

contract, the commission shall notify the purchaser by registered mail or by certified mail with return receipt of the default. If the default continues for a period of six months after the sending of such notice, the commission may cancel the contract, and all payments made thereunder shall be forfeited to the state and placed in the irrigation fund. The commission may reopen the lands covered by the canceled contract for entry, and resell water rights to the land to some other purchaser. Nothing in this section, however, shall be construed so as to prevent the commission from extending the time to make any payment due under any contract with a purchaser, when in the judgment of the commission the purchaser is entitled to an extension. [Amended by 1991 c.249 §58]

**555.380 Tumalo Project Fund; rules. (1)**

All moneys received as maintenance fees on the Tumalo Project shall be applied to the cost of maintaining, repairing, operating and distributing water for the project. The money shall be collected and disbursed by the project manager under the direction of the commission, who shall prescribe rules and regulations governing such collections or disbursements.

(2) All moneys derived from the Tumalo Project from whatsoever source, except as maintenance fees, shall be placed in the Tumalo Project Fund in the hands of the State Treasurer, which fund is hereby created. Disbursements from the Tumalo Project Fund shall be made to repay contract holders as provided in ORS 555.310 to 555.410, and to defray the expenses of construction, extension and operation of the project; except that no repayments to contract holders shall be made which shall reduce the Tumalo Project Fund to less than \$5,000, which amount shall be held as an emergency fund to be disbursed for the project in case of an emergency. After all payments to contract holders have been made, all moneys in the fund, except \$1,000 for an emergency, shall be placed to the credit of the General Fund of the state and credited as payment to the state on account of the original appropriation for the construction of the Tumalo Project and interest on same. From and after that date all money derived from the sale of land and water rights shall be deposited in the General Fund until all expenses incurred by the state in connection with the project, including five percent interest on all money advanced from the date of sale of the lands, have been repaid, after which time all money received from the sale of lands and water rights shall be deposited in the Oregon Irrigation Fund.

(3) All expenditures for the Tumalo Project from the Tumalo Project Fund shall be

paid at the same time and in the same manner as state officers are paid.

(4) All fees payable to the office of the commission in connection with or incident to the completion of applications and the issuance of permits for the appropriation, diversion, storage and use of waters in the Tumalo Project are hereby remitted to the project, and payment thereof shall not be required by the commission.

**555.390 Transfer of state's interest to irrigation districts or to federal government.** The Water Resources Commission may, with due regard to the interests of the state, transfer all the right, title and interest of the state in and to the Tumalo Project, and all rights or franchises thereunto appertaining, to any irrigation district or to the federal government, whenever it appears to the commission that such transfer will be in the best interests of the project.

**555.400 Preferred purchasers.** In the sale of water and water rights and the entry upon lands now remaining unsold in the Tumalo Project, honorably discharged soldiers and sailors, marines, and Red Cross nurses of the Mexican, Spanish or Indian wars and of World War I shall have a preferred right to the purchase and acquiring of the same for such period of time as may be designated by the Water Resources Commission.

**555.410 Repayment of appropriation from receipts of sale of lands; expenditures.** The sum of \$10,000, which was appropriated by section 2, chapter 424, Oregon Laws 1917, shall be considered a loan to the Tumalo Project and shall be returned to the General Fund, together with interest at the legal rate from the date on which the money is made available, from the receipts of the sale of project lands. All expenditures incurred under the provisions of ORS 555.340, 555.360 and 555.380 shall be paid at the same time and in the same manner as state officers, upon vouchers approved by the Water Resources Commission.

## SAND CONTROL DISTRICTS

**555.500 Formation; purpose; general powers. (1)** Contiguous territory that is not within the corporate boundaries of a city may be formed into, or included in, a sand control district as provided by ORS 555.500 to 555.535 and provisions of ORS 198.705 to 198.955 that are not inconsistent with ORS 555.500 to 555.535.

(2) A sand control district may be created for the purpose of controlling or moving drifting sand within the district or removing drifting sand from within the district. The sand control district may: