



Naches Cowiche Canal Association

Irrigating Yakima Since 1881

2022 ANNUAL NEWSLETTER

FROM: President, David Garretson

TO: All ASSOCIATION MEMBERS:

Our Annual Membership Meeting (normally held in January) was canceled again for 2022 due to ongoing Covid 19 safety concerns. In lieu of the annual meeting, we have put together this newsletter. It covers the usual information that the President provides, plus items that are usually addressed at the annual Members' meeting, such as the Canal Manager's Report, Financial Reports and Voting for Board of Trustee representatives.

With the completion of the New Schanno Ditch merger in 2019, NCCA staff continued to learn the operational needs of the New Schanno system this past year. We strive to provide excellent customer service in the delivery of irrigation water and maintenance of the canal system. We will continue efforts to bring the New Schanno Ditch services up to our standards.

Daily operation and maintenance for 2022 will continue as in 2021. Delivery systems will be maintained and updated where needed. We continue to update piping in areas that are deteriorating and require extra manpower. Older pipes that are subject to root intrusion are being replaced with heavier PVC or HDPE plastic pipes. Most of this work is being done on New Schanno systems. We will continue to replace failing parts of Naches-Cowiche Canal main canal sections.

2021 saw the start of a very major project. The Nelson Dam on the Naches River at Powerhouse Road is being replaced with a more modern water diversion system. The original dam was used by the City of Yakima and NCCA to divert irrigation water to various systems with other diversions down-river that fed Old Union and New Schanno lines. The rebuild process includes moving the Old Union and New Schanno diversions from downstream to the new Nelson Dam location. This consolidation of diversions has several benefits to irrigation water delivery efficiency and to fish habitat and recreational possibilities on the Naches-Yakima River systems.

The big internal change that has happened this past year, is the upgrade of the office system which was completed late in 2020 and implemented in 2021. Member accounts are now tracked in a computer database. We were able to identify Customers who no longer receive water due to geographical circumstances beyond our control and purge them from the database. We also discovered Users who were receiving water but not paying for the service and have fixed those situations. Several new

Mailing Address

P O Box 9365, Yakima, WA 98909

Physical Address

5461 W Powerhouse Road, Yakima, WA 98908

Phone

509-457-6214

Email

nachescowichecanal@gmail.com

Members joined NCCA with plans for several more new services to be hooked up before the water comes on in 2022. Staff has included data as to which canal system each customer is located on. Water Units (shares) and water flow data (GPM) have been updated to reflect the Superior Court decisions in the newly finalized Yakima River Basin Water Right Adjudication. This complicated case has been ongoing for 25 years. I am pleased to report that all canal systems within the Association retained their individual senior water rights, with sufficient flows to deliver water to all that are now in the database. The largest impact from this decision was in the Annual Assessments made to those Members with lots of 1 acre or larger. Please feel free to give us a call if you'd like to learn more about the settlement and its effect.

We are excited to announce that our website was overhauled during the winter with the new updated version rolled out January 31st. More and more people are now electing to get information and make payments via our website and it is now a greater resource than ever before. You will find information about the canal, important dates, current updates on maintenance activity, suggestions to maximize irrigation water use and other items of interest. Paying your Annual Assessment is even easier than before. Be sure to check it out and add it to your bookmarks!

Our Office Administrator, Judy Caton, continues to maintain the NCCA bookkeeping and billing processes and manage all the day-to-day business functions. Judy has experience in bookkeeping, database construction, budgeting, property sales, customer service, office management and banking. Please do not hesitate to contact her for business-related issues at (509) 457-6214 x1

For questions and needs concerning Canal Operations, your contacts are still: Maintenance at (509) 457-6214 x2 or direct dial to Dan Butler, Canal Manager, at (509) 930-9001; or Assistant Manager Charles Butler at (509) 833-3233.

On to voting for your 2022 Board of Trustees. Two positions are up for election:

3 YEAR TERM presently held by Richard Alderson;

2-YEAR TERM presently held by David Garretson. .

In this Covid 19 interrupted procedure, the Board of Trustees nominates Richard Alderson to be re-elected to the 3-year term. Mr. Garretson is retiring in January and the Board is looking for a nominee to fill the 2-year term. NCCA encourages anyone interested in participating on our Board of Trustees for this 2 year term, to contact Judy in the office or email us at NachesCowicheCanal@gmail.com.

Qualifying Board Members must be a Member of NCCA (owner of a property receiving irrigation water from NCCA) and be able to give a couple hours of your time 2-4 times each year to attend our board meetings. **Postcard ballots have again been included with your Annual Assessment invoices and this newsletter. Return postage is already paid on them. Ballots may be returned with Assessment payments or mailed separately. Please have ballots returned by March 1, 2022 to be counted.**

I want to make a comment or two about our fee structure. In the years prior to 2021, you typically saw a 2% to 5% increase in the Annual Assessment. After an in-depth review of cash flow and analysis of the economy and future needs, it was determined that the previous annual increases were insufficient to cover costs and NCCA had actually been running at a deficit for several years. It was estimated that a 34% increase would be necessary to bring NCCA support in line with ever increasing costs in the present economy, to cover materials for maintenance and continue upgrades to our aging canal/piping system,

equipment upkeep, cost-of-living payroll increases, insurance, the general costs of doing business, and to also prepare for costs associated with the Nelson Dam-replacement project, as discussed above. Recognizing that a lump sum 34% bump would be a difficult adjustment all at once, the Board decided to spread the increase out over a two-year period. The 2021 increase was 16.3%. After judicious application of the 2021 budget, the year-end review, disclosed that the 2022 increase necessary is now 10.2% This is the increase reflected in your 2022 Annual Assessment invoices. We will continue to monitor the economy and perform strategic 5 year budget projections. Providing there are no further drastic leaps in inflation, we anticipate that the increases will be back around 5% beginning in 2023.

For those of you interested in our financial situation, a cost comparison for the past two years is attached. The Board feels that our financial position is good and stable and want to Thank You all for your continued support through your Annual Assessment payments. Our purpose is to provide excellent customer service and efficient irrigation water delivery to our Members at an economical rate. You make this possible. If you have question about the finances or your bill, please contact Judy at the office.

Thank you all for being a part of the Naches Cowiche Canal Association. Together we can keep our little parts of Yakima green and inviting.

Sincerely,

David Garretson
NCCA President

	<u>Jan - Dec 2021</u>	<u>Jan - Dec 2020</u>
Ordinary Income/Expense		
Income		
INCOME	<u>624,474.86</u>	<u>516,997.72</u>
Total Income	<u>624,474.86</u>	<u>516,997.72</u>
Gross Profit	624,474.86	516,997.72
Expense		
ADMINISTRATION	21,424.49	44,655.73
PAYROLL & BENEFITS	375,269.17	341,679.11
PROFESSIONAL SERVICES	14,321.02	11,022.30
MAINTENANCE	199,345.79	106,228.73
UTILITIES	<u>12,718.73</u>	<u>13,479.43</u>
Total Expense	<u>623,079.20</u>	<u>517,065.30</u>
Net Ordinary Income	1,395.66	-67.58