

Transition Period

The Landowner Entity and the JME Technical Team will collaboratively develop a draft work plan for the Transition Period, and will recommend an annual work plan to the JME for approval by April 30 of each year of the transition period. Within thirty (30) days thereafter, the JME will respond to the Landowner Entity; any changes to the work plan will be developed collaboratively by the Landowner Entity and the JME Technical Team. Once approved by the JME, the Landowner Entity will implement the work plan.

Legal input will be sought by the Landowner Entity, as necessary, to complete the work plan based on the legalities and timelines of contracts required by the work plan. The work plan will include the number of Riparian Management Agreements which will be completed by the Landowner Entity each season during the Transition Period.

In this document it is assumed that the starting year will be 2014 and that the Transition Period will end on March 31, 2019. If the starting year is different, or if implementation is delayed, and the schedule for the Transition Period is amended, then the years will be shifted accordingly.

Transition Period Compliance Target

Year 1 (2014) Conditions:

1. Eligible Landowners including Allottees will begin the process to establish the Landowner Entity.
2. Agreements to reduce Net Consumptive Use by at least 5,000 acre feet within the Off-Project Area in the 2014 Irrigation Season. Permanent reductions accomplished after 2001 will be credited to this 5,000 acre feet criterion. Such reductions will be accomplished through agreements between the Landowner Entity (or other interim agency or organization to participate in the WUP) and Eligible Landowners. Participation in non-permanent measures to reduce Net Consumptive Use in 2014 would require a statement of intent to participate in future implementation of the WUP. In 2014, reduction in Net Consumptive Use will be accomplished using a variety of methods, including but not limited to retirement, reduced diversion, and split season or rotational irrigation.
3. Statements of intent to enter into Riparian Management Agreements from Eligible Riparian Landowners for at least 50% of the length of the Riparian Management Corridor owned by Eligible Riparian Landowners.

Offers by Eligible Landowners who are willing to enter into binding agreements to permanently retire surface water rights, or high priority groundwater rights, will receive preferential consideration in terms of funding allocation and workload scheduling.

Statements of intent in 1 and 2 above will not be binding, but will be used to quantify the likely magnitude of future participation. After 2014, specific performance benchmarks (identified below) will need to have been achieved entering each irrigation season if calls from the Klamath Tribes and the BIA are to be confined to the Long-term SIF Thresholds. Flexibility provided by this structure will enable Eligible Landowners to reduce Net Consumptive Use using operational changes that may or may not be viable for that landowner in the long term, while evaluating how such changes in water use would mesh with establishing a Riparian Management Agreement. Such flexibility will increase the likelihood of near-term participation, and provide valuable knowledge about what measures may work the best over the long-term. Statements of intent, and withdrawal of such statements, will be tracked in a ledger format, as will permanent agreements.

Year 2-5 Conditions:

1. Water Use Program

- 1.1. For each year, statements of intent by Eligible Landowners to reduce Net Consumptive Use by an additional 6,250 acre feet during that year have been delivered to the Landowner Entity by March 31 of that year.
- 1.2. Agreements for permanent reduction of Net Consumptive Use by Eligible Landowners have been executed, producing the following cumulative total reductions:
 - 1.2.1. By March 31, 2015: 5,000 acre feet.
 - 1.2.2. By March 31, 2016: 12,250 acre feet.
 - 1.2.3. By March 31, 2017: 18,500 acre feet.
 - 1.2.4. By March 31, 2018: 24,750 acre feet.
 - 1.2.5. By March 31, 2019: 30,000 acre feet.

2. Restoration Program

2.1. For each year, statements of intent to enter into Riparian Management Agreements have been delivered to the Landowner Entity by March 31 of that year, as follows:

2.1.1. In 2014, for at least 50% of the length of each Riparian Management Corridor owned by Eligible Riparian Landowners.

2.1.2. In 2015, for at least 58% of the length of each Riparian Management Corridor owned by Eligible Riparian Landowners.

2.1.3. In 2016, for at least 66% of the length of each Riparian Management Corridor owned by Eligible Riparian Landowners.

2.1.4. In 2017, for at least 73% of the length of each Riparian Management Corridor owned by Eligible Riparian Landowners.

2.1.5. In 2018, for at least 80% of the length of each Riparian Management Corridor owned by Eligible Riparian Landowners.

2.2. For each year, Riparian Management Agreements have been approved by the JME and executed as follows:

2.2.1. By March 31, 2015, at least 10 Riparian Management Agreements have been executed.

2.2.2. By March 31, 2016, Riparian Management Agreements have been executed for at least 40% of the length of each Riparian Management Corridor owned by Eligible Riparian Landowners.

2.2.3. By March 31, 2017, Riparian Management Agreements have been executed for at least 60% of the length of each Riparian Management Corridor owned by Eligible Riparian Landowners.

2.2.4. By March 31, 2018, Riparian Management Agreements have been executed for at least 70% of the length of each Riparian Management Corridor owned by Eligible Riparian Landowners.

2.2.5. By March 31, 2019, Riparian Management Agreements have been executed for at least 80% of the length of each Riparian Management Corridor owned by Eligible Riparian Landowners.