

Tuesday, September 19, 2017

Farmers Union Ditch Meeting

Board Present:

Sam Rosti, Lloyd Akins, Paul Akins, Tom Foster

Ditch Riders, Craig Waddell, Kendall Rivers

Rosalie Cope, Secretary/Bookkeeper

Jerry Kiser, Attorney for FUD

Guests: Holten White – Abco Engineering, Chris Jones – Jones Drilling Co., Ron Keogh, Mort McMillen, Olivia Weick, John Tensen.

Sam Rosti called the meeting to order at 6:15 p.m.

Mr. White and Mr. Jones attended the meeting on behalf of Rich Ostrogorsky at 6549 W. Summer Hill Dr. Mr. Ostrogorsky's home is built on a steep slope above the Farmer's Union canal. The hillside is eroding and sliding into the canal. Mr. Ostrogorsky has hired Abco engineering to produce a plan to stabilize the bank and Abco is working with contractor, Chris Jones to do necessary stabilization of the property. Lloyd stated repairs need to be done on Mr. Ostrogorsky's property, not on Farmer's Union property. Sam asked if a survey has been done and how far the property line is from the canal. Mr. White presented a map of the property along with proposed plans to stabilize the bank. Abco is proposing to put anchors and rock baskets at canal level in order to stabilize the bank. Sam stated this piece of property is unique in that FUD owns the property along the canal bank rather than having a right of way in this situation. Sam also stated that it appears Mr. Ostrogorsky's deck and retaining wall sit on FUD's property. Paul asked what the scope of work is. Mr. Holton stated there is an existing wall, but it does not really serve as a retaining wall. There is also a block wall which has fallen down. He stated there used to be railroad ties which have deteriorated and are no longer holding the bank. Sam asked if the bank at the canal level is washed out and asked Jerry Kiser for input. Jerry stated if Farmer's Union allows the work to take place on their property there is a question of liability if the wall fails. Jerry said Farmer's Union could possibly grant a temporary easement in order to have room to do the work however allowing heavy equipment on the already unstable bank may cause more damage. Sam said Farmer's Union will bring in rip rap to stabilize the canal bank and Mr. Ostrogorsky will have to do any necessary work on his property. Mr. White asked if the temporary easement would be an option. The board said Abco would have to bring a new plan for work to be done only on Mr. Ostrogorsky's property before they would consider a temporary easement. Craig stated there is only about a month and a half in the fall when it would be feasible to do the work.

Ron Keogh at 2623 N Ballantyne Lane in Hoffman subdivision currently receives water from a lateral off HG 77. He stated he is one of four homeowners on that lateral and there is another lateral below whose open ditch runs across his property. Mr. Keogh is planning to install pipe and close the ditch across his property. He has been working with Interwest Supply and a 10-12" pipe should be sufficient, however they have decided to use 15" pipe. The distance is approximately 420'. The board stated that Farmer's Union does not make decisions on how lateral users carry their water however they appreciate Mr. Keogh keeping them informed. Lloyd suggested the pipe should be buried at a depth of at least 3'. Sam said if the pipe is buried deeper than the original ditch level that it may plug with sand. It was suggested that Mr. Keogh cover the pipe with a berm so it would be protected if anyone drove over it. Paul said if the lateral association approves of the work then FUD does not have a problem with the pipe. Lloyd asked if Mr. Keogh would send Farmer's Union a copy of the plan and agreement with the lateral association once an agreement is in place.

Mort McMillen, Olivia Weick (Design Engineer with McMillen) and John Tensen (Whitewater Park) were in attendance to review concept plans and the schedule for the additional work at the Whitewater Park. John Tensen reported that bacteria/algae were discovered two weeks ago in the pond. McMillen installed a silt curtain which helps prevent sediment and particles from getting into the canal. The curtain will remain in place until the end of the irrigation season. The canal has been tested 5 times and meets acceptable standards. Boise City is currently working with a chemical company and treated with copper sulfate last Wednesday. Mr. Tensen stated the bacteria have most likely always been in the ponds however they were not tested in the past because people were not swimming in them. Long-term the City of Boise plans to put a berm in to isolate the pond and run a pipe under the canal. They would like to build it large enough to secure a non-consumptive water right. Lloyd said the Roylance water is not enough water to flush the pond. John stated they also have access to Thurman Mill water rights. The non-consumptive water right would allow them to take a water right from upstream, run it through the ponds and divert the water back into the canal. They would have to come up with additional water to replace the evaporation loss that would naturally occur. IDWR would have to approve the permit and it would be junior in priority to all other existing water rights. Jerry stated they would still have to mitigate for the non-consumptive water right. Lloyd stated they would need to put a headgate on it in order to maintain proper water levels. Mr. Tensen said they are proposing a glory hole type structure. In exchange for allowing Boise City to put the water into the canal through the ponds there would be some water available to Farmer's Union. There is currently no funding for this project. They would like to do the work possibly next winter coupled with the work they are planning to do to the canal bank.

Mr. McMillen reported as part of the construction they plan to excavate the material where there is currently a riffle during low flow as well as some material upstream. This will create a pool which will help maintain a better head of water. The new gate will be 6" to 1' higher than what is currently there. Craig asked how deep the water will be in front of the intake structure. Mr. McMillen stated it will be 5 ½ to 6 feet and

the water level is currently about 4 ½ feet. Craig said when the wave is currently adjusted it lowers the Farmer's Union water level. Sam asked if there is automation planned to manage the gates when the wave is adjusted. Mr. McMillen stated everything on the diversion structure has the ability to be automated. The gate structure on the existing headgate can be automated at a later date. The bottom of the box culvert is currently at an elevation of 2,651 feet and 2,652 feet in places down the canal. They plan to clean the silt out of the canal up to the Farmer's Union headgate. Mr. Tensen said they are going to install an Obermeyer spillway headgate with flush boards. He said if the water level is going down the boards will come up and if it is going up they will go down to help maintain the pool elevation. Sam asked Craig if he would want that automation tied to the Farmer's Union headgate. Craig said he would not be opposed. Jerry asked to clarify, if there are changes at Thurman Mill this structure should help stabilize a level pool? If they put in a tilting weir and maintain a level pool would that give Farmer's Union the control needed? Then the Farmer's Union headgate could be automated at a later date? The inflow will work much better Lloyd stated. However we would like to know how they intend to keep trash out of the structure. Mr. McMillen stated they are going to remove the existing boards and redo with different spacing. They are also trying to use the slues-way to help move debris. There will be a Worthington debris boom to keep people off the trash rack and remove debris. Debris should go through the wave feature. They won't be able to fine tune debris removal until the river is flowing through the structure. Lloyd asked if a series of automated debris cleaners could be installed. He would like to see a permanent solution so the trash racks don't have to be renovated again. Mr. Tensen stated the cost is well over a million dollars and thinks the debris boom will do the job. Sam asked that the platform is significantly lower than what it currently is. Mr. Tensen stated they are removing approximately 3 feet of material from river bed by the bridge. The Chausey Swan level and the new level will be basically the same. The pile of rip rap and debris is going to be removed so the river invert will be back to what it was before the debris was allowed to build up. They plan to restore approximately 700 feet of river bank from the Farmer's Union intake structure to the pier at Veterans Memorial Park.

Lloyd asked about the timeline. The first item will be the crossing above the headgate structure. Wing walls have been added and the structure will be able to bear the load of construction equipment as per the previous request by the Farmer's Union Board. They will also install a removable guard rail. The plan is to take the existing structure all the way out. A second sheet will be added on the front, which is canal side. They will be putting slots in to hold stop logs and a center bar to split the stop logs so they aren't so heavy. Mr. McMillen stated the joints will be grouted so the structure won't leak and the bottom elevation will be the same as what is currently there. Craig requested the skimmer poles be retained and that they do not install a center post. Mr. Tensen stated that would make the total length of the logs 13 feet. Craig stated that would be fine. Mr. McMillen stated the drawing of this structure is exhibit C431 and there are more details on the remaining pages. Mr. McMillen said there is going to be a clear span structure at the Railroad Bridge. They are going to construct it high enough and far enough out on each side so there will be no weight

on Farmer's Union walls. Lloyd requested the length of the Railroad Bridge be at least 55 feet in total length and extend well beyond the walls of the Farmers' Union structure so it will be freestanding.

It has been agreed that Craig will fabricate the gate and Boise City is going to install the wing walls and do the concrete work. Craig stated there needs to be minimal slope and the bottom needs to be the same height or a little higher than what is currently there. Mr. McMillen stated the dimensions are 5' wide x 6' high and 11' long. Craig said the wing walls and concrete work have to be done before he can begin work on the gate. The plan is to do the concrete work at the same time they are working on the first structure. Sam asked why Craig is going to do the work on the gate with all of the work he already has to do on the canal. Craig said the stop logs can be in place until the gate is built and that he will focus on his normal duties before he works on the gate. Sam stated he does not want to see Craig doing the work on the gate and would like Boise City to do all the work. Mr. Tensen stated he would have a hard time justifying building a side structure that is not related to their project. The automated weir portion is not part of the Whitewater project in his opinion. The idea was that Farmer's Union would charge Boise City for use of the Farmer's Union waterway which should generate the funds needed to pay for the weir. Sam asked what the timeline is, assuming there is water in the canal until the third week in October. Mr. Tensen said they will begin on repairs by the Veteran's Memorial Bridge and when the water is out they will begin trimming trees, grading the canal and installing the bridges. They plan to start as soon as water is out of the canal. Lloyd stated that he had a conversation with the Water master Rex Barrie and Mr. Barrie thinks Farmer's Union will be receiving flood water by the second week in January. Mr. Barrie said there will be no river diversion this year. Mr. Tensen said they want to get the river repairs done first and then move on to the canal work. He expects the canal work to take 4-6 weeks. Mr. McMillen said they would like to get the rock terrace below the main structure in this year which would give them a head start on the work to be done next year. In September of 2018 the bridges will go in and they will clean the canal. The trees will be removed as part of the work this year. Their hope is to get in the river in September of 2018 to start work on the main structure.

Mr. McMillen asked if the existing agreement with Farmer's Union could be amended to include the work for this year and then amended again in 2018. John asked if Jerry would like to make the revisions or if he would like them to. Mr. McMillen is going to go through the existing agreement and send the amended language to Jerry for approval.

Minutes were read by Rosalie Cope.
Minutes approved with corrections.

Sam said the first order of business would be to hear from ditch rider Kendall Rivers. Kendall asked if he could attend the meeting. Kendall reported he had not passed his test but has been improving each time and is getting closer to passing. Kendall

reported he is scheduled to retake the test again on October 6th. The board will discuss and let Kendall know what they decide.

Jerry gave an update on the O & M costs at Lucky Peak reservoir. He stated there are basically three options.

- 1) A feasibility of benefit analysis can be done in order to pass some of the responsibility on to flood control. The BOR is concerned that if a cost benefit analysis is done it may have to involve Anderson Ranch and Arrowrock. BOR is working to find out if Lucky Peak can be looked at alone. The analysis could result in immediate relief. The benefit study does not currently have an appeal process.
- 2) An evaluation was done where "non routine" costs could be re-characterized because they are currently skewing the O & M costs. The end result will lower approximately one dollar per acre ft. off the estimated expenses for 2017. The problem is trying to figure out how to estimate upcoming years.
- 3) BOR would need to get approval to negotiate an agreement to allow payments to be spread out over time. The concept would be similar to a line of credit. When there are years with large unexpected increases Farmer's Union would be allowed to spread the cost out over time.

In 2017 Farmer's Union was billed \$3.19 per acre ft. for expected costs and \$1.93 from the 2016 "trued up" cost. If we incorporate the new allocation of "non-routine" costs, those costs would be "trued up" in future budget years. The 10 year rate would be 1.67% or 2.75% over 2 years. Jerry has not looked at legislative options yet, but stated we need to do that.

Jerry estimates there will be an increase for 2018 to about \$6.00 per acre ft. however \$3.19 of that has been paid in 2017. The remainder which is projected at \$5.92 is to be paid in 2018 is \$2.81 along with the prepayment of \$7.38 for 2018. The increase is estimated to be \$200 per share. A Farmer's Union share is currently \$573.76. The board proposes to increase each share by \$100 in 2018 and another \$100 in 2019 in order to cover the additional O & M costs. There are 5,500 chargeable inches of Lucky Peak storage water in the Farmer's Union canal and 5,593 inches of Anderson Ranch and 7,279 inches of Arrowrock, giving Farmer's Union 18,372 total feet of storage water. Farmer's Union can't pass storage water costs on to Boise Valley, Boise City, Middleton Mill and other water shareholders with water in the canal.

Jerry said the board needs to set a meeting with Belmar Estates to discuss right-of-ways. Sam directed Jerry to draft bullet points for the discussion which the Board will review. The board would like Jerry to meet with representatives from Belmar Estates to discuss the agreed upon points of discussion and negotiate on behalf of Farmer's Union.

Jerry reported Mike Harrison with Boise City Canal emailed him asking if Farmer's Union had approved plans for installation of the 40"x6" pipe to deliver water to Boise City Canal water user Victoria Craig. Jerry reported that he reiterated to Mr. Harrison

that the pipe has always been a problem for Farmer's Union and the new pipe is supposed to be able to be removable so the ditch riders can get in to do maintenance on the canal.

Jerry reported Intermountain Gas is working with Vine subdivision to install a ¾" gas line which would go under the canal at a depth of 6 feet. Jerry speculates the line is just to service one house in the subdivision. Sam asked if Farmer's Union can require them to sleeve the pipe. Lloyd would like to see the pipe extended out 20 feet also.

Pete Newton with Capital View contacted Jerry with concerns about paying for storage water O & M costs. Mr. Newton believes Capital View is exempt as per the 1953 agreement. Jerry stated the Agreement says Farmer's Union shall have and receive 20% of said water for carrying the remainder of the water. The agreement does not address canal maintenance costs. The transmission loss is the same as what is deducted from other Farmer's Union non-shareholders who pay O & M assessments. The receipt of 20% was agreed upon for Farmer's Union to carry the water not for Capital View's share of maintenance of the canal. Jerry is currently reviewing the contract. Capital View will be charged the regular shareholder fee for three shares less the storage water costs which are built into the share fee. The Board asked Rosalie to locate the Capital View file and find the calculation for Capital View O & M costs.

Rosalie provided the board with an A/R Aging Summary showing the shareholders who are delinquent on their assessments Rosalie issued checks back to the shareholders whose finance charges were incorrectly calculated. Jerry issued collection letters to those still outstanding on June 1st and Rosalie has sent another round of statements. At this time there are three outstanding assessments, totaling \$516.81.

The Board briefly discussed the detail and cost breakdown on prior accounting and QuickBooks support provided by Crandall-Swenson. The Board asked Rosalie to ask for more detail on payroll support that has been provided in the past.

The October meeting will be pushed back to the 17th.

Paul Akins moved to adjourn the meeting; motion was seconded by Lloyd Akins. Meeting adjourned at 11:01 p.m.