

Greenfields Irrigation District (District) Board of Commissioners (Board) Policies

1. STATEMENT OF OBJECTIVES

- A. To supervise and maintain all water rights filed under the laws of the State of Montana in cooperation with appropriate federal agencies.
- B. To deliver irrigation water equitably to all lands assessed by the District in the most efficient manner at a cost consistent with good management practices.
- C. To promote good water and soil conservation practices.
- D. To maintain the total irrigation system to the degree necessary to preserve the capacity and condition of the facilities.
- E. To maintain sound fiscal policies, including adequate reserves.
- F. To be constantly alert to technical advancement and adopt n

2. DEFINITIONS

A. Board

The term, Board, used herein, means the Board of Commissioners of Greenfields Irrigation District.

B. District

The term District, used herein, means the Greenfields Irrigation District.

C. Landowner

The term, landowner, used herein, means the person or persons, entity or entities owning an interest in land, and shall include all such persons or entities owning such interest, whose identities have properly been made known to the District.

D. Wateruser

The term, Wateruser, used herein, means the person or persons, entity or entities entitled to delivery of water from the District and shall include all such persons or entities having such right, whose identities have properly been made known to the District.

E. Taxes and Assessments

The term, Taxes and Assessments, used herein, means all charges made by the District for whatever purpose which are collected by the County Treasurer.

F. Other Debts, Due the District

The term, Other Debts, Due the District, used herein, means each and every financial obligation of every nature or type, excluding taxes and assessments owed to the District.

3. BOARD OF COMMISSIONERS

A. QUALIFICATIONS

1. Must be an owner of irrigable land within the division of the District he/she is to represent and shall be a resident of the County in which the division of the District or some portion of the division is situated. (85-7-1501 Montana Code Annotated 1993)
2. Be actively engaged in the actual farming of his/her own farmland and derive at least 50% of his/her net income from his/her farm operation.
3. Be willing to take the time necessary to attend and participate in Board meetings.
4. Must work well with others as a team and support majority decisions.
5. Must have ability to cultivate a receptive attitude toward propositions, rather than resisting change.
6. Be objective so that decisions will be made in the overall interests of the District without being influenced by religions, political, or other issues unrelated to the business of the District.

B. FUNCTIONS OF THE BOARD OF COMMISSIONERS

1. Operate within legal authorizations. The Board is responsible that its actions and the actions of the Manager conform to all Federal, State and local statutes and ordinances; provisions of Government contracts; and policies of the District.

2. The Board shall conduct regular and special elections in accordance with State statutes and the policies of the District (85-7-1702 and 12-1-401 Montana Code or as may be amended from time to time).
3. Execute all contracts and agreements. Authority to execute minor contracts may be delegated to the Manger.
4. Collect and disperse District funds.
 - a. Levy assessments, and/or toll charges.
 - b. Collect excess water charges and rentals and miscellaneous revenues.
 - c. Review and approve annual budgets.
 - d. Process payments on District obligation promptly.
 - e. Invest District reserve funds wisely in instruments protected by the Federal government.
 - f. Direct the Teton County Treasurer in the wise investment of all funds collected but not dispersed.
5. Maintain adequate and complete set of records and accounts.
 - a. Prepare annual financial reports.
 - b. Maintain permanent water ledgers.
 - c. Review Board policies on an annual basis after reorganization of the Board is completed.
6. Select and employ a competent Manager.
7. Furnish the Manager an approved set of operating procedures, criteria and standards.
8. When called on, be ready and willing to assist the Manager with major decisions. The Board shall share with the Manager in these responsibilities for the end results of any action involved in a joint decision by the Board and Manager.
9. Directs the public relations program and the dissemination of information the waterusers.
10. Carries on all the necessary functions of the District not previously mentioned or delegated to the Manager.
11. Review periodic reports from Manager and check for conformance to program policies, objectives and long-range plans.

These reports should be of sufficient scope and details to enable the Board to:

- a. Prevent unauthorized action .
- b. Determine progress in key operating areas.
- c. Determine where remedial action is necessary to prevent serious deviations.
- d. Measure performance against budget.
- e. Measure performance against long-range plans.

12. In cooperation with Manager, negotiates labor contracts and/or wage schedules.

4. ADVISORY BOARD

A. A seven-member Advisory Board will be appointed by the Board of Commissioners to assist the Board in establishing work programs, Board policies and fiscal responsibilities.

B. The Advisory Board will generally consist of area waterusers and business persons involved in agricultural activities.

C. The Advisory Board members are not restricted to waterusers nor are there any residency requirements.

D. The Board of Commissioners will appoint advisory Board members as necessary. The Advisory Board position will be for a term of three years and shall be limited to two terms.

E. The Advisory Board will meet with the Board of Commissioners as directed and will be reimbursed at rates and amounts consistent with the rates and amounts currently reimbursed to the Board of Commissioners.

5. MEETINGS

A. Regular meetings shall be held on the first Tuesday following the third working day of each month - provided this date does not fall on a holiday.

B. Special meetings may be called on 24 hours notice by the president or any two members of the Board.

C. A majority of the commissioners shall constitute a quorum.

D. The regular meeting agenda shall include at least the following:

1. Reading of the minutes of the previous regular meeting and any subsequent special meetings.

2. Review and approve of bills to be paid.

3. Hearing of any person(s) desiring to bring matters before the Board. Applicable subjects will be entertained under "new business"; Discussion on subjects requiring research will be limited, and the subjects will be placed on the agenda of the next meeting if deemed necessary. See also Section 5, G.

4. All motions considered by the Board should be recorded, together with vote taken.

F. Commissioners will be reimbursed at rates and amounts permitted under State law as amended from time to time.

G. Meetings shall be open to the public. Any person wishing to present a complaint, comment, or any other matter to the Board must request to do so to any Board member or the manager at least three days prior to the meeting. The request must include a description of the matter to be brought forth.

H. The regular Board meeting in February of each year should be noticed as a call for water user comment on the proposed budget for the following year. Any previous meetings of the Board for the purpose of receiving, reviewing, and altering the manager's "draft" budget proposal shall be structured to limit water user comment.

6. DELEGATION OF RESPONSIBILITY AND AUTHORITY FROM BOARD TO MANAGER.

A. The Board shall furnish the Manager a clear and complete statement of all the duties, responsibilities, and authority that are delegated to him. The statement shall be reviewed by the Board periodically and amended when necessary.

B. The Board shall delegate responsibility to the Manager to perform the following functions in conformance with Board's adopted policies and procedures:

1. Storage, regulation and distribution of District's irrigation water supply.

a. Releases from Pishkun Reservoir will be set so that an elevation of 11.40 on the staff gauge in the canal immediately below the dam is never exceeded.

- b. Maximum deliveries per farm unit not to exceed beneficial use.
2. Operate and maintain District's irrigation facilities, real property and equipment.
 3. Maintain District's accounts and records.
 4. Preparation and submittal of annual budget to the Board.
 5. Initiate and carry on the District's public relations program.
 6. Direct day-by-day operations of the District.
7. Re-delegate certain authority and responsibilities to subordinates.
 8. Recruit, select, appoint and terminate District staff.
9. Purchase equipment, supplies and contract services. The manager is delegated authority to make discretionary acquisitions of \$4,000 or less without specific Board approval unless otherwise directed.
10. Direct the activities of the District's operation and maintenance staff.

7. DUTIES AND RESPONSIBILITIES OF THE MANAGER

A. PLANNING

1. Formulates, with staff, viewpoints, objectives and policies to be recommended to the Board.
2. Formulates, with staff, short and long range plans, finances, and wateruser relation policies to be recommended to the Board.
3. Formulates, with staff, an annual work program and budget to be recommended to the Board.
4. Plan and develop a comprehensive safety program.

B. ORGANIZATION

1. Review periodically all activities of the District organization and initiate changes which will carry out the objectives of the District in the most efficient manner.
2. Determine the need for additional positions, transfers, reassignments, or the elimination of positions.

C. PERSONNEL

1. Develop standards and qualifications for use in recruiting, employing and promoting personnel.
2. Select, appoint, reassign and release employed personnel.
3. Avoid nepotism when hiring full-time employees. Relationships to Board members, the manager, or any supervisory employees to avoid include immediate family members and spouses, uncles and aunts, nephews and nieces, grandparents and grandchildren. This policy applies to hiring activity following its inception in March, 1993.
4. Prepare and present to Board for approval a systematic wage and salary plan for all job positions.
5. Adjust salaries for employees within the approved rate and salary plan adopted by the Board.
6. Evaluate new positions and reevaluate positions when responsibilities change substantially.
7. Periodically appraise performance of personnel and assist them to develop and improve.
8. Prepare and update written position descriptions for all permanent personnel.
9. Administer or approve activities or actions with respect to vacation, sick leave, holidays and other fringe benefits approved by the Board.

D. OPERATIONS

1. Directs the day by day activities of the District within the limits of his delegated authority.
2. Directs the operations of the District in accordance with objectives and policies of the District.
3. Re-delegates, within the limits of authority vested in him, responsibility and authority to staff assistant.
4. Designates staff assistant to act in his absence.
5. Directs approved public relations programs.

E. FISCAL

1. Directs the expenditures of funds in accordance with approved budget.
2. Invests or reinvests District's funds as directed by Board.
3. Purchases supplies, equipment and acquires contract services in accordance with delegated authority.

F. REPORTS

1. Submits periodic and special reports to Board on conformity of operations to approve objectives, policies and programs.
2. Submits periodic and special reports (including annual auditor's report) to Board on receipts, disbursements and cash balances to keep them informed of the District's financial status.
3. Maintains an accurate inventory of the District's property and assets and furnishes a current report of same to Board annually.
4. Reports unresolved wateruser complaints to the Board.
5. Submits periodic reports of employees' performance to Board.

8. ELECTIONS

A. ELECTION ADMINISTRATOR, APPOINTMENT OF DEPUTY. The Teton County Clerk and Recorder is the election administrator and is responsible for the administration of all procedures relating to the conduct of elections and will keep all records relating to the elections. The commissioners may request the election administrator to appoint the District secretary, or any other person it desires, as deputy election administrator who shall be responsible for the conduct of the elections.

B. ELECTION DATE. The regular election for commissioners with expiring terms must be held annually, either on the first Tuesday of April in conjunction with school elections, or at the District's annual water user appreciation meeting.

C. NOMINATION PROCEDURE. Candidates for the office of commissioner may be nominated by petition filed with the election administrator or deputy election administrator at least 75 days before the election and signed by at least five electors of the District. If no nominations are made, the following procedures must be followed:

1. For elections held with school elections, the electors of the District shall write on the ballots the name of the person or persons for whom they desire to vote.
2. For elections held with the annual meeting, the electors of the District may either accept nominations from the floor or write on the ballots the name of the person or persons for whom they desire to vote.
3. If there is only one nominee for a ballot position, the nominee may be declared elected by acclamation upon approval of the deputy election administrator.

D. ADVERTISEMENT OF POLLING PLACE. Not more than 10 or less than 2 days before an election, the deputy election administrator shall publish in a newspaper of general circulation a statement of the location of the polling place.

E. VOTING DEVICES AND DIVISION OF POLLING AREA.

1. The deputy election administrator shall provide a sufficient number of voting devices to allow voting to proceed with as little delay as possible. Voting devices must be arranged in a manner

that will not permit any other individual to see how the elector votes or has voted.

2. The election polling area may be divided to speed the election process. There shall be two or more election judges assigned to each section of the divided area.

F. BALLOT FORM AND CONTENT.

1. The secretary of state shall prescribe the ballot form for all types of ballots used in his state.

2. The names of all candidates printed upon the ballot shall be in type of the same size and character.

3. The ballots must contain the name of every candidate whose nomination has been legally received and shall contain no other names.

4. The candidates' names shall be printed under the precinct number for which the candidates are to represent.

5. Ballots shall be printed on the same sheet with a stub, separated by perforation.

6. When the stubs are detached, it must be impossible to distinguish any one of the ballots from another ballot for the same office or issue.

7. The stub shall extend the entire width of the ballot and have instructions printed on it.

8. Upon the face of the stub shall be printed the following: This ballot should be marked with an "x" in the square before the name of each individual or candidate for whom the elector intends to vote. The elector may write in or affix a preprinted label in the blank spaces or over any other name, the name of an individual for whom he wishes to vote and vote by marking an "x" in the square before the issue.

9. On the stub shall be printed or stamped the consecutive number of the ballot, beginning with the number 1 and increasing in regular numerical order to the total number of ballots required.

G. SAMPLE BALLOTS A sample ballot shall be posted near the entrance of the polling place, being a duplicate of the official ballot, but clearly distinguishable from the ballot.

H. APPOINTMENTS OF ELECTION JUDGES.

1. At least 30 days before the election the Board shall appoint 3 or more election judges, one of whom shall be designated chief judge. In addition, one alternate election judge shall be appointed for every three judges.
2. Election judges and alternate judges shall be qualified electors and chosen in such a manner as to obtain a reasonable cross section of representation from amongst the District's precincts.
3. No election judge may be a candidate or a spouse, ascendant, descendant, brother, or sister of a candidate appearing on the ballot.
4. At a convenient time prior to the election, the District may require that all appointed judges assemble for the purpose of instruction on the election procedure. The instruction shall be administered by the deputy election administrator or by a person appointed to the board.

I. PAY FOR ELECTION JUDGES

1. Election judges shall be paid at the prevailing federal minimum wage for the number of hours worked during an election plus the number of hours spent at the instruction session.
2. The chief election judge may be paid at a rate higher than the other election judges and may be reimbursed for the actual expenses of transporting election materials.

J. DUTIES OF THE ELECTION JUDGES.

1. The chief election judge shall be responsible for the conduct of the proceedings
2. The election judges shall meet at the assigned polling place at the time set by the deputy election administrator. The judges shall take and subscribe the official oath prescribed by the constitution. They may administer the oath to each other.

3. Before the polls are opened or closed, that fact must be verbally proclaimed at the place of election.

4. The election judges may not permit any individual to remain in any position that would allow him to see how the elector votes or has voted.

5. The election judges shall give complete instructions to all electors, and shall supervise the electors' activity.

6. There shall be no less than two election judges immediately on hand at all times when an elector is casting his/her vote.

7. The election judges continually monitor the polling place and report any misconduct to the chief election judge, the following being at least a partial list of items of misconduct of electors:

- a. Showing contents of a ballot to someone after it is marked.
- b. Receiving a ballot from a person other than an election judge.
- c. Attempting to leave the polling place with an issued ballot.
- d. Interference with election judges.
- e. Tampering with election records.
- f. Falsely representing his name or any other information.
- g. Signing a name on the voting list other than his own.
- h. Soliciting information of any kind which aids or promotes the success or defeat of any candidate or ballot issue within 200 feet of the polling place building.

K. RULES FOR ELECTION JUDGES.

1. Election judges may not leave the premises on which the polling place is located during the hours they are assigned to work unless permission to leave is given by the chief election judge. Permission may be granted for illness or a family emergency. The deputy election administrator may appoint a judge to replace an excused judge.

2. A chief judge must obtain the permission of the deputy election administrator to leave the polling place premises because of illness or an emergency. If the election judge is excused, the deputy election administrator shall appoint one of the other judges to act as chief election judge.

3. The election judges are permitted to vote during the election process, and shall do so at the earliest practical time when the polling area is uncontested.

4. Judges are to conduct themselves in an unbiased manner during the election, and shall not discuss the issues or candidates listed on the ballot, nor any discussion concerning the outcome of the election, nor discussion about the electors' voting nature.

5. Failure to abide by the rules set forth above will result in a warning by the chief election judge. If the violation continues, the chief election judge shall dismiss the violator and appoint another judge to fill the vacancy.

L. QUALIFICATION OF ELECTORS:

1. An elector must represent classified irrigable lands with District boundaries. The elector must show proof of ownership of lands by inclusion on District's list of ownerships available at the election poll, or by producing at least one of the following documents:

- a. An appropriate statement of the District with corporate seal affixed.
- b. The certificate of the county clerk and recorder.
- c. The certificate of the Dept. of State Lands.
- d. Record of ownership prepared by licensed title insurance producers.

2. An elector must reside in the State of Montana and be at least eighteen years of age. In case of designation of voting authority as described below, only the designated voter must comply with this residency rule.

3. A man and wife co-ownership must provide acknowledgment from both partners to cast a vote. In lieu of both partners casting a vote, a "Designation of Voting Authority" can be filed at the District to grant the voting privilege to one or the other.

4. The purchaser in a contract-for-deed co-ownership may vote on behalf of the owner.

5. If a recorded multi-ownership name does not reveal all persons with ownership interest in the land, further legal documentation must be presented:

a. Trusts - Trustees, not beneficiaries, will have the voting privilege. If the trustee(s) are not identified in the ownership name, then an indenture of trust or similar legal document must be presented.

b. Corporation - If all shareholders are not identified in the title of the corporation, a corporate resolution, or similar, must be presented which designates the voting agent.

c. Partnerships - If all partners are not identified in the title of the partnership, an appropriate legal document, such as a copy of the attorney general's certificate of partnership, must be presented to illustrate all names of the partnership.

6. Any ownership residing in the State of Montana may delegate any agent who is not part of the co-ownership to vote on their behalf. A proper form, appropriately signed by the co-ownership must be presented, and must specifically refer to the voter as "Agent". Ownerships residing out-of-state cannot designate an agent.

7. A co-ownership residing outside Montana may be represented by one of the co-owners if he/she resides in Montana.

8. A Power of Attorney is not a valid instrument for District elections unless the POA document so specifies.

9. Electors may vote absentee ballot. Electors must either pick ballot(s) up in person at the District office, or request them in writing.

M. NUMBER OF ELIGIBLE BALLOTS PER ELECTOR:

1. Electors are entitled to one ballot per forty acres or major fraction thereof. All ownerships having forty acres or less, no matter how small, are entitled to one ballot.

2. Whenever the majority of the Board adopts a resolution allowing it, each elector is permitted to cast one vote for each acre of irrigable land or major fraction of an acre of irrigable land owned by the elector within the District, irrespective of the location of such irrigable lands within the tracts designated by the commissioners for assessment and taxation purposes of within the congressional subdivisions, but any elector owning any less than one acre of irrigable land within the District is entitled to one vote.

3. The Board shall choose one of the following methods of balloting:

a. Single ballots shall be available. A ballot of a different color shall be available which shall represent a cluster of five (5) ballots. Electors will be issued combination of ballots to match their ownerships.

b. The elector shall submit a single ballot that includes the number of acres owned and the number of ballots being cast.

4. Commissioners are elected by the electors of the entire District.

N. VOTING PROCESS

1. Before a qualified elector is permitted to receive a ballot, he/she shall sign his/her name on the place designated on the District's official voting register directly across from the acreage for which he/she is qualified to vote.

2. Before delivering a ballot(s) to an elector, the number(s) corresponding to the number on the stub(s) of the ballot(s) to be issued shall be recorded in the voting register adjacent to the signature of the elector. The ballot(s) shall be stamped with the words "Official Ballot". No part of the stamp may appear on the stub.

3. The ballot(s) shall be issued to the elector. He/she shall be instructed to fold the ballot(s) once so that the vote is concealed and the stub exposed. After the elector has voted, the election judge shall remove the stub(s) in sight of the elector, placing the ballot(s) in the ballot box and the stub(s) in a box for detached stubs.

4. An elector may vote by absentee ballot under the following procedure:

a. An elector must request an absentee ballot either in person or by written request signed by the elector and transmitted to the deputy election administrator.

b. The deputy election administrator will issue, either in person or by mail, the appropriate number of ballots and a sealable envelope. He will also record the name of the elector and the number(s) of the ballots issued

corresponding to the number(s) on the stub(s), and stamp the ballot(s) with the words "Official Ballot";.

c. The elector must mark the ballots(s), fold the ballot(s) in such a way as to conceal the vote while keeping the stub attached and accessible, seal the ballot(s) in the envelope provided, complete the affirmation on the back side of the envelope, and deliver to the deputy election administrator, either in person or by mail.

d. The deputy election administrator will issue all absentee ballot(s) to the chief election judge on the day of the election. The chief judge will confirm the signature on the affirmation with the signed request for absentee ballot. If valid, he will open the envelope, check the numbers on the stub with the ballot numbers issued. If valid, the stubs will be removed and cast into a box of detached stubs and the concealed vote cast into the ballot box.

e. The chief election judge shall enter the name and number of ballot(s) of the absentee elector into the District's voting list register. The register should be appropriately marked "By Absentee Ballot(s)";.

f. All opened and rejected absentee ballot envelopes shall be kept together with other election records.

O. COUNTING AND CANVASSING THE VOTES.

1. Upon closing the poll, the election judge shall immediately count the votes publicly without adjournment until completed and the result publicly declared, the counting to be performed as follows:

a. Each ballot shall be first examined to see if the official stamp is affixed. If a ballot is found without the stamp, it shall be marked "Void-unstamped ballot";, and set aside.

b. If the ballot does not contain markings on one or more of the sections, the section(s) of the ballot without markings shall be marked "Void-unmarked ballot";, and a record kept of the section(s) involved. If markings on any section of the ballot are not plain, and it cannot be determined what the elector's intent was, the section of the ballot should be marked "Void-undetermined

markings", and a record kept of the section involved.

c. The votes should be counted and entered on an abstract form furnished by the deputy election administrator. The form must be signed by all election judges and returned to the deputy election administrator.

d. The results of the count shall be made publicly available. If the annual meeting is assembled at the close of the count, the chief election judge shall announce the results to the assembly.

P. INSTALLATION OF COMMISSIONERS, TERM OF OFFICE.

Within 40 days following their election, the commissioners shall meet and organize as a board by electing a president and a vice-president from their number. The president and vice-president shall each hold office at the pleasure of the board. The Board shall also hire a secretary, who may or may not be a commissioner. The term of office of each commissioner begins on the date of the organizational meeting after the regular election and continues for three years until the election and qualification.

Q. VACANCIES AMONG COMMISSIONERS.

In case of a vacancy in the board of commissioners, from any cause, the vacancy must be filled until the next regular or special election by appointment by the board. The remaining commissioners shall constitute a quorum for the purpose of filling any vacancy. If a vacancy exists for every position on the board, the District judge of Teton County shall make the appointments. The appointee must be an owner of irrigable land within the division of the District he represents and must be a resident of the county in which the division of the District or some portion of the division is situated. A commissioner appointed under this section shall hold office until his successor is elected and qualified.

R. SPECIAL ELECTIONS.

The Board may at any time call a special election and submit to the qualified electors of the District any question which under the provision of this chapter is required or which, in the judgment of the board, is proper to be submitted to popular vote. Such election shall

be called, noticed, and conducted and the result thereof determined and declared in the manner provided in Title 13, M.C.A.

S.

WHERE DOCUMENTS TO BE FILED AND PROCEEDINGS TO BE HELD. Whereas the lands of the District lie within more than one county, all petitions, papers, documents, or other instruments shall be filed and proceedings held in Teton County.

9. TITLE 85 - MONTANA CODE ANNOTATED.

Title 85 of the Montana Code Annotated, as periodically amended by State legislative action, will list appropriate State law which shall further govern District activities.

10. LAND PROVISIONS

A. IRRIGABLE ACREAGE ADJUSTMENT

1. Total irrigable acreage within the District which shall be included on the District's assessment role shall be confined to approximately 83,500 acres.
2. Minor irrigable acreage increases to a farm unit may be made if reclamation or conservation activity allows for the successful irrigation of formerly nonirrigable acreage. Minor irrigable acreage is defined as acreage being too small to effectively justify the administration of a water service contract within the farm unit.

B. ACREAGE LIMITATION

1. On November 8, 1995 (Amended on May 12, 1999), the Board adopted a resolution limiting the number of acres of the total of acres of land owned; and combined total acres owned and leased land, upon which a farm operation may receive District irrigation water as follows:
 - a. The maximum number of acres upon which a qualified recipient may be entitled to receive District water shall be limited to 960 acres. This maximum limit shall apply to the total of acres of land owned; and combined total acres owned and leased by qualified recipients.

b. The Board adopts into Board policy the applicable federal rules, regulations and definitions interpreting the Reclamation Reform Act of 1982 (96 Stat. 1269), Public Law 97-293, as they pertain to acreage limitations. The Board may from time to time modify its policy to include all or portions of any future changes in federal policy which pertain to acreage limitations or may formulate its own policy related to acreage limitations. However, the Board shall not change the limitation of 960 acres without the approval of the number of owners and holders of title or evidence of title to lands included within the District set forth in House Bill 170, section 2(b) of the 1995 Montana State Legislature.

c. The Board may, at its discretion and without obligation to continue to do so, choose to deliver District water to qualified recipients who lease land in excess of 960 acres. If so, the Board shall impose additional charges for water delivered to these lands.

2. All landholders as defined by the Act shall annually certify their landholdings with the District, such current certification to be kept on file by the District.

3. The District will withhold water to any landholding not currently or properly certified.

4. On November 8, 1995 (Amended on May 12, 1999) the Board adopted a resolution imposing an additional fee for District irrigation water delivered to qualified recipients who lease land in excess of 960 acres as follows:

a. The District will deliver water to qualified recipients who lease land in excess of 960 acres. Qualified recipients who lease lands in excess of 960 acres must designate which lands are excess. The qualified recipient must further designate which excess lands will receive District water and which excess lands will be dry land, not receiving District water.

b. An additional charge of three times the current regular assessment will be levied by the District against any acres designated as excess and receiving District water. This charge is in addition to the regular

assessment. Excess lands designated as receiving District water will be allotted an amount of water equal to the regular allotment for the given year, up to but not in excess of two acre feet per acre. There will not be an additional charge for excess lands which are designated as dry land by the qualified recipient and do not receive District water.

c. A charge of one half of four times the current regular assessment will be levied against each acre-foot of District water delivered to excess lands which is in excess of the regular allotment for the given year.

11. DISTRIBUTION OF WATER

A. GENERAL

1. The existing water supply for the District is to be distributed to all classified irrigable acres under water rights vested in the name of the Bureau of Reclamation and the District. Any water determined to be surplus by the Board shall be distributed to non-classified irrigable acres through water Service Contracts executed by the Board and the individual waterusers. (See section 9)
2. Water is to distributed on the basis of beneficial use only.
3. The irrigation season is approximately May 1 through October 15 and subject to conditions of weather, soil moisture and available water supply.
4. The District watermaster and the District water clerk will collectively administer the storage, release from storage, and distribution of water to the divisions of the District.
5. Ditchriders will be responsible for the complete manipulation of water within the divisions which shall include the safe operation of all structures, the execution of water orders, and the accountability of all water within the division on a daily basis.
6. All reaches of the canals, laterals, and sublaterals shall have a rated capacity based on their designated service area and their hydraulic properties. Capacity ratings shall be a minimum of 3 CFS per 80 acres for ditch reaches serving 2,500 acres or less; 2.4 CFS per 80 acres serving 2,500 acres to 5,000 acres; and 1.6 CFS per 80 acres serving over 5,000 acres. Waterusers shall be allowed to receive additional flow rates when ditch capacity is available but

may be limited if service to others is impeded. Ditchriders will be responsible to adjust the flow rates in a fair manner according to originally designated irrigable acres possessed within the boundaries of a particular ditch reach. Any service to acres in excess of the originally designated service area served by a particular ditch reach shall have the least priority and shall be granted only if such service does not impede in any fashion the flow rate being demanded by the originally designated service area.

7. All District facilities including check structures and farm turnouts shall be operated solely by District personnel. Any operation of District facilities by others will result in the locking of such facilities.

8. It shall be the duty of the ditchrider to maintain and record accurate daily records of all water diversions. This will include:

- a. Canals
- b. Laterals
- c. Farm deliveries
- d. Water Service Contract deliveries
- e. Wasteway spills

9. The District office shall maintain daily records on the items listed in Article 11, A-8, and shall make records available to wateruser at all times.

10. Ditchriders will be advised of delinquent accounts, and waterusers with delinquent water taxes must present a taxes paid receipt to the District office prior to delivery of water.

11. The District reserves the right to shut down or delay deliveries of water in order to perform emergency or otherwise necessary maintenance of the District facilities to assure safe and efficient water operations.

12. District personnel and waterusers shall be conscientious of erosion problems in wasteways and drainage systems which extend to their confluence's of the Sun River and shall take all reasonable steps to reduce such erosion problems.

B. BASIC WATER ALLOTMENT

1. A basic water allotment of two acre-feet per assessable acre per year shall be made available to waterusers at the wateruser's point of delivery. All GID water delivered to GID waterusers on assessed acreage within the GID Project Boundary will be charged to the

basic water allotment of the individual wateruser regardless of the source of water (i.e. canal, pond, drain, etc.). This allotment is based on the following premises:

- a. Wise and efficient use of water is needed to prevent excessive farm surface and subsurface wastes causing degradation of drainage systems.
 - b. Annual water requirements for the Greenfields area as determined by the Bureau of Reclamation is about 1.5 acre-feet per acre.
 - c. Wise and efficient use of water is needed to prevent system overloads during peak consumptive use periods.
2. In the event that a predicted water shortage might occur, the Board may reduce the basic allotment to assume a fair distribution water. The reduced allotment may be raised or lowered at any time during the irrigation season in response to water supply outlook.
3. Waterusers who have used a significant amount of their allotment will be notified at least every two weeks of the amount of water used. The wateruser shall be responsible to keep his own records and shall promptly settle any discrepancies concerning District records. Water records are final on November 30 of each year and no adjustments will be made thereafter.

C. WATER RATIONING

1. For the purpose of distribution of water the District shall be divided into eight divisions of comparable size. The District watermaster shall apportion water to each division in a manner to assure fair and equitable distribution of water to the entire District. Factors affecting the distribution to divisions are division size, wateruser demand, and effective reuse of return flows. The ditchrider of each division shall, under the supervision of the watermaster, distribute water within the division in a fair and equitable manner.
2. During times of water shortages caused either by a short water supply in the Sun River Basin, or a situation where demand exceeds the capacity of District distribution facilities, the ditchrider shall, under the supervision of the District watermaster, implement a water rationing plan within the divisions according to the following conditions:

a. Whenever demands within a division exceed the supply of water apportioned to the divisions exceed the supply of water apportioned to the division, rationing shall be conducted so as to distribute the supply of water evenly throughout the acreage demanding water service.

b. A wateruser shall be allowed a ration comparable to the total number of acres he/she operates. The land certification records as filed pursuant to Public Law 97-293 shall be used in determining the operator of each farm unit.

c. A wateruser shall be allowed to combine and distribute his/her ration amongst farm units he/she operates except as noted in Article 11, C-2-e, and except where lateral capacity is exceeded and fair distribution of water to others is jeopardized.

d. Waterusers may mutually agree to combine and reciprocate his/her ration with another wateruser if approved by the ditchrider.

e. Waterusers who operate farm units in more than one division will receive computed rations in each respective division. Each wateruser will be allowed to transfer a total minimum of 2 CFS and a total maximum of 3 CFS from all divisions.

D. DISCOUNT RATES FOR EARLY IRRIGATION SERVICE

1. The Board may elect to encourage early irrigation during the flood season by reducing the basic allotment balance one-half of the actual water received.

2. The discount season will usually be initiated at the beginning of the season and will usually end the day releases from Pishkun Reservoir exceed Pishkun Reservoir inflow or when post-flood season drawdown at Gibson Reservoir begins. The discount season will not be initiated if the spill at Gibson Reservoir is due to rainfall precipitation only and the snow water content for the Sun River watershed above Gibson Reservoir is negligible.

E. WATER ORDERING PROCEDURE

1. Water deliveries must be ordered on and ordered off in accordance with the following conditions:

a. Request for water delivery must be made between the hours of 7:30 AM and 4:00 PM on the second day prior to the intended delivery date. Premature delivery of water will be allowed only if approved in advance by the watermaster.

b. Waterusers desiring to terminate a water delivery shall request such termination between the hours of 7:30 AM and 4:00 PM on the day before such termination is to be executed. Water will be charged to the unit(s) for a 24 hour period following the termination notice regardless of the actual time of termination.

c. Requests for transfer of water from one delivery point to another within the same ditchrider division must be made between the hours of 7:30 AM and 4:00 PM on the day preceding the desired time of transfer. Requests for transfer of water from one ditchrider division to another must be made between the hours of 7:30 AM and 4:00 PM on the 2nd day prior to the intended transfer date.

d. Orders may be received through a designated ditchrider mailbox, by mail, or by phone contact with the District receptionist or water clerk.

e. Phone orders must be received by 4:00 PM. Any order received after 4:00 PM will be acknowledged as received on the following day.

f. The District will encourage no water deliveries to be made on Sunday. Execution of "off" orders and transfer orders will be performed on Sunday during peak irrigation seasons only.

F. STOCK WATER Use of canals, laterals, distributaries, and drains as a source of stock water after October 1 of each irrigation season shall not be permitted. If the irrigation season ends prior to October 1, then only drains can be utilized for stock water up to October 1. This policy does not affect the normal running water in open drains, but is set forth to prohibit diverting water into a system which would not normally run water during the "off-irrigation" season. The District may require landowners to fence livestock out of the rights-of-way if persistent damage to canals, laterals, distributaries and drains occurs. The District will not totally deny landowners access to the canals, laterals, distributaries, and drains for stockwater unless extraordinary maintenance is required. If repairs and/or fencing are required to maintain and control the access of stock to canals, laterals, distributaries, and drains, then the adjacent

landowner will be responsible for the related costs. If stockwater is demanded on a distribution system where water is not being delivered to other downstream users, the amount of stockwater delivered will be charged against the wateruser's basic allotment.

12. EXCESS WATER PROVISIONS

A. Excess water is defined as that water used in excess of the basic allotment and may be delivered when available. The rate for excess water shall be set by the Board annually. Excess water shall not be delivered if it interferes with delivery of the unused basic allotment remaining to other waterusers, and repayment for use of excess water may be required by the Board before delivery is made.

B. Payment for excess water used over and above the basic allotment shall become due and payable before November 30 of the year in which it was used. After November 30, the bill shall be delinquent and carry an interest charge of 12% per annum. No water will be delivered to waterusers who are delinquent in payment of excess water.

C. At the end of the irrigation season, a wateruser may transfer water amongst any farmunits he/she operates for the purpose of reducing excess water charges, but if water is transferred from lease land to any other land not under the same ownership, the owner of the leased land must have filed written permission with the District allowing such transfer. Written permission must be on file prior to the immediate irrigation season. The land certification records as filed pursuant to Public Law 97-293 shall be used in determining the operator of each farmunit.

13. WATER SERVICE CONTRACTS

Any delivery of water made to lands not assessed by Teton and Cascade County shall be made only by execution of a Water Service Contract. Contracts can be executed by the Board during Board meetings. Water Service Contracts shall be limited to renewals only, no new Water Service Contracts shall be executed after May 9, 2000.

A. LANDS NOT CLASSIFIED IRRIGABLE

1. Delivery of water under a Water Service Contract (contract land) will be made only if the Board determines that surplus water is available and appropriate capacity in the distribution system is available to serve contract land.

2. Water served to contract holders will be by priority according to the date the contracts were first executed; the oldest contracts will receive the higher priority.
3. All structures associated with the delivery of water to contract lands from District facilities shall be installed and maintained by the contract holder. Any structures installed within the District's rights-of-way must be approved by the District prior to installation.
4. The cost of water delivered under Water Service Contracts shall be determined by the Board and shall reflect the cost of construction, rehabilitation, operation and maintenance of all project facilities.
5. The amount of water delivered to contract lands shall be measured by the ditchriders and such measurements will be the basis for charges. All contract holders must install adequate measuring devices unless a negotiated charge per acre is included in the contract.
6. The water ordering procedure described in Article 11, E will also apply to contract holders. All turnouts are to be operated by District personnel.
7. Water Service Contract holders are not entitled to a discount period established to encourage early irrigation.
8. If on-farm improvements, i.e., land leveling, sprinkler systems, etc., result in the incidental irrigation of contract lands as defined in Article 13, A, then the contract lands shall have the same priority date as assessed land provided the contract land does not constitute more than 20 percent of the land under irrigation in the improved area. If the contract land in the improved area constitutes more than 20 percent of the improved area then water will be serviced to the contract and by priority as specified in Article 13, A-2. This applies to Water Service Contracts dated July 1, 1995 or later.
9. If water is not available to contract lands due to limited water supplies and a junior priority date as described in Article 13, A-8 and it is not possible to discontinue irrigation to the contract land without disrupting irrigation to the assessed land in the improved area then the contract land may be served water at the same priority date as assessed land if an amount of assessed land equal in acreage to the contract land is not irrigated during the time that it would otherwise not be possible to irrigate the contract land.

B. CLASSIFIED IRRIGABLE STATE LAND

1. Contract holders will be granted the same priority for receiving water as all other classified irrigable acreage.
2. All contract holders will be levied a water service charge per acre equivalent to the current per-acre assessment levied all other irrigable acres.
3. All conditions listed in Article 11 (Distribution of Water) and Article 12 (Excess Water Provisions) shall apply to the service of water to classified irrigable State lands.

14. DISTRICT STRUCTURES

All modifications to and maintenance of District structures will be performed solely by the District unless specified otherwise in Article 14, A through F. Modifications include the addition and/or removal of District structures. The District will operate and maintain District structures at the expense of the District with the following exception. If the landowner does permit livestock, vegetation, debris, trash, or other destructive farm operation to occur at the District structures, the District will bill the landowner for full reimbursement of maintenance expenses.

A. FARM TURNOUTS

1. The number of turnouts to a farmunit will be that number which existed at the time the farmunit was established or amended. This is normally one farm turnout.
2. On purchased land (public land having assessable land, sold by United States) turnouts will be those provided at the time of the sale of land or approved by the Board.
3. On subdivision of farmunits (subdivision defined as a farmunit divided) no additional turnouts will be provided. The Board may, at its discretion, give consideration to a farm turnout request when the original farmunit is divided into parcels of not less than 50 acres. If approval is given for an additional turnout, the landowner requesting the turnout must pay all costs for a control structure, turnout and measuring device. The District thereafter will retain title to and maintain the structure. On all subdivisions of original farmunits or reorganized farmunits, regardless of acreage, it shall be the responsibility of the purchaser and seller of the land to provide a right-of-way across the farm to permit delivery of water to

the subdivided land. Capital construction and maintenance costs of the distribution and drainage system cannot be waived because of the method of subdivision.

4. Special consideration. Under certain conditions which will not create distribution problems or affect the welfare of District operation and will conserve water, the Board may authorize special turnouts upon application of landowner when it requires unusual or special conveyance. The landowner shall pay for all costs of installing an approved designed farm turnout measuring device and any other appurtenances, except as provided in Article 17, J.

5. Change of point of delivery. The landowner may be granted permission to change the point of delivery from the original farmunit or previously amended farmunit to a more convenient point. This amended delivery point will be installed and maintained by the District only if the previous point of delivery has been removed during construction and permanently abandoned.

B. WEIR POOLS The District will normally accept the responsibility of keeping weir pools clean provided that the landowner does not block access or permit livestock or other destructive farm operation to occur at the weir pool which will accelerate the need or frequency of cleaning. The Board may assess charges to the landowner where the operations of the landowner has contributed to the problem.

C. MEASURING DEVICES.

1. All measuring devices which are approved by the Board, acting through the management, will be maintained by the District. All cipoletti weirs must have their blades and gauges unless by special determination the management recommends that the blade should be removed.

2. Cipoletti, V-notch and rectangular weirs, flow meters, ramp flumes and parshall flumes are the standard measuring devices acceptable to the District. Unless conditions otherwise determine, the above measuring devices shall be used to avoid supply and administrative problems.

3. Any on-farm improvements, i.e., land leveling, farm delivery structures, sprinkler systems, etc., must be engineered so as not to interfere with the original or amended measuring device. The Board may grant permission to change the measuring device providing that the landowner installs an approved standard system at his own expense. Interference with existing measuring devices without an

approved measuring device shall be basis for non-delivery of water by the District.

4. Where abnormal or unusual conditions exist (normally on a temporary basis) the rate of charge for delivery of water (amount) shall be that determined by the ditchrider. Abnormal conditions may include temporary pump units, pipe installations, etc.

5. Sprinkler systems. By special agreement signed by the landowner and the District, the water may be measured by use of manufacturer's design based on pump, meter size, operating pressures, number of sprinklers, etc. The water will be charged on basis of water "on" and "off" orders, the same as gravity flow. The District may require a sprinkler bypass system to prevent water from returning to the distribution system during power interruptions, such system may be required at the time of sprinkler development or at any other time thereafter.

D. WASTE DITCH

1. A waste ditch shall be defined as a shallow surface drain whose primary purpose is to remove surface waste water from a farm or farms. The landholder shall have the responsibility for maintenance of a waste ditch from his farmunit until the point where it enters the invert elevation of a main drain. This responsibility is the same whether it is a single or multiple farm waste ditch. On a multiple farm waste ditch, it is the responsibility of all landholders to maintain the entire length of the waste ditch.

2. Structures must be maintained by landholder where surface waste water is directed into a drain maintained by the District.

3. Because waste water is not controllable and not a dependable water supply, it will not be permitted to enter directly into a District supply or distribution system without District approval.

4. Failure of landholder to maintain the waste ditch or structures shall be the basis for the Board to withhold delivery of water until the waste ditch is properly maintained.

E. OPEN DRAINS

1. All waste water entering a constructed drain must have pipe inlets provided by landowner, installed and maintained to District specifications.

2. No sewage connections will be permitted nor drainage from corrals.
3. Livestock watering in drains will be permitted only when banks are stable and can accommodate livestock traffic. Any persistent damage by livestock to unstable drains will not be permitted. Controlled access areas installed to District specifications will be permitted.
4. The District will maintain all drains unless by special arrangement agreed upon by the Board and landowners.
5. The right-of-way shall not be encroached upon by the landowner. The District shall have authority to maintain the right-of-way.
6. Weed control shall normally be the responsibility of the District. Weed control may also be performed by landowner and any claim for expenses involved by the landowner must have prior Board approval.
7. A landowner may close or otherwise alter an open drain only upon express permission from the District. The landowner will accept full responsibility for any subsequent seepage or damage to his/her property as well as any adjacent property.

F. CLOSED DRAINS

1. Maintenance will be performed by the District.
2. Manholes must be maintained as installed, in particular those located on an angle point or junction of two drains. Manholes in fields may be lowered upon approval of the District and then only after the fourth irrigation season.
3. No sewage or effluent connections may be made into closed drains.
4. The right-of-way to maintain drains is a permanent right-of-way and maintenance of drains will be conducted to cause the least amount of interference or damage to the landowner.

15. RIGHTS-OF-WAY

- A. GENERAL All rights-of-way for maintenance of canals, laterals, distributaries, and drains of all types, shall be operative under conditions solely defined by the Board. Interference with O&M activities shall not

be permitted and, if authorized, the District shall reestablish the right-of-way at the expense of the landowner.

The District cannot grant permission to third parties to use District rights-of-way for any purpose. Where rights-of-way are owned in fee, the District may grant use of right-of-way upon Board approval.

B. O&M ROADS

1. Maintenance of roads is the responsibility of the District. District will maintain roads only to satisfy District operations.
2. O&M roads are not public roads and any unauthorized persons using the roads are traveling at their own risk.
3. Each canal, lateral and open drain shall have a right-of-way sufficient to maintain a O&M road. Where convenient and practical, county roads will be used as O&M roads.

C. FENCES No fences shall be installed within the District's right-of-way for open waterways including main canals, laterals, sublaterals, open drains and wasteways without permission from the Board. By special request and approval, temporary gates may be permitted on District right-of-way by the Board by issuance of a permit. Fences may be permitted by the Board only when sufficient area is left by the landowner for proper operation and maintenance of the waterway. The District shall not be liable, however, for fences installed within the right-of-way, and it shall be the landowner's responsibility to remove the fence at his own expense whenever the District deems necessary. Upon failure to remove the fence upon request, the landowner shall be billed for the cost of removal. The landowner shall be responsible for reinstalling any fences removed by the District.

D. FENCE GATES AND CATTLE GUARDS Fence gates across the District's O&M roadways must remain open during the irrigation season (whenever water is being supplied from Pishkun Reservoir). Cattle guards may be installed, but to District specifications. Cattle guards shall be heavy enough to permit a minimum load of 15 tons. The minimum width shall be determined by District personnel; normally this width is 12 feet. The District shall not be responsible for maintenance of cattle guards installed by the landowner. A fence gate shall be provided by each cattle guard to permit heavy track equipment or other heavy loads to bypass the cattleguard. Where possible, the gate should be adjacent to the canal. Cattle guards will be installed at the full expense of the District when the installation of said cattle guard is only for the benefit of District Operations and Maintenance.

E. UTILITIES

1. District distributaries within the County road dedication have prior right-of-way. Any utility constructed on District right-of-way without written consent approved by the Board must assume any and all costs involved when the District performs operation, maintenance or rehabilitation within the District right-of-way.
2. All utility crossings of District rights-of-way must have written consent approved by the Board, through special-use permits issued by the District or Bureau of Reclamation.

F. CROSSINGS (BRIDGES, CULVERTS, FLUMES)

1. Erection of bridges, culverts or flumes within or across the waterways of the District shall be allowed only upon express permission from the District, and in accordance to specifications approved by the District.
2. The District shall be responsible for the construction of crossings necessary to provide reasonable access across all newly constructed or rehabilitated waterways.
3. The ownership and future maintenance of all crossing facilities shall rest with the parties utilizing the facilities regardless of who constructed the facilities. The District shall participate in the maintenance of crossings to the extent that such crossings are used by District personnel in the operation and maintenance of its project features.

16. COLLECTIONS AND DELINQUENCIES

- A. The treasurers of Teton County and Cascade County shall collect the O&M and Construction charges levied against each irrigable acre within the District.
- B. The District Secretary shall collect other charges against District waterusers and others, including excess water fees, Water Service Contract fees, fees for equipment, materials, and labor supplied; grazing lease fees; administrative fees associated with small tracts; and other miscellaneous fees.
- C. An administration fee of \$25 will be assessed against all waterusers operating less than 20 acres to cover extra District expenses in

administering small tracts. No administration fee will be charged to any farmunit not receiving water in the preceding irrigation season.

D. An administration fee of \$12 may be collected from any individual or institution requesting irrigable acreage, assessment, or indebtedness information concerning a farmunit. A \$50 fee will be collected from any individual or institution prompting a splitting of irrigable acreage within a forty acre tract.

E. RULES OF PROCEDURE FOR TERMINATION OF DELIVERY OF WATER

1. Definitions:

a. see also Definitions in Article 2.

b. Resolution

The term, Resolution, used herein, means the Resolution the District, dated the 10th day of October, 1984 adopting a policy of termination of water service for nonpayment of taxes and assessments and other financial obligations owed the District and adopting the rules regarding procedure for termination of delivery of water service for such nonpayment.

c. Rules

The term, Rules, used herein, means the Rules of Procedure for Termination of Delivery of Water to waterusers of the District, adopted by the Resolution.

2. Notice of intended termination of water delivery.

a. Time of issuance

(1) Initial notice. A notice of the District's intent to terminate delivery of water, under District's termination policy for nonpayment of taxes and assessments and other debts due the District shall be delivered to the wateruser and the landowner whose rights and interests would be affected by termination of water delivery to the land in question. The initial notice may be given to any wateruser or landowner who is delinquent in payment of taxes and assessments or other debts due the District on December 31 of any year. It is the intent that the initial notice will be issued on or about February 28 with regard to delinquent taxes and assessments and other debts due the District as of December 31 of the immediately preceding year.

(2) Final notice. If no response is received by the District to the Notice sent under Paragraph E2a(1) above, the District shall deliver a final notice to the person or persons to whom the initial notice was sent, such notice being sent no later than March 31 of the calendar year in which the initial notice is issued.

(3) Method of giving notice. Notices required to be given under Rule E2a may be delivered either by personally delivering such notice to the persons entitled to receive it, or in the US Mail, postage prepaid and addressed to each person at their address last known to the District. The fact that the District causes either the initial or final notice to be personally delivered to some persons entitled to receive them shall not prohibit the District from mailing the said notices or either of them to other persons entitled to receive them. Delivery of the notice will be deemed to have been made upon its deposit in the US Mails as required in this paragraph. In the event that the final notice, described in Rule E2a(2), shall be delivered by the US Mails, it shall be sent Certified, Return Receipt Requested.

b. Content of notice of intended termination of water delivery. The notice required to be sent under Rule E2 above shall contain the following information:

(1) Identification of the wateruser and landowner affected by the proposed termination;

(2) A listing of the amount due the District for taxes and assessments and each other debt due the District;

(3) A statement of when the proposed termination of water delivery will take place;

(4) A statement informing the party that he or she may contest the delinquency or make a claim of inability to pay to the Board at the Board's April regular Board meeting;

(5) A copy of the District's policies regarding termination will be attached to each notice delivered

under Rule E2 or it must be state that the policy is available and will be issued upon request.

3. Grounds for termination of water delivery. Any delinquent taxes and assessments or other debts due the District which are not paid by the 31st day of December preceding the current water season will be grounds for terminating delivery of water to waterusers involved in such delinquencies unless such delinquencies be paid in full prior to the need for delivery of water.

4. Response to termination notice.

a. Parties who may respond. Any party who has received a notice of Intended Termination of Water Delivery under Rule E2 may respond to the notice.

b. Time for response. Any person who desires to respond to the notice from the District shall do so verbally or in writing at least three (3) days before the regular April Board meeting as announced in the Notices of intended termination of water delivery.

5. Contest of intended termination of water delivery.

a. Setting of hearing. To permit the wateruser and landowner to contest the intended termination of water delivery, a hearing shall be held at the office of the District in Fairfield, Montana, at the April meeting of the Board, which is generally held on the first Tuesday following the third working day of April.

b. Hearing. At the hearing, the person or persons affected by the proposed termination of water delivery will, personally or through their agents or attorneys, be permitted to present to the Board all reasons why the delivery of water should not be terminated, or to make arrangements for payment of the delinquent taxes and assessments or other debts due the District acceptable to the Board. At the hearing the District Manager will set forth the specific reasons why the District intends to terminate water delivery, including the amounts in question which are due the District, the dates upon which the delinquent taxes and assessments or other debts due the District became due, the amounts paid, if any, toward satisfaction of said amounts, and any prior attempts to make arrangements with the District to pay said sums.

c. Decision. Upon conclusion of the hearing, the Board may immediately make its decision or take the matter under advisement. Within five (5) days after the date of the hearing, the Board shall issue its decision in writing and shall send said decision to each person who received a Notice of Intended termination of Water Delivery and to any agents or attorneys designated in writing by the recipients of the notice to receive the decision the Board. The Board's decision shall be given in accordance with the provisions of Rule E2a(3), provided, however, that if the notice is sent by U.S. Mail, it shall be sent Certified, Return Receipt Requested.

d. Contest of decision. In the event that any person was entitled to receive Notice of Intended Termination of Water Delivery is dissatisfied with the decision of the Board, that person may contest the decision of the Board to the District Court to the State of Montana, sitting in any county in which lands affected by the decision of the Board are located. The contest of the decision must be filed with the District Court not later than the 30th day after the date upon which the decision of the Board was mailed, in accordance with Rule E5c and a copy of said contest served upon the District Manager within the same time period.

e. Stay of action pending contest. In the event that any person who is entitled to receive Notice of Intended Termination of Water Delivery shall make a response to the notice under Rule E5, within the time permitted by Rule E4, the District shall not terminate water delivery until the conclusion of these procedures, including contest, under Rule E5. In the event that the Board determines after hearing, that delivery of water should be terminated and contest of that decision is not filed and served upon the District Manager within the time allowed under Rule E5d, then the District Manager may, without further notice, terminate delivery of water as specified in the Notice of Intended Termination of Water Delivery, on the day following the last day for contest of the Board's decision.

6. Arrangements for payment.

a. Time for making. At any time prior to or during the hearing on the proposed termination of water delivery, any person whose lands or right to water delivery will be affected by the intended termination of water delivery may attempt to make arrangements for payment of the delinquent taxes and

assessments or other debts owing the District. In the event that written payment arrangements, acceptable to the Board, are made, then the proceedings will be terminated and delivery of water will be continued by the District.

b. Effect. Notice of the making of acceptable payment arrangements and termination of the contest proceedings will be immediately given to all persons who received a Notice of Intended termination of Water delivery in that proceeding. The making of payment arrangements shall constitute an admission by the party making the arrangements that there was no reason that the District should not have terminated delivery of water in accordance with the Notice of Intent to Terminate delivery of Water and an admission that the amount claimed by the District is due and owing.

c. Default in payment arrangements. In the event that payment arrangements have been made pursuant to this rule and the person or persons obligated to make the payments shall fail to comply with the term of the written agreement, the District shall, upon this failure, be entitled to immediately terminate delivery of water without further notice of any nature or kind.

7. Reinstatement of water delivery. In the event that delivery of water shall have been terminated under these rules, water delivery may be reinstated upon payment in full of taxes and assessments or other debts due the District at the time reinstatement is sought, pertaining to or affecting the land to which water delivery has been terminated.

17. WORK FOR OTHERS

A. District resources may be employed by waterusers to the extent they are available. District activities shall have priority over such private work. Private work will be prioritized according to date first requested.

B. Equipment rates, labor rates, and cost of materials shall be established by the Board and subject to review and adjustment on an annual basis.

C. The District will require 50% prepayment based on job estimate.

D. The District may provide preliminary estimates of jobs, however actual costs incurred will be billed.

E. Debts are due within 30 days of billing, a service charge of 1.0% per month will be charged all delinquent bills.

F. Private work shall be limited to activities directly involving the use of water as permitted under the District's water right, that is, irrigation, domestic, and stockwater uses.

G. Administration, engineering and surveying costs will be added to the cost of jobs.

H. Certain jobs may be cost-shared if significant conservation benefit is expected and District resources are employed for the job. The cost-share arrangement must be approved by the Board prior to job commencement.

I. Cost-share jobs will be prioritized according to date first requested. The total cost-share for all projects is limited to an amount to be specified either in the annual budget or as otherwise directed by the Board.

J. Jobs eligible for cost-share and the maximum District participation is as follows:

SUBSURFACE DRAINAGE OF ASSESSED ACRES.....	25%
RIGHT-OF-WAY ABANDONMENT.....	25%
DISTRICT WATERWAY RELOCATIONS TO IMPROVE FARM LAYOUT.....	25%
LINING AND PIPING DISTRICT LATERALS.....	75%
PIPING OPEN DRAINS.....	25%
CATTLEGUARDS ON O & M ROAD.....	SEE CURRENT PRICE LIST
FARM DELIVERY IMPROVEMENT TO REDUCE CHECKING.....	MATERIALS..... 25%
GRAVITY SPRINKLER DEVELOPMENT.....	0-25%
WEED SPRAYING.....	25%
NEW TURNOUTS WHICH RESULT IN WATER CONSERVATION MEASURES.....	25%

K. District resources may be employed for the purpose of spraying noxious weeds on private property within the District boundaries. District resources may be employed only after all reasonable alternate sources of this type of service have been exhausted and subject to all other provisions of Article 17.

18. GRAZING LEASES

The United States, acting through the Department of Interior, Bureau of Reclamation, possesses certain lands within the GREENFIELDS Division, Sun River Project, such lands being acquired by withdrawal for reclamation purposes in connection with said Project. The Bureau of Reclamation and the District have entered into an agreement, numbered 1-LM-60-L1712 for the purpose of transferring responsibility for leasing of the lands of the United States on the Greenfields Division, Sun River Project.

A. The District will lease said lands to the public, with preference given to District waterusers, for the purpose of livestock grazing.

B. Said lands will be leased to the highest bidder at either a live auction or sealed bid auction to be conducted as necessary by the District. In the event that there exists no public access to a parcel of land, the District may choose to negotiate terms of the lease with an adjoining landowner.

C. Terms of the leases include the following:

1. BASIC TERM: The lease of premises shall be for 12 month periods, unless sooner terminated as hereinafter provided, and shall be subject to the following conditions:

a. OPTION TO EXTEND: The lessee has an option to extend the lease for successive additional periods of one year each, but in no event beyond a total of 10 years, provided that the lessee shall have paid all previous lease fees due at the times of the exercising of this option. The lease fee for successive years must be prepaid by November 20 prior to the termination of this lease or any extension thereof.

b. LEASE MODIFICATION: The terms and conditions of grazing leases may be modified at any time upon written application by the lessee and upon good cause shown and upon written consent by the District.

c. LEASE TRANSFER: A lease transfer may be made by written approval of the District. The transfer may be for the

unexpired term of the lease, or may be a temporary assignment or transfer as set out in a written agreement by parties involved. The transfer may be made only to a party meeting the lessee requirements. A payment of \$50 to cover the cost of reviewing and approving the transfer must be paid to the District prior to executing the transfer.

d. SUBLEASING Leased lands may not be subleased under any circumstances.

e. LEASE EXPIRATION: Leases shall expire and all rights of the lessee as described in the lease agreement shall cease and the lessee shall quietly and peaceably deliver to the District possession of the leased premises in like condition as when taken, reasonable wear and damage by the elements excepted, at the failure of the lessee to exercise the option to extend or on termination or expiration of the lease whichever occurs first.

f. LEASE TERMINATION: Leases shall terminate and all rights of the lessee as described in the lease agreement shall cease and the lessee shall quietly and peaceably deliver to the District possession of the leased premises in like condition as when taken, reasonable wear and damage by the elements excepted, as follows:

(1) Upon termination or detrimental alteration of Bureau of Reclamation agreement No. 1-LM-60-L1712 or any amendments or extensions thereof.

(2) Without notice, upon default in payment to the District, on any installment of lease fees as provided herein.

(3) On December 31 of any year, upon written notice to the lessee, served 30 days in advance thereof; or

(4) After failure of the lessee to observe any of the conditions of the lease, and on the tenth day following service of written notice on the lessee of termination because of failure to observe such conditions.

g. LEASE DEFERRAL The District reserves the right to defer grazing privileges for a specified period of time to be conclusively determined by the District after failure of the lessee to observe any of the conditions of the lease, and on

the tenth day following service of written notice on the lessee of deferral because of failure to observe such conditions. No refund will be granted during deferral periods.

h. The notices provided to lessees shall be served by registered or certified mail and the mailing of any such notice properly enclosed, addressed, stamped, and registered, shall be considered service. If the termination under the lease should be effective on a date prior to the date of expiration of the current lease or extension thereof, an appropriate refund, as conclusively determined by the District, will be made with the exception of termination due to lessee not complying with the terms and conditions of the lease.

i. Upon lease termination due to lessee not complying with the terms and conditions of the lease or upon failure of lessee to exercise the option to extend, the lessee shall not be permitted to re-bid the land for which the lease was terminated or expired at the next solicitation for bids.

D. LESSEE PRIORITY Priority for leasing said land for grazing purposes will be given to District landowners or waterusers, provided that those given preference reside not further than 50 miles from the District boundary. For grazing lease purposed, a District landowner or wateruser is defined as anyone who is being served irrigation water from District facilities, and is either currently being assessed for such irrigation service, or has a valid Water Service Contract for such irrigation service.

E. MAINTENANCE The lessee of said lands affected hereby shall keep and maintain the leased premises, including all improvements erected thereon, in good and reasonable state of repair, reasonable wear and tear excepted and, at its, his, or her own expense, will make all necessary repairs to preserve said improvements.

F. LIVESTOCK POSSESSION Livestock grazed on said land must be owned or otherwise legally possessed by the lessee, or, in the case of an assignment or transfer, owned or otherwise possessed by the party assigned or transferred to.

G. AUM LIMITS The maximum carrying capacity in animal unit months of each parcel of land shall be predetermined by the District and the lessee shall limit grazing to such capacity. An animal unit shall consist of one cow and calf. Yearling cattle will be equivalent to 0.75 animal units, a horse will be equivalent to 1.25 animal units, and one sheep will be equivalent to

0.20 animal units. The District reserves the right to alter the carrying capacity at any time depending on the condition of the grazing unit.

H. The lessee is required to report to the District prior to November 20th of each year the total AUM's utilizing said land by providing the following information:

1. The number of and type of livestock that utilized said lands.
2. The number of days each type of livestock were present on said lands including date of first entry and date of removal.

I. STOCKWATER The District will not guarantee any supply of water for said land.

J. PERIODS OF USE The District will designate if winter grazing of said land is permissible and may also restrict other periods of use depending on the condition of the grazing resource. The District reserves the right to alter the periods of use at any time depending upon condition of the grazing unit.

K. FENCING The District is not responsible in any way for the fencing of said lands, and the lessee shall comply with Montana State Law with respect to the maintenance or any other aspect concerning fences. The lessee is responsible for maintaining a fence around the entire perimeter of said lands. All fences shall be kept in good repair at all times at the sole expense of the lessee. Any fence materials not installed by the lessee during the term of the lease may not be removed without the District's consent. The lessee is responsible for the removal of fencing materials installed during the term of the lease, or to negotiate with a subsequent lessee for such materials, the District not being responsible in any way for the reimbursement of fence improvements installed by the lessee. There shall be no extension of interest or rights in the fence beyond the term of the lease, however, if ground frost conditions prevail, the lessee will be allowed to remove installed fencing materials until April 15 following lease termination. The lessee shall allow the former lessee the right to exercise this privilege. The current lessee must comply with District policies concerning fences installed within District waterway rights-of-way.

L. ACCESS: The District is not to be held responsible for the access arrangements to and from said lands. Adjacent landowners' consent may be required to obtain convenient access.

M. USE RESTRICTION: The use of leased lands is restricted to grazing only. No supplemental feeding of livestock except mineral or protein

blocks is permitted. No dumping of refuse or storage of any material on the premises shall be permitted.

N. IMPROVEMENTS: Any construction of corrals, stockwater devices, roads, or the implementation of any range management practice involving any physical alteration of the grazing resource including reseeding, installation of compartment fencing, irrigation development, or any other measure must have prior written approval of the District. A lessee shall have the right to reclaim any non-fixed improvement installed during the term of the lease, and shall consider any fixed or non-removable improvements as fully depreciated at the term of the lease. There shall be no extension of interest or rights in improvements beyond the term of the lease, however, if ground frost conditions prevail, the lessee will be allowed to remove installed improvements until April 15 following lease termination. The current lessee shall allow the former lessee the right to exercise this privilege.

O. WEED CONTROL: The lessee shall utilize leased lands in such a manner as to control the growth and spreading of noxious weeds. The District will be responsible for the control of Spotted Knapweed and Leafy Spurge. The lessee will be responsible for the control of all other weeds.

P. VEGETATION: The lessee shall maintain native grasses on leased lands, but shall have the option of developing tame legumes or grasses in special areas having been approved in writing by the District and the local NRCS Range Conservationist.

Q. IRRIGATION DEVELOPMENT: The lessee shall have the right to develop irrigation on leased lands, subject to the written approval of the District. The approval shall express specifically the lands to be irrigated and the method of irrigation. The lessee shall be responsible for the acquisition of the water and must comply with the Reclamation Reform Act (P.L. 97-293). The District shall have the right to revoke the development right at any time for reasons including, but not limited to, problems of water supply, soil erosion, water quality and seepage. Any irrigation development within the leased lands will be assessed an annual surcharge amounting to the actual acres irrigated times the per-acre lease fee. This surcharge will be in addition to any cost of acquisition of water by the lessee.

R. The lessee will be required to attend a one day grazing practice seminar at least once out of every five years that the lessee maintains the lease. Seminars will be sponsored by the District and conducted by the Natural Resources Conservation Service once a year during the winter months.