

Wednesday, July 12, 2017

## Farmers Union Ditch Meeting

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Board Present:

Sam Rosti, Lloyd Akins, Paul Akins, Tom Foster

Ditch Rider, Craig Waddell

Rosalie Cope, Secretary/Bookkeeper

Jerry Kiser, Attorney for FUD

Sam Rosti called the meeting called to order at 6:12 p.m.

Jerry Kiser presented a draft of a letter to Mr. Pickens at 10200 W Scenic View in Star to address recent events involving Mr. Pickens activities on the canal maintenance road and his inappropriate behavior toward FUD ditch riders.

Rosalie provided the board with an A/R Aging Summary showing the shareholders who have are delinquent on their assessments. Rosalie explained finance charges had been calculated incorrectly and she has been working to clean them up and assess the correct charges. Rosalie reported she has done that and sent a copy of the Quickbooks file to Crandall-Swenson to review before any more notices are sent out. There are several shareholders who have paid their assessments along with the incorrect finance charges. The board directed Rosalie to issue checks back to those shareholders along with a letter explaining finance charges were inadvertently calculated incorrectly. Rosalie reported those that are still outstanding will be turned over to Jerry.

Minutes were read by Rosalie Cope.

Minutes approved with corrections.

Mike Harrison with Boise City Canal was supposed to provide plans for the installation of a 40'x6" pipe to deliver water to Boise City Canal water users, Victoria Craig and Mr. Haakenstad. Craig reported he has not received anything from Mr. Harrison.

At the June meeting it was agreed that John Tensen representing the Whitewater Park was to meet with Craig to review concept plans and work schedule for the Whitewater Park. Craig has been in contact with Mr. Tensen but they have not been able to meet yet.

Rosalie and Jerry both have been in communication with Megan from Boise Valley Water regarding the Alice Culver properties. Alice Culver intends to transfer 1.25

inches of her 14 inches of Boise Valley water to 509 Hill Rd. Previously Alice Culver sold 6196 N Pierce Park Lane to Jeff Gabica and transferred 1 inch of Boise Valley water to that property. She also sold 6160 N Pierce Park to Shonie Davis and 6188 Pierce Park Lane to Ratchetto Land and transferred 1 inch of Boise Valley water to each of those properties. Alice Culver lives at 6100 N Pierce Park and retains the remainder of the shares on that property. Megan will get delivery agreements to us as soon as she receives all the information. It appears delivery for that property is HG11, P19. Craig said there is a pump at 5909 Hill Road and we are not currently delivering any water to HG11.

Jerry asked if Craig had a chance to measure the ditch at Belmar Estates. Craig did have some measurements but the Board asked if he could go back and measure the canal and the road in several different places so they can determine if there is any room on the north side of the canal for maintenance access.

Rosalie reported on several different options for credit card processing. US Bank will set up a portal page with a login from our browser to process transactions. They will send a tech out to Rosalie's house to set up the portal page and provide training. US Bank charges a \$15 monthly fee plus a \$49 set-up fee and 3% plus \$0.19 per transaction. Quickbooks offers two different options, monthly and pay-as-you-go. Quickbooks has an option to email invoices with a "Pay Now" button so customers can pay instantly online. Quickbooks will automatically update itself when money is deposited. The monthly fee is \$20, no set-up fee and 3.3% plus \$0.30 per transaction. With the pay-as-you-go option there is no monthly fee, no set-up fee and a 3.5% plus \$0.30 per transaction fee.

Sam said he really doesn't want to pass on any additional fees to shareholders with the potential O&M cost increases we could be facing from Lucky Peak. Rosalie said a decision does not have to be made at this time since we would not be setting up the feature until January to receive payments in February.

Craig Waddell reported the ditch is running approximately the same as last year which was a short water year. He thinks he will be able to cut back some and no one will notice a shortage. The next 25 days will determine.

Craig also reported moss is coming back in the ditch and he is going to start treating it again. He said he usually treats twice a month until July 15<sup>th</sup>. Sam said the first moss treatment needs to be done before the 4<sup>th</sup> of July. Craig said it had been done.

Sam asked when Craig, Lloyd and Rosalie are going to go on a ditch tour. Lloyd stated he is not quite sure where all the laterals are so it would be good to do. Craig said he is caught up somewhat and can go anytime.

Jerry Kiser presented a disciplinary action letter to Kendall Rivers for the Board's review. The board asked Jerry to send the letter with a few minor revisions.

Lloyd reported his findings on interest rates with Idaho Central Credit Union so the board could make a decision to transfer \$40,000 into the existing cd, a new cd or a savings account. Lloyd said the money can be added to the existing cd which is on a two year term or put into a separate fund with a different date of maturity. The rate on a new cd currently is 1.58% and a four year cd yields the best interest. He said if money is withdrawn interest is reversed on the account for 180 days from the date of withdraw. Discussion was had and it was determined FUD has two payments left on the excavator and discussion was had about replacing the ½ ton pickup with a one ton. The board proposes spending \$24 to \$25,000 for an upgraded pickup. Jerry knows of a dealership that has a few in that might meet the specs. He will look into it.

Sam stated we need to be thinking ahead as to how we are going to cover the increasing O & M costs for Lucky Peak reservoir. Jerry reported letters were sent to the Congressional delegation. He presented a letter from the State Department of Water Resources to the Watermaster Rex Barrie along with a letter to the B.O.R. from Senator Risch, Senator Crapo and Representative Labrador expressing their concerns over the matter. Said reported he spoke with Roland Springer and again expressed his frustration that flood control was not being taken into consideration, instead the entire cost of O & M is being passed on to the ditch companies. Sam stated the B.O.R. director has to present the budget to congress so we need to continue to get this in front of the delegation. Lloyd does not think we can assess the entire increase to shareholders in one year. The increase is too significant. Sam again stated we need to take a more proactive approach and increase steadily over the next several years in order to cover the increased cost. Jerry reiterated there could be some federal relief available but it would be for a limited time and FUD will not likely have an accurate cost increase or information on relief prior to 2018 assessments going out. The first installment for 2018 estimated O & M expenses will be due in February. A second bill is typically received in April. Jerry also said FUD could potentially work with B.O.R. to spread the cost out up to 10 years.

Lloyd stated typically the board increases the budget by 5% per year. Lloyd also thinks we need to maintain a contingency of at least \$100,000 to cover equipment needs and unforeseen expenses. Sam presented a spreadsheet from Middleton Mill with their projections of assessment increases needed to cover the additional expenses. They plan to take a large jump in 2018 to be prepared and then slower increases over the next several years. Jerry is going to take a look at their projections along with the information he currently has from B.O.R. and prepare some options for increases.

Jerry presented a draft of a letter to Capital View Irrigation to follow up on their request for FUD to deliver their storage water from July 1<sup>st</sup> to August 31<sup>st</sup>, annually. In the letter Jerry outlined the terms FUD would require and asks for prompt response as the water is now being delivered and no agreement is in place. Sam asked Jerry to include a deadline on execution of a delivery agreement since the water is currently being delivered. Jerry asked if the board wants to charge for the full three shares if FUD is receiving one of those shares per the delivery agreement.

The board responded yes, Capital View will be required to pay for delivery of the three shares for the full assessment since it cost the same to maintain the ditch regardless of delivery of the water for a couple of months or the full season. Jerry is going to check with Rex Barrie to make sure FUD is receiving the water. Paul asked how the water would be measured. Sam stated they have flow meters. Jerry will revise the letter after his conversation with the water master and send.

Rosalie received an email from Crandall Swenson asking if FUD would like them to continue providing quarterly financial statements to the Board. The cost is approximately \$340 per quarter. The board asked Rosalie to provide a list of services Crandall Swenson has been performing for FUD along with a fee breakdown for review.

Jerry presented a letter he prepared to Tracy Ellwein, the engineer from HDR presently working on the ITD Project at Collister and State Street. In the letter Jerry reiterates the needs of FUD and states the requirement for a crossing agreement between Farmer's Union, ITD and possibly ACHD before work can begin. Lloyd reported that from his conversation with Ms. Ellwein the concept has been approved by ACHD and funding is in place. Work on the project is expected to begin in approximately 18 months. The board reiterated no construction could begin without FUD approval of the plans.

Sam reported BMP grants and funding through DEQ will be available for application soon. He stated there is approximately \$20,000 available through the state and up to \$250,000 in funds available through the federal government to be allocated to grant applicants.

Jerry reported it is his understanding that FEMA wants to call for cities to require irrigation companies to get permits for canal maintenance work. TVWA and legislature met previously and exempted irrigation companies from permits.

Paul asked for clarification on the laws regarding storage water. Paul asked if technically there is no storage water this year because the storage water was released early and passed through the dam in order to mitigate flood control. Now that the reservoirs are full is BOR still going to give FUD the full allocation since technically we FUD has no right to the water currently in the reservoirs?

Lloyd asked if there is a need for an August meeting? Jerry said there is potentially if there are any new developments from the Whitewater park. At this time the August meeting will be postponed unless something comes up that needs to be discussed. The September meeting will be pushed back to the 19<sup>th</sup> due to harvest.

Paul Akins moved to adjourn the meeting; motion was seconded by Lloyd Akins. Meeting adjourned at 9:40 p.m.