



User Group Question & Answer – August/September 2013

This Q&A sheet was prepared to answer questions that have arisen regarding the decision by Farmers Irrigation District (“FID” or the “District”) to change the manner in which it will assess the Project Fund Account Fee (“Account Fee”) to User Groups. The District appreciates the advice and concerns patrons have provided on this topic and greatly thanks them for their involvement and input.

FID assesses an Account Fee of \$200 to pay for costs of capital improvement projects beyond the routine care, operation, and maintenance of district facilities. Such projects include modernizing 100+ year old failing canals necessary for safely and reliably delivering your water. In the past, the District has been able to pay these improvement costs from revenue received from hydropower sales agreements. While the District’s hydropower sales contracts are still able to cover the majority of project costs, a recent decline in the electrical rates the District can charge has forced it to find supplemental means to offset the costs.

The District’s Account Fee applies to all District patrons – not just subdivided and small parcel tracts. FID is adjusting the Account Fee that it has historically assessed to User Groups so that it is charged equitably to all patrons. In particular, under prior agreements with FID, User Group residents paid only a fraction of the Account Fee, while patrons who are not in such groups paid the full amount of this assessment. In revising its policy on Account Fees, the District is fulfilling its legal obligation to assess each acre of irrigable land in the District in the same manner so that charges assessed against User Groups are consistent with the charges applied to other District patrons.

Q: What has the District done to cut its costs?

A: FID has made aggressive operational cuts, staff reductions, and efficiency gains totaling over \$400,000 per year over the last two years to make up for the reduced hydropower sales rates. These operational reductions and efficiency gains were made prior to looking at the User Group Account Fee or any water delivery rate increases.

Q: Who pays more for water: orchardists, golf courses, schools, residences, or residential user groups?

A: Everyone pays the same amount per water right acre. In other words, if you have a large water right you pay more than someone with a small water right. This uniform rate charge is mandated by statute and this obligation is part of the motivation for FID to revise its Account Fees policy so that members of User Groups pay the same amount for irrigation water as those who are not in such groups.

Q: Will there be any more informational meetings about the policy change?

A: Patrons are welcome at any and all FID Board of Directors meetings. Board meetings are held every third Wednesday of each month. The District deliberated this issue for nearly six months before reaching a final decision in June, 2013. Many User Group patrons expressed concerns to the Board about this decision during



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its deliberations. The Board listened, and through this process, had District staff prepare three different methodologies for altering District rate charges before landing on the current proposal to revise the Account Fee assessment. In an effort to improve communication with water users on this change and other issues, the District is in the process of upgrading its website, planning future newsletters, and increasing outreach efforts to patrons. FID is also investigating using volunteers to help discuss and explain District policy to residential irrigation users. Finally, depending on the level of interest, the District is considering scheduling a work session with User Group representatives to discuss the “nuts and bolts” of equitably addressing User Group members who may attempt to avoid paying their irrigation charges.

Q: Can my user group members be billed individually?

A: Yes. In response to written request, the District will bill User Group members separately. In addition, for the 2014 Irrigation season, District patrons will be able to make payments via credit card.

Q: Will FID work on or accept ownership of my group’s private line?

A: The District will not accept ownership or maintenance of private lines. However, if a User Group cannot or will not fix a problem with a private line, FID may get involved on a repair and may bill the individuals (or group) that owns the line. FID must have this authority to act in order to maintain the viability and continuance of its water delivery system. Nevertheless, in those rare instances when we get involved in working on private lines, we endeavor to put our plans, the reason for the work, and all expectations in a signed writing so there are no misunderstandings.

Q: What if I don’t want FID water anymore?

A: Any individual desiring to forgo their water rights should submit a letter requesting removal of water rights from their property. The property owner would then need to meet with FID staff to sign “transfer-off” paperwork formally releasing the water right interest from their property. This paperwork must be recorded at the County by the owner(s). FID will then legally remove the water rights from the property while the property owner, with the User Group’s concurrence, caps his individual tap. At the conclusion of this process FID staff will work with the User Group to confirm that the job is done correctly.

Q: What if an individual refuses to pay FID for water, continues using water, and also refuses to sign off water rights and/or refuses to cap their tap?

A: It is our understanding that in most instances the User Group has the authority to cap or place a valve on the member system due to non-payment. Meanwhile, FID has the statutory authority to place a lien on the real property of those who do not pay for irrigation water. In accord with state law, after four years of not exercising the water right FID would send this individual a non-beneficial use forfeiture warning letter (recorded at the County). After five years of non-use, water rights are subject to forfeiture and the water rights could be transferred onto someone else’s property or leased in-stream.



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Q: What are the benefits of being in a User Group?

A: User Groups benefit from the ability to aggregate their individual water rights into one delivery system and, with proper management, they can maximize their jointly owned resource for the benefit of individual members. In addition, substantial benefits and savings exist for User Groups through the sharing of maintenance and repair of their private irrigation systems. FID recommends that User Groups have agreements in place amongst neighbors to ensure how matters, such as paying for private repairs, will be handled.

Q: What is the cost of FID's irrigation water compared to other local water providers?

A: One acre of FID water rights costs approximately \$0.28 per 1,000 gallons per day if used within the legal constraints of Oregon Water Law and Hood River Basin regulations. However, since FID is not currently set up to meter water, we cannot precisely calculate the cost of this water based on volumetric rate structures. Within FID, one User Group has voluntarily had their water metered for the last 15 years and that survey shows that the group has used an average of 3.7 million gallons per season, or about 120,000 gallons per member. Using the rate of \$200 per account plus the current water rate of \$7.60/ 0.1 acre lot, the cost for the 120,000 gallons would be approximately \$207.60, or \$1.73/thousand gallons. This rate compares with the following rates per thousand gallons for other local water providers.

Farmers Irrigation District: \$1.73
City of Hood River: \$1.78
Ice Fountain: \$2.58
Crystal Springs: \$5.00
City of Portland: \$4.60
City of Olympia (irrigation rate): \$7.78

For more Q & A, please visit the FID website at <http://www.fidhr.org/faqs.htm>

For a tour of recently completed projects or to discuss future projects please send an email to fidhr@fidhr.org

Farmers Irrigation District strives to promote ecologically, socially, and economically sustainable agriculture by providing energy and irrigation service for the common good.