

WEST EXTENSION IRRIGATION DISTRICT

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January 28, 2021

Organizational Meeting 2021

Monthly Board Meeting

Chairperson Philippi called the Board meeting to order on January 28, 2021 at 9:00 a.m. at the Columbia Improvement District meeting room located at 501 E. Columbia Ave. in Boardman. Those in attendance were: Board members, Dalarie Philippi, Vern Frederickson, Abe McNamee, Bob Mueller and Whitney Coffman; Board Secretary/Manager, Bev Bridgewater; Administrative Services Manager, Lisa Baum; Guest Mark Maynard, Manager, Columbia Improvement District.

ANNUAL ORGANIZATIONAL BUSINESS

OATH OF OFFICE: The following newly elected directors took their oath of office:

Division One (Umatilla): Robert Mueller (three-year term)

Division Three (Irrigon): Whitney Coffman (three-year term)

OFFICER ELECTION / APPOINTMENT:

CHAIRMAN & VICE CHAIRMAN: Philippi asked for nominations for officers of the Board. McNamee nominated Dalarie Philippi to continue as Chairman and Vern Frederickson to continue as Vice Chairman. Mueller seconded the nomination. With no further nominations, they were closed. A unanimous vote was cast thus electing Dalarie Philippi as Chairman of the Board of Directors and Vern Frederickson as Vice Chairman of the Board of Directors.

SECRETARY: In accordance with ORS 545.181 (b), Manager Bev Bridgewater was appointed as Secretary for the Board of Directors.

RESOLUTION NO. 21-001: REGULAR BOARD MEETINGS FOR 2021 and ORGANIZATIONAL MEETING FOR 2022: Chairman Philippi asked for recommendations for monthly meetings for 2021. She inquired if the 3rd Thursday meetings were working out. There was consensus that this is a fine day and the meetings can be moved with advance notice, if necessary.

Mueller moved to adopt Resolution No. 21-001 which sets the monthly and the 2022 organizational meeting days. McNamee seconded the motion. The Board will meet on the third Thursdays of each month at 9:00 a.m. at places to be decided (due to the pandemic). The Board will be flexible and may change dates and times if conflicts

arise. There will be no meeting in August. The organizational meeting for 2022 will be on Thursday, January 20 at 9:00 am. Motion passed.

RESOLUTION NO. 21-002: AUTHORIZATION FOR BOARD MEETINGS OUTSIDE WEID BOUNDARIES: Due to the COVID state restrictions, meeting spaces are difficult to find that can allow for 6-foot distancing and safety precautions for health purposes. There are several meeting spaces available to the District that are outside its boundaries, such as the space today at Columbia Improvement District office, the Frederickson Farm offices and at the Port of Morrow. Mueller moved to adopt Resolution No. 21-002 which allows the District to hold its Board meetings at locations outside the WEID boundaries. Frederickson seconded. Such decisions, as necessary, will be made by the Chairman of the Board and the Manager with advance notice sent to the Directors. Motion passed.

BANKING: Frederickson moved to continue banking with Banner Bank of Oregon, the Bank of Eastern Oregon and Local Government Investment Pool (LGIP). Mueller seconded. Motion passed.

BANKING SIGNATORS: Frederickson moved to authorize signers on the accounts to be Directors, Dalarie Philippi, Vern Frederickson, Robert Mueller, Abe McNamee and Whitney Coffman and Manager/Secretary, Beverly Bridgewater. Warren Kemper will be removed as an authorized signer as he is no longer a Director. Lisa Baum is authorized to get information on the accounts and make bank transfers by e-mail or phone. Mueller seconded the motion. Motion passed.

RESOLUTION NO. 21-003: WEID BY-LAW CHANGES: West Extension sets its By-Laws in accordance with ORS 545.221. Attorney, Bill Kuhn, recommended several updates to the WEID By-Laws: These are mainly housekeeping measures to be in accordance with ORS and a new section to clarify the process for filling Board Director vacancies. Review and discussion. Mueller moved to adopt Resolution No. 21-003. McNamee seconded. Motion passed.

AGENDA: Mueller moved to approve the agenda as presented. McNamee seconded. Motion passed.

MONTHLY BUSINESS

APPROVAL OF MINUTES: After review, Mueller moved to approve the minutes of the December Board meeting. Frederickson seconded. Discussion. Motion passed.

BILLS PAYABLE: After review, McNamee moved to approve the December accounts payable list in the amount of \$114,420.45. Mueller seconded. Motion passed.

FINANCIAL REPORT: The Financial Report dated November 30, 2020 was reviewed. Several topics of discussion are worth noting as they affect not only this year, but next year's budget.

- The Reserve Legal Fund. Bev recommends removing this as we no longer have a loan for legal funds and our "large" legal bills are likely over.
- The Contract Administration line item continues to decrease. WEID provides one employee to the BPA contract and collects 10% of costs (lowered from 15% a few years ago). BPA continues to cut its overall budget in the Umatilla Basin. Westland ID (local holder of the BPA contract and our partner in it) is training a new equipment operator. This means our employee is not renting equipment and affects that income for WEID.
- Income from finance charges and account interest is lower and will likely continue that trend for now. Customers caught up payments this year and outstanding AR is 36% less than a year ago.
- The power bills (bills our customers received) were 40% higher this year. Information that was requested by the Board was distributed. The reason is not clear, but certainly a power rate increase and more water use were contributing factors. We had a longer irrigation season than has been typical the past few years. The District pays the monthly power bills on the booster stations and bills the customers back at cost plus 20% administrative fee.
- Budgeted line items for 2020 in employee taxes and benefits were well under the actual. Bev and Lisa looked at this and found some omission errors when estimating these numbers. Discussion. One error was around the health insurance paid to employees in lieu of having company coverage. Two employees, Bev and Cougar, currently have their own insurance and receive an insurance stipend. The total amount paid plus taxes and PERS is less than the insurance cost for these employees. However, the taxes and PERS were not calculated during budget time last year. The SUI rate increased by 3% and Health insurance costs went up higher than anticipated.
- The cash flow sheet was reviewed. Fortunately, collections were up during 2020 and we did not have to borrow operating funds. Our cash flow is tight right now. Our reserves have been depleted the past two years with emergency operations (Relocation Canal repair), the new shop and project costs.
- Equipment Repair. We reviewed the recent Bailey bill for the backhoe repair. It was one of those repairs where a problem occurs, as the repairman got into it, more issues were found. There were questions about the work. The excavator is at RDO for repair now. Abe was contacted about that repair and gave Ben advice. The repair would've been quicker in the field, but Bev said it was cheaper in their shop. We weren't in a hurry, so we took it to the RDO shop. Board asked Abe if he would do consultant work with the District about equipment repairs, and he agreed. Board directed his annual O&M bill be offset for his work.

REPORTS AND CORRESPONDENCE

OPERATIONS: Operations report is included in the Manager's report.

ADMINISTRATIVE REPORT: A written report was distributed to the Directors and is attached to and a part of the minutes. It was reviewed and discussed.

RESOLUTION NO. 21-004 – FORECLOSURE ORDER, LINDA MARTINEZ: Discussion. McNamee moved to adopt Resolution No. 21-004 which will send the Martinez property 5N 27 23B tax lot 901, to the attorney for collections and foreclosure. Mueller seconded. Motion passed.

AUDIT CONTRACT: Several companies were contacted to find those that perform municipal audits and two were invited to submit a bid for a three-year audit contract. There was no response. We have the proposal from Barnett & Moro, who has done our audit since 2012 when they were selected on a competitive bid process. Mueller moved to accept and sign the three-year contract with Barnett & Moro. McNamee seconded. Motion passed.

MANAGER'S' REPORT: A written report was distributed to the Directors and is attached to and a part of the minutes. It was reviewed and discussed.

- **Work Crew:** The Board wondered how the work crew from Independence is doing compared to the inmate crew in previous years. Bev thought it is too early to make that comparison, but we have good figures for the past 18 years on how long the inmate crew (now adults in custody) took on each lateral.
- **Pipeline Projects,** the cost of bringing electricity to lateral 15, Abe thought that \$32,000 is quite high. Discussion. The Board wants to see if UEC can find a way to give us a better rate for this work.
- **Pipeline Projects,** the pump at lateral 12. Abe doesn't agree that the fix Gary Moore has suggested will work. He and Ben will discuss this.
- Abe stated the District needs a transit for our projects.
- **City of Irrigon/Huwe-Dollar General Store Development.** The federal solicitor has been appointed and a meeting is set up. Abe reported that Wayne Huwe has visited with him to see what can be done. The work in Irrigon involving the federal easements will be the start of a process that we need to instigate with Reclamation to identify interests from Oregon Land and Water Company and release those interests on properties where they are no longer needed.

DISTRICT PURPOSE & OBEJECTIVES: The document has been updated and was reviewed. Bridgewater highlighted some areas of concentration or concern.

District Values:

- Respect for employees: The employees need to work on respect among themselves and thus, for the District.
- Fairness of Action: The district has worked diligently in this area and has met this goal.
- Reliable Facilities & equipment: As they get older, the cost of maintaining them rises.
- Efficient Operation: We need to be better at this. Ben and Bev have discussed ways to improve.
- Fiscal Stability: We have been impacted by the project work the past few years and that has affected our financial situation.

Goal 1. Water: Some housekeeping was done on the document to reflect current actions. The District meets this goal.

Goal 2. Facilities:

- Spillway No. 1, the pipes at Umatilla Pump Station, telemetry and canal road all need work and attention.
- We continue to replace the steel lines in Irrigon, as they leak.
- Screening at IPS is complete. UPS is on hold.
- Access on laterals 18, 30 and 31 remains sketchy.
- Road maintenance, canal overburden, rodent control are ongoing and we are catching up in these areas.
- Equipment maintenance is ongoing. We do not have a qualified serviceman for repairs, but the crew can do maintenance and minor repairs. A system has been developed to assure inspections and maintenance is taking place. The new shop is very helpful and should make a difference.

Goal 3: Personnel and Management.

Our workers have been here now 4 and 5 years. We can do a better job of getting their buy-in to better the District and themselves.

Goal 4. Relationships and Partners. We are meeting our expectations here.

Goal 5. Bev recommends we tackle to goal to prepare a five-year financial plan. She recommends two Board members to work on it with her and Lisa.

DEVELOPMENT PROCEDURE/POLICY: The draft of the new Development Policy and Procedure was distributed and reviewed. The Board provided comments.

PROJECT REVIEW: In addition to the written report, Bev reported that the cultural review has been submitted by the State. We anticipate getting the “Notice to Proceed” the week of February 23. This would put the Lateral 15 project completion at mid-April or May. Several areas are in flux right now.

One is the path of the lateral through the Holmes and Tobin property. Mike Tobin passed away in November and the family wants a little more time before discussing the new easement. Holmes is flexible on where the pipe goes through his property, but we will need to decide on Tobin and Holmes at the same time.

A 4-inch line, coming off the 18-inch main, is planned for delivery to six landowners off Olsen Road. Five of the landowners have agreed to sign an easement for the new line. The sixth one, Mr. Cromer, want the District to fill in the flood ditch on his property. Discussion. The Board agrees with the 4-inch line as it is an operationally sound decision. The Board said NO to filling in private ditches or providing fill.

DISTRICT BUSINESS

BOARD STANDARDS REVIEW: The Board reviewed the Standards for Board of Directors and Easements and recommended changes:

1) Board standards: Attorney Kuhn recommends changing the language regarding special meetings to match the By-Law changes. Also, to add a sentence that “All Board meetings shall provide public notice as required by ORS 192.640.” Bridgewater recommends some housekeeping, including in Section 4, Compensation, changing the word “shall” to “may”.

2) Easement standards: Under Specific Standards, Paragraph 4, changes were made to include temporary obstructions. Now, shall read:

4. FENCES & OBSTRUCTIONS: No fences, temporary structures, asphalt or other obstruction may be placed across or upon the District’s canal/lateral/pipeline and its bank without permission of the Manager and Reclamation (if a federal right-of-way is involved.). Such permission will be in writing. The Manager shall have the right to remove all fences, structures, asphalt or other obstructions that interfere with the rights of the District and are contrary to these provisions without notice.

Frederickson moved to accept the recommended changes to the Board Standards and Easement Standards. McNamee seconded. Motion passed.

11:30 am. Field Supervisor, Ben de los Santos arrived at the meeting. The meeting recessed for lunch. During the lunch, Ben gave updates on the project work and the Lateral 15 project was discussed.

BUDGET 2021: A budget worksheet had been distributed earlier to the Board. This was discussed. Staff and directors reviewed several documents prepared by Lisa showing how the crew has been staffed and the task codes. In a nutshell, the last Operations Manager had four field workers plus some part-time folks. He left in 2017 and we have been working with Ben as Field Supervisor, four field workers under him and a part-time person. Currently, we have Ben plus three field workers, one part-time and a temporary leased worker. Bridgewater stated this is what it takes to get the work done. We kept Gary Kroske in 2019 as a temporary irrigation season worker and he helped get the equipment maintained, records organized and easement clean-up along the canal. Now, we have Tassie who works 3 days part-time as ditchrider and 4 days part-time in the off-season.

Ben stated that we have been doing projects since he came to the District is 2016. We seem to have unplanned emergencies such as the aquatic weeds in 2018 and 2019 that took up a lot of time. We couldn't get ahead of the treatments. In winter of 2018/2019, we did the Coyote Springs drainage work. In 2019, the Relocation Canal washed out and in 2020, there were the windstorms and fire that affected the canal. Plus, the telemetry is not working at all sites. The crews, in addition to the piping projects, have been catching up work on the right-of-way and canal road, as Reclamation has requested. He and Bev both believe that to keep our level of service and do the projects, this is the staff that is needed.

The Board is concerned about the Boardman Piping Project and that it is taking away from the care of the irrigation system. They discussed delaying the Project one year. Bev is concerned about losing the grant dollars and NRCS funds. Frederickson stated there are always grant dollars.

Bridgewater also handed out a sheet with several variances of fee increases. This was discussed. The Board gave direction to look at a \$380 Base charge and a 2.5% increase on the other charges. The meeting was recessed at 1:20 pm until Monday, February 8 at 9:00 am.

MEETING – MONDAY, FEB. 8, 2021 9:00 am.

Chairperson Philippi reconvened the Board meeting on February 8, 2021 at 9:00 a.m. at the Columbia Improvement District meeting room located at 501 E. Columbia Ave. in Boardman. Those in attendance were: Board members, Dalarie Philippi, Vern Frederickson, Abe McNamee, Bob Mueller (by phone) and Whitney Coffman (by phone); Board Secretary/Manager, Bev Bridgewater; Administrative Services Manager, Lisa Baum.

An updated Agenda was distributed, which included a review of the Water Right Transfer Policy.

WATER RIGHT TRANSFER POLICY: Our policy has not been updated since we received the certificate on the Columbia River in Irrigon. Several areas needed housekeeping. Bridgewater added ORS references throughout the document. She added some fees to help pay for the transfers.

Board discussion: The Board wants the "OFF" lands to pay only a capping fee. The mapping fee for the OFF lands can be paid by the District, if the rights are signed to the District or by the receiving landowner. For a private water right sale, the parties can determine who pays the fees. For other areas, the District should bill the actual time and fees although providing a broad estimate is fine.

McNamee moved to approve the Water Right Transfer Policy update, with the changes discussed. Frederickson seconded. Motion passed.

LAND DEVELOPMENT POLICY: The new policy was presented as a Final document. Discussion;

Fees – the fees are a reasonable start. If more time is taken, they can be reviewed again.

Review of the final plat is needed.

Easements should be 20-foot minimum, unless a special condition requires a variance. This should be approved in writing.

Trees and shrubs and at a minimum distance. Their roots will find the pipe eventually and cause trouble, as Abe said. The distance in the policy is a compromise between what the board would like and the rights of the landowner.

Each new lot should have a point of delivery.

McNamee moved to approve the Land Development Policy with the changes discussed. Frederickson seconded. Motion passed.

O&M POLICY: The Board wants to take a look at the Operation and Maintenance Policy at a future meeting to assure the District will repair any damage it causes to property owners.

BUDGET 2021: An updated budget was presented. Bev reviewed it with the Board. Key points of discussion:

- Field Employees are 4 full-time, 1 part-time and 1 leased.
- The piping projects have been pushed out a year. This will finish Lateral 17 in 2023 instead of 2022. Lateral 15 landowners have been contacted that their project is delayed one year. The budget reflects this. NRCS stated they are able to push out the funds for Lateral 17 landowners one year.
- Board wants to be sure that operations are not sacrificed for the projects.
- The improvement funds were discussed. With the IPS screen payment, the funds for the project and District improvements, there is not money to go to the operating funds for the District.
- The interest payments for the Bank of Eastern Oregon loan needs to be in the budget.
- We need to start building up our reserve funds.
- The SDAO grant income needs to be added to income for 2021.
- An increase should be in improvements, not per acre, to help cover the project costs, then pay back the loan when the construction is complete. By increasing a little, the payback will be less.
- Should we borrow all the money now and pay it back on a loan. We don't really know the final costs. Materials continue to rise. We are on a line of credit now.
- The O&M costs have increased since 2015 which was the last increase, so the base and maybe the per acre will need to increase.

A motion was made by Frederickson to set the 2021 rates at \$380 Base, \$55 per acre or portion thereof, \$27.50 for pressurization with a one-acre minimum, Add \$2 to the improvement fees, so \$16.50 for IPS and \$11.50 for main canal, each with a one-acre minimum, Legal fee remains at \$5 per acre with a one acre minimum. The budget will be adjusted for these figures with the changes discussed and the remaining amount to show up in Fund Balance. Mueller seconded the motion. Motion passed by unanimous vote.

Bev commented that this budget includes the purchase of a new ditchrider truck. Yes, the Board agreed. We need to stay on a replacement schedule.

It also includes a VFD for Southshore Drive.

Meters need to be ordered for the Lateral 12 project. Bev stated that the project plans for purchase of meters except landowners above 20 acres should purchase their own, as it our standard.

McNamee wondered when Proctor will get the letter to discontinue flood irrigation. Bridgewater has not sent the final letter to them. Others have been asked to convert because of upgrades to the District delivery. The Board will stand behind the request, so please send the letter.

The Board needs a Project Projection Cost and Cash Flow Analysis.

ADJOURNMENT

With no further business, Chairperson Philippi adjourned the meeting at 11:55 am.

Signed:

Bev Bridgewater, Secretary

Attest:

Dalarie Philippi, Chairperson