

## MANAGER'S REPORT - FEBRUARY 2014

This report provides an overview of District issues and projects.

**OFFICE:** Most of the 2014 billings have gone out. We are holding a few for water right transfer questions. The customers also received a copy of the District Landowner Booklet and, for the main canal irrigators, notice about the DEQ hearing for the City of Hermiston permit. Lisa will report on collections.

**OPERATIONS:** Ray and crew have been working on replacing/repairing the concrete panels. He plans to be out of Boardman this week, then to the Irrigon/Umatilla canal. The work at the rest area has yet to be completed. We are behind, due to weather, and Ray is evaluating the remaining work. He will be at the meeting for any questions. He also wants to purchase a brush hog mower to pull behind the tractor for more efficiency. He would like the Board to discuss this.

**RESOLUTIONS/POLICIES:** I have worked on some of the policies that folks have asked for. Resolutions and policies are included in the Board packet. Following is discussion:

Res. 14-002: 2014 Budget. I have made adjustments to the budget for the \$1 per acre increase. You can see that changes were made to the O&M income, consultant fee, and weed control line items from the budget adopted in December 2013. For weed control, I am concerned that we underbudgeted that line item. We spent \$41,000 in 2013 on aquatic weed control and plan for \$44,000 in 2014. We need the remaining \$4000 for increased right-of-way control (up from \$1500 in 2013). I would like to get this resolution adopted so we have an official adopted budget for 2014.

Res. 14-005 – Frost control. I recommend that we adopt a resolution at this meeting.

Res. 14-006 – Instream lease. You will find two draft policies for instream leasing – one with costs lined out and one not allowing the lease. I assumed we would not allow the lease and prepared a resolution stating that. This is not urgent.

Res. 14-007 – Duties of Board of Directors. The Special Districts Association of Oregon (SDAO), the association that manages our insurance, often sends out policies they would like us to adopt. This is one of them. It will be part of our District Policy Manual. Not urgent to adopt at this meeting if you need more time.

Res. 14-008 – Water curtailment. If we are considering a water curtailment, I would like to get it out as soon as possible. I have attached a Resolution and a copy of our Drought Contingency Plan.

Triggers noted – low precipitation, McKay Reservoir at 47%, Cold Springs at 32% (although they have sufficient carryover under Phase II for a full season), snow pack density at 33% of normal. I recommend that the Board consider a water curtailment, and then direct management to bring other specific planned actions to the March Board for review.

**INSURANCE:** I have enclosed a copy of a letter from Special District Insurance Services (SDIS) about changes for discounts on our policy. For the past few years, they have done a Best Practices Survey, which we participate in. We confirm that we are following best practices and have certain policies in place for better management. For the past three years, we have received the following discounts;

2012	\$2962	9.66%
2013	\$2950	9.69%
2014	2815	9.62%

You can see the change for 2015 in the attached correspondence. We plan on fully participating in this program, as long as the Board agrees.

The longevity credit, which began in 2012, continues. It was \$3952 for 2012 and 2013. It will be \$3585 for \$2014 and 2015. One other action taken by SDAO/SDIS is giving money to various associations so they will conduct training around the State. Oregon Water Resources Congress (OWRC), our State irrigators' membership association, will receive \$20,000 to conduct 3- 4 trainings around the state for boards and management.

**WATER RIGHT TRANSFERS:** We are collecting water right transfer requests for 2014. I will meet with Molly the end of next week to get the process started.

**UPS SCREEN:** We have the final drawings. The comments are being compiled – I haven't seen them yet. I have set up a meeting with Alan Cleaver to open discussion on cost share.

**CTUIR SETTLEMENT:** Next meeting is Feb. 26 at 9 am in Pendleton. Board members are welcome to attend.

**NORTHEAST OREGON WATER ASSOCIATION (NOWA):** J.R. Cook, Executive Director, will be at our meeting to give us an update on the NOWA.

**CITY OF HERMISTON PERMIT:** DEQ will hold the public hearing for the City of Hermiston's permit to discharge water into the WEID canal on Wednesday, Feb. 19. I will report to the Board.

**UNION NEGOTIATIONS:** An update will be provided in Executive Session of the Board.

**EMPLOYEE JOB DESCRIPTIONS AND BENEFITS:** As requested, I have broken down the benefits for each employee for the past five years. This is an agenda item for the meeting where questions or comments can be addressed.