

West Extension Irrigation District

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SPECIAL FEE—PUMPING SURCHARGE

For 2016, the pumping surcharge is \$5 per acre with a 2-acre or \$10 minimum. This is the same as last year. The bill is enclosed, and the due date for it is December 31, 2016.

We have answered many questions in the past about the pumping surcharge, so I'll list some FAQ's here.

WHY ISN'T THERE ENOUGH MONEY IN THE ANNUAL O&M FEE THAT THE DISTRICT CHARGES IN FEBRUARY TO COVER THE PUMPING COSTS? Annually, the Board prepares its budget, with its best reasonable estimate for pumping costs (the cost of getting the water from the river into our delivery system). That cost is unknown at the time of the budget (which establishes our annual O&M Fee or assessment). Rather than set an arbitrary number and collect money from our patrons up front that may not be needed, the Board sets a reasonable amount knowing that we may have to come back to our patrons in the fall to pay excess pumping.

MORE DETAIL PLEASE. WHY CAN'T YOU JUST BUDGET IT UP FRONT? Below is the District's pumping budget and actual cost for the last five years.

Year	Budget	Actual
2012	\$ 123,500	\$ 122,773
2013	\$ 133,300	\$ 177,884
2014	\$ 182,000	\$ 193,661
2015	\$ 197,000	\$ 264,278
2016	\$ 197,300	\$ 246,500

As you can see, the District pumped a larger portion of our water in the 2015 drought year. That continued in 2016 to a slightly lesser degree. We are not sure if this will become the new "norm", so are taking a cautious approach. We understand the cost of water is increasing and want to assure you are paying only what is needed.

SO DOES THIS MEAN WE WILL HAVE A PUMP SURCHARGE EACH YEAR NOW? Maybe. Three of the last five years had a surcharge (2013 - \$2, 2015 - \$5, 2016 - \$5). We try to cover what we can within the budget if other costs are less than anticipated. In 2015, we were able to cover some of the increased pumping costs from the annual budget. In 2016, with so many projects, this is not the case.

WHAT ELSE IS GOING ON THAT IS AFFECTING THE COST OF WATER IN THE DISTRICT? We increased the budget by \$100,000 in 2015 for improvements. This included a

new loan to cover the \$566,000 cost of renovating the Columbia River Pump Station in Irrigon and funds for piping the Boardman laterals. With the 15-year loan and an ongoing commitment to pipe those laterals, these costs will be a part of the budget moving forward.

If you've paid much attention to the WEID newsletters and reports, you will know that West Extension Irrigation District has spent a lot of money and energy trying to protect its water. As the lowest diverter in the Umatilla River, we are reliant on return flows for our natural water source. We hired HDR Engineers in 2004 to prepare and publish a Water Report that showed decreasing flows in the Umatilla River. We alleged that much of this is due to groundwater pumping in the Umatilla Basin. The WEID has continued to put pressure on the Oregon Water Resources Department about unregulated wells and the fact that they continue to issue new water rights. Now, finally there are many other voices around the State becoming louder on this subject. Our recent newsletter commented more on this subject.

CTUIR Water Right Settlement. Even those new to the area have likely heard that the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) have been in negotiations with the federal government and the State for many years to settle their water right claims. The CTUIR has pledged that they want a settlement that does not injure the irrigators. In our downriver situation, we don't have any water to offer in the settlement, but we stand to lose if water is taken away from the river upstream or if piping of current open ditches occur, thus further reducing return flows.

WHAT IS THE DISTRICT DOING TO CONSERVE WATER? Scheduling, piping, repairing old lines, and monitoring the water flows are the in-house solutions.

IS THERE OTHER WATER AVAILABLE? Perhaps, at a cost. The Northeast Oregon Water Association is working to get Columbia River water. If that happens and we subscribe, we could get supplemental water, but that water would be more costly than what we have now. Our goal is to protect what we have, keep doing conservation and look for local solutions such as short-term storage and water from near-by cities as we did with the City of Hermiston. We believe this path to be in the best interest of the District and its irrigators.

SO EXACTLY WHERE ARE THE ANNUAL BUDGETED FUNDS GOING? Since we are a service company (providing irrigation service) and are a non-profit, our money mainly goes to wages/benefits and to system operations, maintenance and repairs. Here is a breakdown for the last five years.

Year	TOTAL BUDGET	Salaries/Labor Payroll cost	Administration Insurance/Legal	Operations & Maintenance	Debt & Reserves
2012	\$ 1,003,100	40.2%	14.9%	33.8%	11.1%
2013	\$ 1,067,005	39.0%	17.5%	32.2%	11.3%
2014	\$ 1,091,200	38.9%	15.9%	42.2%	3.0%
2015	\$ 1,200,740	37.6%	14.3%	41.5%	6.6%
2016	\$ 1,204,690	38.8%	16.2%	39.3%	5.7%

We trust this information is helpful and of interest to you.