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Description automatically generated**MEDFORD IRRIGATION DISTRICT**

**Regular Board Meeting Minutes**

**December 14th, 2022 @ 1:30 pm**

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

Absent: Dave Urton

**Call meeting to order:** Chairman O’Donoghue called the meeting to order at 1:34 pm.

**Minutes:** The minutes of the regular Board meeting on November 14th were reviewed. Chairman O’Donoghue asks if there are any comments or corrections to the minutes. Motion: Chairman O’Donoghue called for a motion to approve the Regular Board Meeting Minutes as presented for November 14th, 2022. Director Naumes Motions to approve the November 14th, 2022, Minutes, Director Vaninetti seconds the motion, motion carries.

**Financials:** Manager Friend presents the November 14th, 2022, financial reports. Everything else is pretty slow. Motion: Chairman O’Donoghue called for a motion to approve the Financials for November 2022. Director Vaninetti Motions to approve the financials for November 2022 Financials, Director Naumes seconds the motion, motion carries.

Recommendations of auditors for 2023, Molatore, Scroggin, Peterson & Co., and KDP Certified Public Accountants, LLP. After many efforts over the past few months, only two of approximately 10 are available to do single as well as normal audits performed.

O’Donoghue: Jack your thoughts on this?

Friend: No. Just a little context though, We’ve been with Brewster’s for a lot of years. We have always had good luck with the communication in the ones we have worked with and over the last few years, we have had a few new people that come into his office that we have been working with and every bookkeeper and accountant that has worked with them from here, noticed a lot of wasted time and training new people and they didn’t understand something about the irrigation district where they would ask for something that wasn’t needed. The process was harder than it needed to be. They recommended finding another firm to perform the single audit when it comes time. Finding that company now before the need for a single audit would be beneficial to get familiar with the company’s financials. Audit engagement letters typically go out in January. If we look at the different firms now, we can get the engagement letter next month. RRVID had a single audit, and they went with a firm in Bend. The price for Brewsters has doubled over the past few years. It depends on whom you work with in the office. Talent was having the same issues that we were having.

O’Donoghue: It’s nice to bring fresh eyes to the district.

**Delinquent Accounts:** Not a whole lot of activity. We filed the liens last month on those who qualified. The liens triggered a lot of communication and were brought current.

**Legal:** Meetings that have been discussed about foreclosures. Samples of other districts’ policies on the procedure are provided. Vanessa from Anderson Shultz is here to give some insight into the foreclosure process.

O’Donoghue: So, some of these delinquency accounts for sizable amounts and are extremely overdue. We don’t want to be overly harsh with people, we understand people get into financial difficulties, but we also want to be fair to other patrons who do pay their bills. We want to do it legally and ethically. What’s the best approach to handle these delinquencies? If we go by the county, it’s a straightforward foreclosure with the fees and proceeding being bored by the homeowner. We have talked a lot about what is the best foremost and just way to handle these.

Vanessa: On those sizable accounts, have those people been making payments?

O’Donoghue: Not really.

Friend: One of them has been making barely the interest payment. The others do not have any contact with us at all.

Vanessa: I understand your concern about being overly harsh, but for people who haven’t been making any payments at all, you just want to be treating the patrons consistently. For people who have been making payments, that’s great but for those who haven’t, they need to fulfill their payment obligation as well, whether they are on a payment plan or going forward with foreclosure. If you decide above a certain threshold, you are going to foreclose. I recommend giving the landowner some time to contact the district to set up a payment plan before foreclosure occurs. People seem to respond when they get a letter of complaint in the mail saying they have 3 weeks to bring their balance current or they will be filing for foreclosure. That gives them some time to work something out and you can be flexible with that as well. If you are open to payment terms instead of all or nothing. Those would be my recommendation on those.

Grestoni: We have been working on this, sending out notices, and basically, they ignore it. In my mind when someone is 17 years past due, they are not acknowledging our letters. They own one-third of an acre; we have recorded a lien on it. In my mind there just comes a point where the interest rate is 16%, so the past due balance of 17 years, is most of the fees are interest and penalties and very little is water. They have shut off years ago. I have a problem with the person who owns this property, if they were to sell it, there will come a time when there is not much left if they have to pay these past due amounts. If we keep incurring the interest, in five years the bill doubles. It basically will wipe out the amount that is valued on the property. I do not feel comfortable doing that for whatever their reason they have for not paying their bill. I would like to know if we can stop the fees at a certain point. Give them a one-time amount to pay and wipe out the rest to resolve this. The patron would not get water.

Naumes: How do we get a system in place where we never get to that point in the first place? Somehow, we would be forcing the issue by pulling out the foreclosure card. Is there some sort of best practice for cleaning up? I think some of these have been around forever. So, there are two separate issues to a degree.

Vanessa: A lot of this is just your preference and how you want to handle it. Once you decide, I recommend putting in your policy and being consistent. That is the best way to go and your patrons know what is expected. What has been your policy in the past?

Grestoni: Jack, what have we done? Have we ever foreclosed?

Friend: Not since I have been around. RRVID and ourselves were jointly on a property and RRVID foreclosed on them, and we got paid off as well.

**Transfers:** **None**

**Administrative:**

Friend: I attended the Water Resource Congress Annual conference in Hood River a the end of November. While at the conference I was able to have a meeting with FCA to go over Watershed planning details and the application process for EPA funding. The 5 million that was essentially earmarked for the Joint System Canal project is being administered through EPA’s Community Grants Program. It is a new program specifically for funding projects that were appropriated on the funding bill.

MID, RRVID, and TID also met with BOR =Regional Director Jennifer Carrington while at the conference and discussed the Greensprings power plant issue. The meeting was very positive. We have since received an update that Reclamation was able to amend the contract with the contractor to have a bypass spool fabricated and installed in January and we will be able to start bringing water down the Emigrant in time.

Jacob Young will be taking his CDL driving test tomorrow morning and will be done with his training. His course instructor allowed him to take two days off last week so that he could attend the Reclamation Dam Operator Training that is required every few years for Dam Operators and me.

I have included in New Business the notes from last week’s meeting with NRCS and FCA. After consulting with NRCS on the Watershed planning process we collectively came up with a plan for how to move forward and I would like the Board to review and confirm the path forward.

I have attached a letter from the Klamath Water Users Association to BOR, USFWS, and NMFS that I came across last week. It appears at the bottom of page 2, KWUA is essentially requesting that Reclamation reduce or eliminate the trans-basin diversions from Howard Prairie, Hyatt, and Fourmile reservoirs. I sent the letter to Steve Shropshire, Wanda, and Brian and we were able to get a meeting with the Regional Director yesterday afternoon. Steve updated me that Moss Driscoll had requested information about the Rogue BiOp last week. It appeared that KWUA believed our BiOp would expire at the end of this year. In our meeting with Reclamation, we confirmed our belief that the BiOp is not set to expire and that the only way to open it up for reconsult is the specific triggers listed in the document. We also asked Reclamation to have a meeting between regions to make sure the region in charge of the Klamath and our PNW region are communicating and on the same page as they have in the past.

Rogue Basin Water Users Congress has a meeting scheduled in January that Henry and I will go to, and we will have an update on this situation. We did add some funds back into the adjudication line item on the budget for 2023 since it appears things may be ramping up now that the Klamath river dams are coming out.

Snowpack in the basin is above average. Hopefully, we can see that trend for the next 4-5 months.

The crew has been working hard on the maintenance list and it is very nice having the new guys. They are getting a lot of canal cleanup done and training at the same time. We are about 1 day out from getting the prep work on the Blessing shotcrete job and plan to schedule the phoenix job and the Blessing job back-to-back the second/third week in January.

I have included another refined bid for a new mower. Tammi included the numbers for financing. The tractor is available but the Mowers themselves have a lead time, so time is of the essence.

We would like to thank the Board for their service to the District and support this year. We wish you all a Merry Christmas and a Happy New Year.

Naumes: How are we in the Howard Prairie and Hyatt snowpack right now?

Friend: There were 14 inches as of a couple of days ago. Looks better than an average year so far. Everything is looking 100% to 150% at this point. They say that La Nina is turning into an El Nino.

**Old Business:** So, we presented to you a few weeks back a bid for a new tractor and mowers system, however, the tractor was way too large for what we would be needing. 140K puts us with the correct tractor and two flail mowers. The side flail is not in stock and would need to be ordered. 22-24 weeks approximately. Time is of the essence. We talked about financing the unit. Provided are the scenarios for review. The tractor has a considerably low rate for financing and the mowers have higher financing. The last piece of equipment we received was in 2014 and we just paid it off this year.

Vaninetti: You have done your research and there was a time when we looked at a mower arm to go on the excavator. They can go into tight spots. TID got one last year and it has been beneficial, and we would also benefit from it. Do you have a ballpark figure for the attachment for the excavator?

Friend: No, I haven’t.

Vaninetti: It would be an essential tool when the tractor is busy.

Friend: The wear and tear and area accessibility are questionable. Trying to get all the ditches cleaned right now.

Vaninetti: I believe that I agree with you and will go with your recommendation.

Motion: Chairman O’Donoghue called for a motion to approve the Tractor and mowers and loans for 3.9% and 7.5%. Director Vaninetti Motions to approve the Tractor and mowers and loans for 3.9% and 7.5%, Director Naumes seconds the motion, motion carries.

**New Business:**  NRCS Watershed Planning notes. NRCS believes that MID should be the sole EIS. Motion to approve the option for the planning which is option 1. Director Naumes motions for option 1, Director Vaninetti seconds the motion, and the motion carries.

**RBWUC, Inc:** Bill is $82.50 for November 2022. Motion: Director Naumes Motions to approve the RBWUC bill for November 2022, Director Vaninetti seconds the motion, motion carries.

**FYI:**  FCA Update to take with you.

**Public Comment:** Discussion about the water situation at Sunnyvale and Old Stage. Questions about getting water early. Misunderstanding how the frost water works. Fully explained to patrons to clarify.

**Adjourn:** Chairman O’Donoghue adjourned the Regular Board meeting at 3:00 p.m.

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Dennis O’Donoghue – Chairman Jack Friend – District Manager/Secretary