

## MANAGER'S REPORT - NOVEMBER 2014

This report provides an overview of District issues and projects.

**OFFICE – COLLECTIONS:** David Starkweather signed off his water rights and we have forgiven his 2012 O&M Fees, based on hardship. His account is clear. I have left several messages for Marjorie Jackson and talked with her one time about giving up her water rights and addressing her situation. She has been recovering from two car accidents, has not used water this year, but is not sure she wants to give up her 1.60 acres of water rights. Matter is not resolved.

Lien notices have been sent to those folks who have not paid their bill for 2014. Lisa has followed up with phone calls to those we have numbers for. We will send one more billing to them this month with the lien fee on the billing, but allowing them time to pay before the lien is filed. The lien fee can then be waived. This is an extra effort, but may bring in some more folks to arrange payment on their accounts.

**CREDIT UNION:** We have had two CDs at Banner Bank for over 20 years (\$35,000) and have never used them. The rate is quite low, less than the Local Government Pool (which is .1% right now). We have investigated some on-line banks and local banks. We found that HAPO Community Credit Union has the best rate which is has held for some time. They are local and meet the banking standards we require. We are recommending that we open an account there to hold some of our funds and to open several CDs. This is RESOLUTION NO. 14-012, which takes **BOARD ACTION**. We are recommend putting \$35,000 (the O&M Reserve) into a five-year CD, and \$60,000 (the conjunctive use reserve) split into 1, 2 and 3 year CDs with the goal of having three \$20,000 3-yr CDs of \$20,000 each in overlapping years.

**PUMPING COSTS:** We were paying conjunctive use into October. Our cost appears to be about \$167,000 based on the current conjunctive use rate. The Special Assessment will bring in \$25,822. It appears that \$8,000 of that may go into Reserve for conjunctive use, again based on the current rate for conjunctive use. We won't get the final calculated rate and figures until April of 2015.

**OPERATIONS:** Knapp Street project is complete. Crews are winterizing the District. The pipe for the IPS Mainline is estimated to arrive the third week of October.

**JOB DESCRIPTIONS:** Ray and I have updated the current job descriptions. Be sure to look on both sides of these descriptions. Here are guidelines to our thinking:

- Laborer and System Operator I – minor changes to incorporate physical expectations and current activities (current field employees are all System Operator I)
- System Operator II – Revamped the Operations component (see the back of the job description) to allow employee for some specialization, but also to grow within the job description.
- System Operator III – This really was the Field Supervisor position when we didn't have an Operations Manager. We have not used this position since Dave Payne was here. We revamped it so that an employee could grow into it and become Ray's right hand man.
- Operations Manager – no changes. This was the most recently updated, so there are not recommended changes.

- District Manager & Office Manager – I added paragraphs to better reflect the expectations of the positions. They have not been updated for quite a few years.

**BOARD ACTION:** Adopt the job descriptions with any changes you recommend. We will need to send to the Union for approval.

**COMPENSATION:** Ray and I think there might be too small a gap in the wages between the start and ending of Sys Op I and Sys Op II, especially if we are wanting to bring in someone to work into the Sys Op III. Raising the top amounts in these two positions would give more room for growth and allow a higher starting salary for a potential new hire. This would need to be approved by the Union.  
**BOARD DISCUSSION.**

**JOB OPENINGS:** We have drafted job descriptions with starting wages for the two openings we have. This is for board discussion and direction. **BOARD DISCUSSION.**

**SPECIAL DISTRICTS BOARD TRAINING:** One of the new requirements for the annual discount on the liability insurance for Special Districts is that the Board attend a training for Board members or watch a DVD. We need to get that done. We have already trained on the particular unit at our January Board meeting, so an overview of the DVD will be in order at this meeting.

**BUDGET 2015:** I am enclosing a budget worksheet for 2015. I have used 1.7% for wage increases as that appears to be the correct rate based on CPI as of October 22. **BOARD DISCUSSION.**

**CLYDE NOBLES REQUEST:** Mr. Nobles has requested to address the Board. He has not stated his agenda, but I believe it will be about our requirement for him to convert from flood to sprinkler and his insistence that he has a right to travel on the canal road as he is the underlying owner. You may recall that we have questioned the County about the ownership of the canal road from Powerline to the Reffett property. Both Reffett and Nobles believe they are the underlying land owner. The County put the District's name on the 100-foot strip of land, but we did not believe that was correct. If anything, it resides in federal ownership. In any case, Nobles is back. He has sent letters to the Bureau stating he is the owner (as has Reffett). From our perspective:

- 1) It doesn't matter who the owner is. Reclamation has an EXCLUSIVE and PERPETUAL right for the canal and road. All other rights are excluded. Both Nobles and Reffett received letters from Reclamation about this in 2008. We understand that Reclamation will send him another letter and hope to have a copy for the Board meeting.
- 2) Nobles refers to a 1974 easement from the District that appears to provide an easement along the canal road to the SW corner of the Nobles (formerly Parks) property. Problem - the District did not have the right to grant it (Reclamation has the EXCLUSIVE right). property.

Our best action here is to listen to Nobles and let him know that Reclamation has the exclusive easement. We have done this before.

**UPDATE ON OWNERSHIP OF CANAL ROAD:** We have learned that the property in question went into foreclosure in the 1930's and was sold at Sheriff's sale to McFarland et al. The canal and right-of-way were excepted from the Sheriff's sale "for the US". Deeds down the line also excepted the canal and road right-of-way "for the US". The County folks are weary of talking with us and Nobles/Reffett. I would like to have our local attorney review this and talk with the County attorney to see if we can get this recognized as part of the Federal project and the only interest in this strip of land is the US. Board has previously approved action to correct these issues, so I'll continue, if that's OK.

Manager's Report

**PARTITIONS:** We have reviewed several partitions in the Umatilla area the past few year. These are complicated as the landowners put in joint pipelines on their own in the 1950's and 1960's. There are no drawings for these and easements were typically not given.

The five we have are:

Peterson – land partition east of Irrigon on flood ground – he is dividing his 62-acre property and selling part to Pat McNamee for a circle. This property has four irrigation lines through it, three of which deliver water to landowners north of him. We are working with him, McNamee and the neighbors to get the easements in place and clean up the delivery of water. He plans to convert to sprinkler irrigation when this is done. This is well along and we expect work to be done this winter.

Norris property 28428 Hwy 730 – subdivide into two lots. They will provide easement and metered delivery to the newly created lot. Our issues - Easement required for the Southshore delivery and issues in the federal right-of-way where they've dug out some parking space below the canal. We have met with their surveyor and reviewed our needs. They have a letter with our issues, an agreement letter (so work can be done after the partition approval so we don't hold that up) and have been told to contact the Bureau for work in the right-of-way. That was over two months ago and nothing has happened since.

Brittain (was Mike Sprague) 28570 Hwy 730 – sub-divide into two lots. They are the only users on their existing line. The line goes through a neighbor's property with no easement. They are willing to provide the a metered delivery to each parcel, as we require. Their canal outlet is old, but functional. We will provide a written agreement indicating this is a private shared delivery line and the landowners are responsible for the line and obtaining any required easements. They are in preliminary review by agencies, but this one should move fairly quickly as there does not appear to be complications and they are on top of it.

Greenawalt 81600 Apricot Lane - Mrs. Greenawalt wants to continue subdividing the property. This is complicated as there will be five lots when this is done with three landowners (potential for five) and sharing two deliveries that Larry put in along the canal. We will get this cleaned up with proper easements, meters and deliveries. As we typically do, we will have an agreement in place for when she sells the parcels that will outline what the water delivery will look like. She has been under review for the past year and has to meet a January 30 deadline by the County to continue her work for approval. We are waiting for irrigation drawings and plat review as she has not hired a surveyor yet. I expect she will need an extension from the County.

Barry Stice Fox Lane – flood ground. Barry is subdividing his pasture into three lots, plus his home piece. All will be converted to sprinkler irrigation. The property next to him (Clark et al) has a deteriorating delivery from the canal plus there is an old steel pipeline that was part of the District system at one time that can still send water to an open District abandoned box on Fox Lane near Hwy 730, thus flooding Fox Lane. We talked to Barry and he is willing to work with us to solve all these problems, combining deliveries, and eliminate the flood irrigation. The work won't be done this off-season, but we will get the plans in place and an agreement so we can approve his partition. He does not plan to sell any of the parcels right away. He has just filed his partition request with the County.

Our goal in each case is to bring the irrigation to current standards for where the District has control and to protect all deliveries and irrigation easements. Our procedures are that each one will have a letter of agreement, signed by the District and landowner and filed with the County. This will outline District and landowner responsibilities so there are no questions moving forward. Also, all federal issues (encroachments in the right-of-way typically) will need to be permitted.

I will bring copies of these to the board meeting in case anyone wants to review them.

**STATE & FEDERAL ACTIVITIES:** I have included information in your Board packet on several pieces of legislation and other information:

2014 Midterm election results – The Ferguson Group (representing Family Farm Alliance)

2014 Oregon Legislative session – SDAO (Special Districts Association of Oregon)

The Economic Importance of Western Irrigated Agriculture – prepared in 2012 by Family Farm Alliance. This is a good reference tool.

Family Farm Alliance Monthly Briefing – contains info on Congressional action – water storage bills, Waters of the US (WOTUS) discussion, Clean Water Movement

EPA, WOTUS, and the Myth... this is a blog that I found interesting

Family Farm Alliance comments to EPS regarding the definition of “Waters of the United State” (WOTUS)

These are for your information. Most associations and agencies have submitted comments against the current proposed definition. This issue, the Clean Water Act and Climate Change will be the big issues moving forward for the next decade.