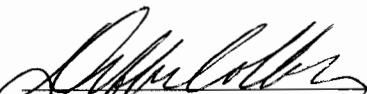
CONCLUSIONS OF LAW

The Department concludes that terminating the lease in advance of the 2006 irrigation season is consistent with OAR 690-077.

ORDER

Therefore, it is ORDERED that the Short-Term Lease described herein is TERMINATED and no longer in effect. The mitigation credits awarded to the Mitigation Project described herein are no longer valid.

Dated at Salem, Oregon this 24th day of February, 2006.

For 
Phillip C. Ward
Director

Mailing Date FEB 27 2006