

**Farmers Union Ditch**  
Annual Meeting Notes  
January 9, 2016

**Welcome**

Introduce Board Members: Lloyd Akins, Paul Akins, Tom Foster

Employees: Dane Vaughn-Lisa Harm-Jerry Kiser

**Number of FUD Shares Present and by proxy, 79.95**

**Meeting called to order and Minutes of 2015 Meeting read and approved.**

**FUD president Brian Harm gave his report:**

**Operations & Maintenance Overview**

1. Lander Street Sewer Line Project: FUD received \$16,675
2. Ester Simplot Park Pond Dewatering Project: FUD received \$25,000
3. ACHD State & Collister Intersection & widening of State St project to require a 1200 ft. box culvert 30 feet wide. Construction likely in 2017-18
4. Five head gates replaced
5. Extensive Riprap, tree removal and bentonite & Butte rock applications were conducted.
6. District 63 Cloud seeding program was adopted our cost this year was \$2,800. Our pro-rata assessment for 2016 will approach \$7,000.
- 7.Reduced storage fill once again forced us to ration our allocations to 75%. Thankfully we managed to Mid-October.

## Litigation

### *Fitzgerald Case & Lawsuit:*

This gofer related breach in the canal and the subsequent lawsuit affective our easement and maintenance rights provided to be the most significant litigation of the year. Reparation expenses approached \$15,000 along with legal fees of approximately \$25,000

Case settled in mediation: Savings approximately 30K

### *Re-fill Case:*

We expended roughly \$15,000 in both cooperative and independent action on this issue. Fortunately, the Water Districts bore the biggest part of this horrible expensive defense.

## Other Developments

As part of the Re-fill defense effort, we helped create and the Treasure Valley Water Users Association which includes Water Districts and Canal Companies in Water District 63. Presently the group represents about 300,000 of the 350,000 irrigated acres in Treasure Valley.

Our assessment for this group was 20 cents an acre in 2015 and will rise to \$25 cents for 2016.

## Financial Summary:

Income Projected for 2015 = 382,000	Actual 381,971
Plus Boise City Revenues	<u>+ 41,640</u>
Total	\$423,611

Expense Projected 2015 =378,000	Actual 340,041
Plus Capital Expense	<u>+12,500</u>
Total	\$352,541

Income Projected for 2016 = 394,646

Expense Projected for 2016 = 378,592

## **Budget Highlights:**

Increases for Liability, Workman's Comp, and Health Insurances.

OEM Up

No Major Project allocations.

Legal Budget remains high

## **Assessments**

2015 FUD Share	466.91 or 42.45 an inch
+ Special Assessment	<u>\$110 or \$10 an inch</u>
	<b>576.91 or 52.45 an inch</b>

2016 FUD Share	<b>573.76 or 52.16 an inch</b>
----------------	--------------------------------

To achieve this result we removed the special assessment on FUD shares and increased the basic per each assessment on all users from 42.45 an inch to 52.16 an inch.

This removed the extra subsidy being born exclusively by FUD users in the special assessment and spread the costs of the special assessment and a 5% OEM increase across every inch of water flowing through the canal

## **The Future**

We're holding our own with the 150 year of infrastructure, though the clock's still ticking toward a time when we will be forced either by structural necessity and/or regulation to undertake massive long-term infrastructure investments amounting to millions of dollars.

In the face of increasing legal, developmental, regulatory and environmental complexities, I believe we are also nearing a time when the Farmer's Union will require a full time and professional management in order to sustain itself. The strain on our voluntary board is very great and relentless.

Right now we are faced with concerns about:

1. Green Meadow Spill & surrounding geologic mass wasting occurring for Pierce Park along Hill Road for roughly a half mile.
2. The structural security of the elevated canal from Gary Lane to Highway 55 which remains at high risk due to steep grades and porous soils.
3. Retrofit and replacement of a drain under the canal near Veteran's Cemetery
4. Growing concerns about the litigious landscape and the increased time, money and resources it requires of the company.
5. Monitoring the diversion works and culvert construction presently being done as part of the Simplot Park agreement.
6. Continuing our engagement with the Re-fill case seems destined to be headed to the courts and the legislature.
7. Improving our liability protections in the event of catastrophic failures within the increasingly urban landscape.