

MANAGER'S REPORT - SEPTEMBER 2014

This report provides an overview of District issues and projects. Also included are financial and budget concerns.

OFFICE: Lisa is caught up from missing three weeks due to her vacation and foot injury. Collections are going well. She sent out 88 regular past due statements and 71 lien notices. We have two at the attorney – Starkweather and Martinez. I would like to discuss the Starkweather situation with the Board if I can find a resolution with him before Monday.

BUDGET: I am enclosing the Budget adopted in December 2013 and a proposed Amended Budget. We should adopt an Amended Budget for 2014, now that the Union contract is settled and to recognize the \$1 increase that we approved in January 2014. **BOARD DISCUSSION AND ACTION.**

PUMPING COSTS: I estimate we will purchase over 10,600 acre-feet of conjunctive use water from Reclamation for 2014. The cost will be about \$165,000. We had put \$150,000 in the 2014 budget for pumping costs, in anticipation of this dry year. With other costs of canal repair, pump repairs, weed control and labor, we will not have the funds to cover the additional pumping without taking it from reserve funds (\$60,000 in conjunctive use reserve) or a special assessment for pumping costs. **BOARD DISCUSSION AND ACTION.**

DIRECTORS: Division One term is up for election this year. Election will be November 12 and needs to be set by the Board as well as authorizing a mail-in election.

OPERATIONS: Ray is off this week. He has been preparing for winter work. We have another leak on the IPS mainline at Columbia Lane. We are making plans to replace that section of pipe – through the “belly” on Hellberg property. This includes a road crossing at Columbia Lane. Estimated cost is \$85,000 for pipe, materials and supplies. **DISCUSSION ITEM ON AGENDA.**

STAHL: Stahls are requesting a waiver of the \$627.50 fee charged to them for removal of blow sand from the canal. They have been cleaning the screens two times a day at the Irrigon pump station at their cost – not billing us a fee. Herb states that this is more than adequate mitigation for the blow sand removal and asks the invoice be cancelled. **ACTION REQUESTED.**

INTERGOVERNMENTAL AGREEMENT: We have drafted an Intergovernmental Agreement (IGA) between us and the Vector Control District. Boris Belchoff, Hermiston Field Office Manager for Reclamation, has reviewed this and agrees they can sign without going “up the ladder.” **ACTION REQUESTED.**

NOWA MEETING: The meeting with NOWA and the irrigation managers was a review of their plans for the 500 acre feet of water and general discussion about the water right settlement. In a nutshell, the settlement is not moving forward. The Tribes are staying with the plan to put in a new pump station in the John Day Pool and deliver water to Westland so they can have the water in McKay. They have not said what they want to do with that water. NOWA would like to have the districts support their plans for the 500 af and even participate as the District have a large customer base, which makes the project more palatable to outsiders. Mitigation for this water and the tribal water right settlement is the key issue. Mitigation has to be identified before funding can be found.

CITY OF HERMISTON: They have opened bids for the contractor to lay the pipe from the plant to Three Mile. The plan is to remove and replace five panels. They asked the contractor to bid per panel, so we can hire them to do more. There are about a dozen panels that we would like to do. We may put some drainage on the back side at the same time. Work will happen this fall/early winter.

REFFETT – CANAL ROAD INTO THREE MILE: Reffett is doing his best to get folks riled up, but no takers so far. Our investigation into his right of way revealed a 200-foot right of way. Reclamation has sent him a letter indicating notice of “taking” if he does not remove his property from the federal land and right of way within 90 days.

JOHN KEYS PARTNERSHIP PROGRAM: The JKP is a joint program with Reclamation and the Oregon Water Resources Congress (OWRC). Every two years, an irrigation district is selected to host an educational tour of Reclamation employees. These are typically office-type employees interested in learning how an irrigation district operates. They spend four days in the District – two in summer and two in early winter. We co-hosted this program in 2012 with Hermiston ID and again this year. The first leg of the tour was on August 12 & 13. Thanks to Wes Stonecypher (ODFW), Jim Doherty and Gary Frederickson of Oregon Hay for spending time with the group. For the dinner on Tuesday night, Suzi Frederickson represented the Board. They will be back on Nov. 4 and 5.

OWRD DIRECTOR: We expect Tom Byler to be appointed as Water Resources Director. He has been Director at OWEB since 1995. Previously, he was Water Policy Advisor for Kitzhaber and Kulongoski. He started his career with Water Resources Department in 1993. His is a Pendleton boy.

LEGAL:

McKAY CERTIFICATE: Discussions between WEID, Reclamation and OWRD are ongoing. OWRD has asked us to meet directly with Mike Ladd towards the details of the protocol.

ROBBINS CLAIM: SDAO is actively working on this lawsuit. We have copied documents from our office, order DEQ reports, and reviewed Reclamation maps as part of the preparation. SDAO has hired a water resources engineer to assist with the case. We anticipate depositions in early November.

TRIBAL WR SETTLEMENT: Things are not moving quickly and no large meetings are being scheduled. We understand the Tribes are talking with the small water users about ways to have their river rights and put them on wells. The Tribes seem focused on getting their names on as many Senior rights as they can. I am enclosing a copy of the Modeling Protocol that they distributed in late July. I am not recommending that we sign it and have contacted them that we are reviewing and will offer comments back to them. We do not need action on this at the Board meeting, so this is informational for you.