**MEDFORD IRRIGATION DISTRICT**

**Regular Board Meeting Minutes**

**February 8th, 2023 @ 1:30 pm**

Present: Sean Naumes, Dennis O’Donoghue, Henry Vaninetti, Dave Urton, Angelo Grestoni, Jack Friend-Manager/Secretary

**Call meeting to order:** Chairman Naumes called the meeting to order at 1:33 pm.

**Minutes:** The minutes of the organizational board meeting on January 11th were reviewed. Chairman Naumes asks if there are any comments or corrections to the minutes. Motion: Chairman Naumes called for a motion to approve the organizational board meeting minutes as presented for January 11th, 2023. Director O’Donoghue motions to approve the January 11th, 2023, minutes, Director Urton seconds the motion, and the motion carries.

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**Financials:** Grestoni: Is the computer services front end loaded? Looks like it has used up a third of the budget. Friend: Subscriptions and Tech management annual service contracts are due at the beginning of the year. Storm is a 3500 payment at the first of the year. Grestoni: Same thing with the licenses? Friend: Yes. Director O’Donoghue motions to approve the financials, and Director Urton seconds, the motion carries.

**Delinquent Accounts:** Friend: Not a whole lot of movement here. The 4+ delinquent letter we discussed at the last meeting is for your review. You asked for a letter and this is our legal counsel’s response. Grestoni: you know my input on this and I am going to abstain. Friend: this was discussed at the last board meeting for the over five years patrons. Grestoni: that’s what I was saying, we’re going to try it, what have we got to lose? Friend: hope it triggers a response. Urton: I think the first paragraph says it all and is reasonable.

**Transfers:** Friend: there is a host of transfers. Six of the seven are under an acre and one is for 8.80 acres. They have all signed their quitclaim documents and paid all their document fees. They are just waiting for approval. Naumes: do we have a motion to approve the transfer off patrons? O’Donoghue: so moved. Urton: seconds motion for transfers. Naumes: all in favor, opposed, motion carries.

**Administration:** Friend: I have a couple of graphs showing where the reservoirs are at. The graph on top is Fish and Fourmile combined storage. It is up to 1,600-acre feet from this time last year. Still well below the average. The bottom graph is the southern reservoirs, Emigrant, Hyatt, and Howard, our supplemental source. You can notice that it is significantly higher than it was last year. But definitely below average. It is 1,300 higher this year than last. At the peak of the season last year there were only about 24,000 acre-feet. We are in the lower 20,000 at this point. We are on a better track than last year. The snow water equivalent has dropped since last month. Most of the areas that we care about, were below average. We have about 50” at Fourmile and 15” at Fish, and Howard Prairie has about a foot. After the warm rains melted off some of the snow during Christmas, there hasn’t been a series of storms to keep adding to it. If we see a weather pattern shift, we could come back from that, but we have about 116% at Billie Creek and the rest are about 80 and 60 percent. We want to see some more snowpacks. Sounds like something is coming up. (Showing slides of the shotcrete jobs we just completed) Summary of the jobs completed last month. Normal canal cleaning has been going on along with the excavators working their way through the canal systems. Lower end canal compromised, repaired. Have a full staff to be able to clean by hand in areas that haven’t been touched in a while, creating large brush piles to be burned.

In the office, been working with FCA and Bonneville Environmental Foundation, they’re a non-profit and are a go-between for projects like the floating solar project. We were awarded 1.12 million through the Department of Energy for the floating solar project. After falling thru, it was picked up by another resource, the FCA has partnered with the DOE. Will be trying to get them here for the next board meeting for a presentation and the layout. This will be a project that we will own. We won’t be leasing it to anyone else. It will be managed by Bonneville Environmental Foundation. I have gotten $20K secured from Energy Trust to pay for their work to get it going. We will be able to give subscribers reduced power bills. We will have about $40K to $60K in income per year for the next 20 years and after that, it will increase to approximately $70K to $80K per year if we continue to operate it depending on the power rates at that time. We will be locking in some revenue for the next 20 years which is helpful. Not clear how the reduced rates to subscribers are going to work, however, that will be something that we have to explore.

We’ve been working with Rogue River and FCA for the past couple of weeks, finalizing the EPA grant for the five-million-dollar restoration project. We will be able to pipe the north-fork canal and south-fork canal and the junction. Once completed, we can connect to that and continue piping through the district. The outlook is to begin this fall on the project.

We have not heard from the Water Resource Department call for our water in Fourmile, Howard, and Hyatt through Jenny Creek. This is a repeat of the past and it failed once. Monitoring it closely this time as well. Our Adjudication budgeting funds will be increasing. Will be keeping you updated.

**Old Business:** The resolution for the policy changes regarding billing procedures, rules, and regulations for delinquent accounts. Chairman Naumes motions for approval of the resolution 2023-8. Director O’Donoghue motions to approve the resolution 2023-8. Urton: Did we determine with any of this language whether it is between us and the user and the state and us and the drought figure into the 5-year usage plan? After 5 years it’s subject to cancelation. The OWRD figures into their decision during the drought years. Director Urton seconds. Vaninetti: Who determines the use of five years? Friend: For the resolution, if someone is not paying, they are not receiving the water and/or not using the water due to the unpaid account. The motion carries.

**New Business:** Letter from Michael Fowell. He would like us to read out loud at today’s meeting.

Flanakin: Auditor engagement letter from Molatore, Scroggin, Peterson & Co. LLP for services in 2023 forward. They came in under our prior auditor’s price by about $2,500. Need motion for Manager Friend to sign. Chairman Naumes asked for a motion for manager Friend to sign and return Auditor’s Engagement Letter. Director O’Donoghue motions to sign the letter. Director Vaninetti seconds, motion carries.

O’Donoghue: Before we go to the RBWUC, are we going to respond in writing to Mr. Fowell’s letter? I think that when someone takes the time to write a letter, the board ought to respond to it. Michael Fowell: I would like a response too. O’Donoghue: It’s a well-thought-out letter and well-written I thought we should respond. This is just one board member’s opinion, you make several really good points, you should get charged for what you use. I believe that everybody should be charged for what they use. Not for the water right, the acre-feet, what they think they are entitled to whether they use it or not. There are some downsides to that. One of the biggest issues is that there is no way to equitably distribute water in this canal system the way it is set up. You cannot overcome gravity, geography, and the condition of the canals. It would take a tremendous amount of money. It’s not that we couldn’t go to a system like that but in the years that we are charging people the cost would go up. To be able to operate this district, it takes a certain amount of money to run the district and maintain the canals. It’s going to take even more money to get the piping project approved. That is a multi-year effort. It is moving, it is just moving very slowly. If anybody in this room has a proposal for how to do this better than it is done right now, I’m all ears. I’ve been trying to come up with a way to do this better and fairly given the constraints that we are under. It would be an interesting exercise to go back with a different cost model and see what we would have to charge for the people who do get water in years like we have the last couple of years and see what price that would come out to be. Whether our patrons could stomach that or not. It’s going to be a lot more. The people who don’t get any water wouldn’t pay anything. The people who are going to get water are going to pay a high price for it. It is going to fluctuate every year depending on the availability of water. Depends on how much rain and snowpack we get. I don’t think many people are going to stomach that answer. Maybe that’s the thing we need to look at. How would we cost this differently and how would we charge our patrons differently with still covering the cost of operation and maintenance? Friend: The complicating parts would be the bureau of indebtedness that would not be waved. O’Donoghue: I don’t want you to think that you are being blown off. I take you seriously. Maybe we need to engage in a study. Patron: How come Rogue doesn’t have the same problems you do? O’Donoghue: They do. I get water from Rogue and Medford and Rogue has the same problems we have. They have senior water rights and can pull from Agate. There is nothing different about Rogue than Medford. I don’t think they maintain the canals any better than we do.

**R.B.W.U.C.I:**  Chairman Naumes: Do you think that the issue with the Klamath water call will affect this season? Friend: I have heard that the Tribes have made the call for our water and wanted it yesterday. We will see how it develops. Motion to approve RBWUC bill of $1,701.65. Urton motions to approve, O’Donoghue seconds, motion carries.

**Public Comment:** Connie Gibbs: I have submitted questions to you for answers. We would like to work together to come up with a solution to this drought issue. Communication is paramount. Through your ditch riders and your website. Debbie Wimer: What is being done about the water this year? Same response in prior meetings.

**Executive Session:** Chairman Naumes moves to executive session. Grestoni motions, O’Donoghue seconds, motion carries.

**Adjourn Executive Session:** 4:18 pm

**Adjourn Regular Session**: 4:20 pm.

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Sean Naumes – Chairman Jack Friend – District Manager/Secretary