Farmers Irrigation District 2026 Newsletter

Dear Farmers Irrigation District Patrons:

Thanks to the exceptional conservation efforts of our patrons and the diligent oversight of our staff, Farmers Irrigation District (FID or the District) successfully navigated the challenging drought conditions affecting Hood River County with minimized impacts. We want to extend a sincere thank you to everyone for the careful attention to irrigation water use, which allowed us to manage our water supplies and reservoir levels effectively throughout the season with minimal disruptions. We are hoping for good winter rain and snow to break the drought and make next season's irrigation season more robust.

New Online Bill Pay Option

After cancelling our previous online bill pay provider (Doxo) in 2025 due to customer service issues, we received many requests for an online bill pay option. In response, we are launching a new service called Point & Pay, which will allow patrons to securely pay their irrigation assessments online through the FID website at https://www.fidhr.org/. **Please note that the Point & Pay online payment portal will become available by the end of November 2026.** Until then, patrons may continue to make credit card payments over the phone or in person at the District office.

Point & Pay charges a 3% fee on credit card payments. Going forward, a 3% processing fee will apply to all credit card payments. This processing adjustment allows us to offer digital payment flexibility. For those who prefer to avoid the processing fee, we will continue to accept payments via check or cash. Many banks offer an online bill pay service and will mail a check on your behalf. Similar to years past, we offer a 3% discount if the District receives your full payment by January 11, 2027. All regular payments are due by April 15, 2027.

Power Purchase Agreement & Financial Strategy

FID's new Power Purchase Agreement with Pacific Power officially took effect on January 1, 2026, dropping our hydropower production revenue rate from 8.2¢/kWh to 4.8¢/kWh. While this reduction represents an annual revenue loss of approximately $800,000, the District began preparing for this transition in 2023. Through frequent budget assessments, operational cost-saving measures, and an accelerated debt retirement program, the District's Management, Budget Committee, and Board of Directors continue to work to keep FID on solid financial footing. While the future is unpredictable, the District has made it through this difficult transition thanks to the support/cooperation of our patrons.

Update on Debt Reduction

The accelerated debt retirement program that was initiated in 2023 has successfully retired four loans ahead of schedule. Since implementing this program, the District has significantly

lowered its annual debt payments to more closely match reduced hydropower revenues, and saved thousands of dollars in interest and loan fees. This strategy reduced long-term cashflow requirements, allowing the District to withstand the drop in hydropower revenue while continuing to protect and manage our infrastructure.

Rates for 2027 and Beyond

To balance the District's budget despite the reduction in hydropower revenue and inflationary cost increases, the long-term plan is to avoid any further steep increases to patron assessments by utilizing regular, much smaller annual adjustments. The Budget Committee and Board of Directors have limited the irrigation assessment increase to 1% for the upcoming year. This 1% increase ensures we can meet our rising operational costs and maintain system reliability while keeping rates as stable as possible. With the completion of the 4-year debt reduction strategy, and careful consideration by FID Management, the Budget Committee, and the FID Board of Directors, the "per acre" special assessment fee was rolled into the regular per acre fee.

Water Rights

We want to remind all patrons that irrigation season is set by state law, and runs from April 15th to September 30th. It is illegal for FID to deliver or for FID patrons to use irrigation water outside of this window. Parts of the system may be charged outside of the irrigation season for orchard spray water, frost control, or hydropower. If your individual property does not hold those specific water rights with FID, you are not entitled to use the water.

The District will have Lower and Middle section water rights available for new acreage over the next few years. If you are interested in new irrigated acreage, please contact Megan at megan@fidhr.org for more information.

If you have any questions about your account, wish to update your email or phone number, or have questions about your water rights, please contact the office at 541-387-5261 or email us at fidhr@fidhr.org.

Thank you,

Alexis Vaivoda & the FID Board of Directors