

March 18, 2022

Dear COID Patron,

We are writing as a follow up to our December 10, 2021, letter notifying you of the annual assessment increases planned between 2022 and 2026.

We appreciate the input we received regarding the one acre or less service charge and want to provide additional background on the reasoning for the service charge.

The cost to operate and maintain the delivery system for smaller acreages (one or less is acre) is higher than for larger acreages. The service charge for smaller acreage covers the increased cost to deliver water. Small acreage deliveries are more problematic throughout the District than large acreage deliveries. COID field crews respond to far greater calls for small acreage deliveries than large acreage deliveries. In addition, deliveries in urban areas for small acreages are more expensive to repair due to dealing with fences, pavement and sidewalk repair, traffic control, and permits from agencies. Oregon law recognizes that subdivided and small tract lands tend to create additional expense for irrigation districts, and so the law allows districts to collect this kind of service charge.

The board took into consideration the feedback from patrons. After much discussion and reviewing our detailed rate study, the board unanimously voted to keep the one acre or less rate increase as planned. This action is necessary for the financial health of the organization and so that we can continue to provide you reliable service.

The rate adjustments provide a pricing structure and plan to meet COID's long-term obligations.

Sincerely,

Central Oregon Irrigation District Board
Paul Kasberger, Division 1
Carroll Penhollow, Division 2
Dan Ellingson, Division 3
Brad Clarno, Division 4
Tom Burke, Division 5

PLEASE SEE FREQUENTLY ASKED QUESTIONS ON BACK

FREQUENTLY ASKED QUESTIONS

Why increase now when you have another four years on the current hydro contact?

The District's hydropower contract expired in 2020 with the possibility for up to a five-year extension. At the end of the extension period, we expect hydropower revenue to decline significantly. By 2026, the District is anticipating a 60% revenue loss from hydropower. Due to the declining price for hydropower, the budget is already short. The board chose to spread the rate increase over 5 years rather than wait and increase it all at once in 2026. If instead we waited until 2026 before raising any rates, we would have to increase rates in a single drastic step that would impose a greater burden and change on our patrons.

Are you trying to get rid of small acreage patrons?

No, COID is not trying to get rid of small acreage patrons. The rate increase for patrons will help pay for operation and maintenance costs and cover the administrative costs of servicing patron accounts. The cost to operate and maintain the delivery system for smaller acreages (one acre or less) is higher than it is for larger acreages. The service charge for smaller acreage covers the increased cost to deliver water.

Who are the people making this decision? Is it a committee? Who can I talk to? Is there oversight for these decisions?

COID is governed by a publicly elected five-member board of directors. Financial decisions, such as rate changes, are made by the board alone as the elected decision makers for the District. Patrons are invited to bring issues to the board or discuss with their division board member. The board meets on the second Tuesday of every month at 9am, unless otherwise noted.

Does it really cost more to service one acre than it does to service 40 acres?

Small acreage deliveries are more problematic throughout the District than large acreage deliveries. COID field crews respond to far greater calls for small acreage deliveries than large acreage deliveries. In addition, deliveries in urban areas for small acreages are more expensive to repair due to dealing with fences, pavement and sidewalk repair, traffic control, and permits from agencies.