

SWCD Assessment Suspension Policy

Background. Santiam Water Control District (SWCD) annually levies assessments, apportioned by acreage of appurtenant SWCD water right (District Water Rights), against all benefited lands. SWCD has the obligation to protect District Water Rights from forfeiture or loss. SWCD acknowledges that the process used by Oregon Water Resources Department (OWRD) to transfer the place of use of water rights is lengthy and complicated. SWCD also acknowledges that it is of benefit to the District to allow certain unused water to be leased in-stream to protect the District Water Right and benefit water quality and fish and wildlife.

1. **Purpose.** This policy establishes criteria and procedures for suspension of assessment payments on lands where landowner's interest in the District Water Right appurtenant to the land has been deeded to SWCD and where the District Water Right is involved in the OWRD process for transfer or instream lease.
2. **Policy Effective Date.** March 13, 2023.
3. **Criteria for Suspension of Assessments.** Assessments will be suspended on lands where the following criteria are met (Proposed Qualifying Properties):
 - a. Submittal to SWCD of a Water Right Deed.
 - i. Landowner has deeded the District Water Right to SWCD via quitclaim deed or other document approved by SWCD (Water Right Deed).
 - ii. The landowner has recorded the Water Right Deed with the county clerk and provided a copy of the stamped recorded document to SWCD.
 - iii. The deadline for submittal to SWCD of a recorded Water Right Deed is March 1st.
 - b. Payment to SWCD of Landowner Fees.
 - i. Upon receipt of the recorded Water Right Deed, SWCD will notify landowner of any applicable transfer, exit or other required fees due (Landowner Fees).
 - ii. Deadline for payment of Landowner Fees to SWCD for suspension of current year's assessment is March 1st.
 - iii.
 - c. Submission of OWRD Application.
 - i. SWCD will submit to OWRD, within 30 days of receipt of all item contained in 3a-b above but no later than March 1, either an instream lease application or place-of-use transfer application or notification for the portion of the District Water Rights in the Water Right Deed.
4. At the regularly scheduled March board meeting, the SWCD board of directors (Board) will review the list of Proposed Qualifying Properties and the fund balance. The Board

may approve Proposed Qualifying Properties (once approved “Qualifying Properties”) if it finds approval is in the best interest of the District after weighing the proposed properties and funds available.

5. Establishment of a District Transfer Fund.

- a. The Board approved the establishment of a district transfer fund on February 13, 2023.
- b. The District Transfer Fund will be funded by revenue received through and tracked independently within the Irrigation Sub District Fund. The establishment of the fund is for internal tracking purposes only and is not intended to have separate accounting or other Audit implications.

6. Procedures for Qualifying Properties.

- a. SWCD will file an annual lien on Qualifying Properties with the lien on all other district lands on or around March 15th.
- b. SWCD will use funds from the District Transfer Fund to pay the assessments due and file a satisfaction of lien with the county clerk for all Qualifying Properties on the next business day following April 15th.
- c. SWCD will continue to pay the assessments on Qualifying Properties until either of the following:
 - i. A permanent transfer of the place of use of the District Water Right, approved by the OWRD, from a Qualifying Property to a new place of use in the district; or
 - ii. An application for instream lease or transfer is denied by OWRD.
- d. If the District is notified of a pending application denial by OWRD, the landowner will be contacted and may provide additional materials or evidence to refute the pending denial by the department.
- e. If the application for instream lease or transfer is denied by OWRD for inability to show prior beneficial use by the landowner, then the water right reverts to its original place of use and the landowner will remain liable for all assessments from the date of denial forward.

where the District Water Right is involved in the OWRD process for transfer or instream lease. The policy also establishes a fund for the District to make payments on behalf of Patrons within this transfer process. The Board discussed the presented Assessment Suspension Policy. Per the Assessment Suspension Policy, at the regularly scheduled March board meeting, the SWCD board of directors (Board) will review the list of Proposed Qualifying Properties and the fund balance. The Board may approve Proposed Qualifying Properties (once approved "Qualifying Properties") if it finds approval is in the best interest of the District after weighing the proposed properties and funds available. The Board approved the current list as Qualifying Properties, with assessments totaling \$35,036.47. Any additional properties that may qualify will be presented to the Board for approval. The Board also discussed their decision made in February to turn off water to delinquent Patrons beginning this year. As well, foreclosure process will be initiated after 3 years now, rather than the previous 5 year timeframe. All Patrons that wish to avoid these collection actions must submit to the Board an approved payment plan that will catch up delinquent payments and keep the Patron account current moving forward. *Director Butler made a motion to adopt the Assessment Suspension Policy, Director Dozler seconded, policy is adopted unanimously. Director Butler made a motion to establish the fund with a balance of \$35,036.47, Director Keudell seconded, fund was established unanimously.*

Manager Stevenson presented a letter of engagement for Sanger Law PC. Sanger will work with PPA to establish a contract for sale of hydropower from the District to PacifiCorp, reestablishing our revenue stream for hydropower sales. *Director Koenig made a motion to authorize the District Manager to sign the engagement agreement, Director Belden seconded. Motion passed unanimously.*

Manager's Report-

Power canal/fish screen maintenance has been done. System was off for a week and the track hoe and new rake were used in the ditches to clean up wood and silt that had accumulated. Muck was cleaned out of the hydro system and a gate was repaired and rebuilt.

Treasurer's Report-

The accounts receivable report was reviewed. Manager Stevenson expects City of Salem to pay this week and is working with Jensen and Gabrielle as they work through legal issues.

The monthly bills were reviewed, of note, the blinds have been installed and the BOR annual billing is due. *A motion was made by Director Butler to approve the bills, Seconded by Director Belden. Motion to pay the monthly bills was carried and passed unanimously.*

Financial Statement – The Financial Statement was reviewed. The new mower and new trailer have not yet been delivered but are found in the budget for 2023. *A motion was made by Director Keudell to approve the financials, Seconded by Director Butler. Motion carried, passed unanimously.*

Manager Stevenson alerted the Board that OWRC will reimburse the district for \$1000 of travel expenses for the Washington DC lobby trip.

Adjourn –The Meeting was adjourned at 5:06pm