

Lease Agreement No.:

**Short-Term Water Right Lease Agreement  
for  
Leases of Existing Water Rights for Instream Use**

This Lease Agreement is between:

**Lessor:**

Alex McDonald  
P.O. Box 7  
Ashwood, OR 97711  
(541) 489-3290-Phone

The water right to be leased is located in Jefferson County.

**Lessee:**

Oregon Water Trust  
111 SW Front Avenue  
Suite 404  
Portland, OR 97204  
(503) 226-9055-Phone  
(503) 226-3480-Fax

**Trustee**

Oregon Water Resources Department  
158 12th Street NE  
Salem OR 97310  
(503) 378-3739-Phone  
(503) 378-2496-Fax

**I.**

- 1.1 Lessor is the authorized agent for the owner (*Exhibit A*), of property shown in *Exhibit B*
- 1.2 Section 1.2 is not applicable
- 1.3 *Exhibit C* contains copies of the certificated rights attached to the property in *Exhibit B*. The rights are listed below as follows:

Certificate Nos. 2235 and ~~2236~~ *K6*

WATER RIGHT LEASE AGREEMENT

- 1.4 **Subject Water Rights.** Lessor proposes to lease all of the water right described under C-2235 in 1.3, above.

The right to be leased is further described as follows:

Water Right Identification No.: 2235

Source: Trout Creek

Priority date: 1889 and Aug. 1893

Type of use: Irrigation Domestic and Stock

Place of use: (map of irrigated lands is in *Exhibit D.*)

Aug. 1893

T. 10S, R. 16E, Sec. 1, SE¼ SE¼-12 acres

1889

T. 10S, R. 16E, Sec. 1, SE¼ NE¼-15 acres

T. 10S, R. 16E, Sec. 1, NE¼ SE¼-17 acres

T. 10S, R. 16E, Sec. 1, SE¼ SE¼-1 acre

Number of acres, if for irrigation: 45 acres

Rate: 1.12 cfs

Duty: A quantity of water limited to 270 acre feet during the irrigation season.

Season of use: All year

Points of Diversion (POD): Hamilton Ditches Nos. 4 and 5 NE NE sec 12, T10S, R16E

Conditions or other limitations, if any: None

- 1.5 **Validity of Rights.** Lessor attests that the subject water right is legally valid by having been beneficially used according to the terms of the right within the last five years immediately preceding the 1996 irrigation year and, if the right is for irrigation, on all lands indicated in *Exhibit D.*
- 1.6 **Lease.** Lessor agrees to lease the water right listed in 1.4 for instream use for the term of this Agreement through Lessee to Trustee, the Oregon Water Resources Department, pursuant to the provisions of ORS 537.348(2) and OAR 690-77-077.
- 1.7 **Suspension of original use.** During the period of the lease, the owner agrees to suspend use of water allowed under the subject water right and under any water right that is supplemental to the subject water right.
- 1.8 **Water use reporting.** The Trustee agrees to fulfill legal obligations related to water use reporting.

## II.

- 2.1 **Public Use.** The public use served by the amount, timing and location of the instream use provided for under this lease is:

specific uses and needs identified in *Exhibit E* as signed off by ODFW.

- 2.2 **Instream use created by lease.** The instream use to be created is described as follows:

Trout Creek, tributary to the Deschutes River

Location: From the P.O.D. described in 1.4 (near RM 30) to the mouth of Degner Canyon (near RM 25)

Priority dates: 1889 and Aug. 1893

Use: Instream (described in Section 2.1, above)

Total volume: A quantity of water limited to 270 acre feet during the irrigation season.

Rate: 1.12 cfs (Total)

0.82 cfs (1889)

0.30 cfs (Aug. 1893)

Period of use: All year

Conditions to prevent or mitigate injury, if any: The rate of the water right has been adjusted as follows to meet seasonal duty restrictions:

The total rate of the instream water right is 1.12 cfs. The instream flow will be allocated on a daily average basis up to this rate from June 1 until September 30, or until such time that the total duty for the irrigation season is met.


- 2.3 **Term of lease.** This Lease shall commence on January 1, 1996 (not before the date of final execution by the parties) and continue through December 31, 1996.
- 2.4 **Compensation.** Lessor has agreed to lease the water right herein to the Oregon Water Trust for cash and other considerations and for the benefit of the people of the state of Oregon.
- 2.5 **Flow protection.** The Trustee will regulate use of water from the source, subject to prior appropriation and the agency enforcement guidance, to assure the water is delivered to the point of diversion, and through the reach past junior downstream users, so long as flow is sufficient to meet the demand under priority date of the new instream use (see Section 2.2). No party is required to continuously measure the flow of the waterway described in Section 2.2.

### Optional Provisions

- 2.6 **Additional monitoring.** Lessor/Lessee intends to manage and participate in the protection of the instream use by: possibly collecting information for calculating stream discharge.
- 2.7 **Modification or termination provisions.** None

### III.

- 3 **Watermaster review.** By signature below, the watermaster for the district where the subject water right is located verifies that:
- 3.1 Lessor is currently entitled to appropriate water under the water right described in Section 1.4.
- 3.2 A suitable control is in place so that WRD staff may regulate use of water under the subject right to ensure water is not diverted or applied on lands to which subject right is attached.
- 3.3 Allocation of water to the new instream use described in Section 2.2 during the term of this lease is not reasonably expected to cause injury to other rights to use water from the same source.
- 3.4 Necessary conditions to the proposed instream use: None

Watermaster:  District: 11  
Kyle Gorman  
Field Services and Enforcement  
1340 NW Wall, Suite 100  
Bend, Oregon 97701  
(541) 388-6669  
(541) 388-5101-Fax

Date: 7-12-96

IV.

The Undersigned Lessor, Lessee and Trustee declare that, to the best of their knowledge and belief, the information contained in this lease is true, correct and complete.

Lessor: *Olaf McLeod*

Date: *July 1, 1996*

Lessee: *Arthur Purkey*

Date: *June 26, 1996*

So ordered by Trustee: *Mark D. Rife*  
Director, Oregon Water Resources Department

Date: *8/13/96*

Effective Date of Lease Agreement: *8/13/96*

Exhibits:

- Exhibit A: Power of Attorney Documentation
- Exhibit B: Description of Property and Proof of Property Ownership
- Exhibit C: Copies of all certificates, permits and decreed rights attached to property shown in Exhibit B
- Exhibit D: Detailed map illustrating lands irrigated by subject rights
- Exhibit E: Identification of public use to be served by instream use