

Exhibit F: COID Conserved Water Policy

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Central Oregon Irrigation District

Conserved Water Policy

Adopted: 10 May, 2005

A. Authority & Purpose. The Board of Directors (the “**Board**”) of the Central Oregon Irrigation District (the “**District**”) is required to adopt this Conserved Water Policy (this “**Policy**”) pursuant to Oregon Administrative Rule (“**OAR**”) 690-018-0025. The rule requires that if the District seeks allocations of conserved water pursuant to ORS 537.455 to 537.500, then it must adopt a policy that, at a minimum:

- Describes how water saved by conservation measures will be allocated by the District
- Describes how the District will address the allocation of conserved water percentages under ORS 537.470
- Provides District patrons the opportunity to fund a share of the conservation project that is proportionate to the patron’s share of the water rights involved in the allocation of conserved water and to receive a corresponding share of the conserved water
- Provides District patrons an opportunity to petition for a vote by all District patrons on this Policy
- Provides District patrons an opportunity to appeal a proposed District conservation project to the Board for failure to follow this Policy

The purpose of this Policy is to provide District patrons with the information required by OAR 690-018-0025 and to set the procedures by which this Policy will be implemented.

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B. Definitions. The following definitions shall apply in this Policy.

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1. “**Commission**” means the Water Resources Commission.
2. “**Conservation**” means the reduction of the amount of water diverted to satisfy an existing beneficial use achieved either by improving the technology or method for diverting, transporting, applying or recovering the water or by implementing other approved conservation measures.
3. “**Conserved Water**” means that amount of water that results from conservation measures, measured as the difference between:
 - a. The smaller of the amount stated on the water right or the maximum amount of water that can be diverted using the existing facilities; and

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- b. The amount of water needed after implementation of conservation measures to meet the beneficial use under the water right certificate.
- 4. **“District Allocation”** means the amount of Conserved Water allocated to the District by the Commission.
- 5. **“Funding Patron”** means a patron of the District that funds all or a portion of a water conservation project as provided in paragraph C of this Policy.

C. Policy of Board. Conservation Measures

- 1. Conserved water projects undertaken for the purposes of filing applications under ORS 537.455-500 are to address the following purpose:
 - a. Reducing certificated transmission loss within COID conveyance system on a cost effective basis.
 - 1. Allocation priority will be for establishing new acres of irrigation on a maximum 75% to irrigation and 25% to in-stream requirement, or as per Oregon Revised Statutes if different.
 - 2. Board shall reserve the right to altering the irrigation allocation based on the funding of the project by potential project partners for purposes other than irrigation for some for the allocation if found to bin in the best interest of the District.

2. Patrons May Fund Part of Water Conservation Project. Patrons may fund a water conservation project in an amount that is proportionate to the patron’s share of the water rights involved in the allocation of Conserved Water. Patrons that provide funding to the District for a water conservation project in advance, or within one year of, the District first making expenditures for the conservation project shall be a Funding Patron and receive the portion of the District Allocation to which Funding Patron is entitled under this Policy. Proportionate costs will include all costs associated not only with the completion of the project, but those costs associated with the planning and design of the project, all accompanying and necessary application and processing fees, including but not limited to legal and consulting fees to secure the Final Order from the Oregon Water Resources Department, and/or to respond to any legal challenges subsequent to receipt of the Final Order until conclusively resolved as determined by the Board of Directors:

Example Project:	Total Project Cost	\$200,000
	Total Conserved Water	300 acre feet
	Minimum In-stream Contribution (25%)	75 acre feet
	Net Available	225 acre feet
	Cost per Acre foot	\$889/acre foot

3. Allocation of Conserved Water. Except for a Funding Patron, no patron shall be entitled to any of the District Allocation other than the amount necessary to maintain the patron’s full rate and duty at its regular turn out(s). A Funding Patron shall be

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entitled to a portion of the District Allocation equal to the percentage of the funding for the water conservation project paid to the District by the Funding Patron.

D. Petitions to Vote on Policy. District patrons may petition the Board to hold a vote of all District patrons on the approval of this Policy. The petition must be signed by fifteen (15) percent of the total number of votes that may be cast in an election for a director pursuant to ORS 545.189(1) to be valid and to cause the District to hold a vote. Upon receiving a valid petition, the District shall hold a vote of all District patrons. The vote shall be whether to approve or reject this Policy. The vote shall be conducted according to the laws and procedures that govern District elections.

E. Appeal of Water Conservation Projects. Proposed water conservation projects shall be discussed and approved by the Board at any one of its regularly scheduled Board meetings. Patrons may comment on the proposed water conservation project during the Board meeting at which it is discussed. If the Board approves the proposed water conservation project, any patron in good standing may appeal the Board's decision in writing within two weeks from the date of the Board's decision. The appeal shall include the name, address, and telephone number of the patron appealing the Board's decision, a concise statement of the reasons the patron believes the proposed water conservation project does not comply with this Policy, and a concise statement of how the water conservation project should be modified to comply with this Policy. The Board shall consider a properly filed appeal at its next regularly scheduled meeting. The Board shall limit its consideration to whether the proposed water conservation project complies with this Policy. The patron appealing the Board's decision shall have an opportunity to address the Board concerning the patron's appeal. The Board may take any of the following actions: (1) grant the appeal and reject the proposed water conservation project, (2) modify the proposed water conservation project as proposed by the appealing patron to comply with this Policy, (3) direct the District Manager to modify the proposed water conservation project so as to comply with this Policy, or (4) reject the appeal and approve the proposed water conservation project as proposed.

F. Policy Review and Updates. The Board shall review and update this Policy at the first regularly scheduled Board meeting following every fifth anniversary of the Board either adopting or reviewing and updating this Policy. The Board may, in its sole discretion, review and update this Policy at any other Board meeting. The Board shall follow the process and provisions of this Policy, as required by OAR 690-018-0025(2), whenever reviewing and updating this Policy.

G. Applicability. This Policy applies only to applications for allocations of conserved water filed with the Oregon Water Resources Department by the District after November 5, 2004. This Policy does not apply to applications for allocations of conserved water filed by individuals, including District patrons.

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