

FARMERS IRRIGATION DISTRICT  
BOARD MEETING MINUTES  
WEDNESDAY, JUNE 18, 2008

The Board of Directors of the Farmers Irrigation District met on Wednesday, June 18, 2008, at the district office for the purpose of conducting its regular monthly business. Those in attendance were directors Steve Benton, Don Chandler, Tim Annala, Bob Nickelsen and Allan Henderson; District Manager, Mike Kleinsmith; Project Manager, Jerry Bryan; Financial Administrator, Cathy Roberts; Water Rights Specialist, Rick Brock; Administrative Assistant, June Brock; Attorney, Jeff Baker; and Robin Harris, Engineer for Anderson Perry.

Chairman Steve Benton called the meeting to order at 11:00 a.m.

**MONTHLY BUSINESS:**

The minutes of the May 21, 2008 board meeting were presented and discussed. It was moved by Don Chandler and seconded by Tim Annala to approve the minutes as presented. The motion passed with all in favor.

The O&M bills for the month of June 2008 were presented and discussed. It was moved by Don Chandler and seconded by Allan Henderson to approve the bills in the amount of \$102,784.97. The motion passed with all in favor.

**BUSINESS FROM THE FLOOR:** None

**CORRESPONDENCE:**

- a) The Board of Directors reviewed a water right request and an easement from Diamond Fruit Growers Inc. (see attached). It was moved by Bob Nickelsen and seconded by Don Chandler to approve the water right request. It was moved by Don Chandler and seconded by Bob Nickelsen to approve the easement. The motion passed with all in favor.

**REPORTS AND DISCUSSION:**

- a) A/R report – Cathy Roberts reported that the district has received \$17,679.37 in payments since the May board meeting. The Board reviewed the 2008 foreclosure and lien lists. It was moved by Don Chandler and seconded by Tim Annala that foreclosure and lien processing commence immediately on the accounts as listed. The motion passed with all in favor.

Hydro production for May was projected at 1.35 million kWh. The actual production

for May was 2.79 million kWh; hydro revenue for May was projected at \$158,381.88 with an actual production of \$306,845.96, resulting in a hydro revenue gain of \$148,464.09. The ending fund balance for May was projected at \$898,698.30 with an actual balance of \$1,179,854.00; a gain of \$281,155.70.

It was moved by Don Chandler and seconded by Tim Annala to recess as District Board of Directors and convene as Local Contract Review Board. The motion passed with all in favor and the Local Contract Review Board convened at 11:16 a.m.

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## CONTRACT REVIEW BOARD

Robin Harris – District’s Engineer from Anderson Perry, informed the board that the District received 3 proposals for the LDPP Phase 2 and 4: Cascade Equipment and Construction Inc., Emery and Sons Construction Inc., and Kerr Contractors Inc. Robin presented the proposals as they variously addressed the details requested in the RFP. Proposals were ranked by 15 proposal parameters including such categories as work plan, price, process documentation, valid schedule, quality assurance and control, staff experience, experience in similar projects, and other categories. Based on these parameters, Kerr Contractors Inc. by far ranked highest proposal. Robin Harris, Mike Kleinsmith and Jerry Bryan negotiated with Kerr Contractors Inc. and concluded that it is in the overall best interest of the District to award the contract to Kerr Contractors Inc. Even though the price proposal is only one facet of the proposal process, Kerr’s proposal provides for price offsets that make Kerr Contractors Inc. highly competitive in every category including price.

Attorney Jeff Baker explained to the CRB that unlike a competitive bid process, in a request for proposal process, price is only one factor among many in selecting the highest ranked proposal.

It was recommended by the Contract Review Board that the award should be presented to Kerr Contractors Inc.

It was moved by Tim Annala and seconded by Don Chandler to adjourn as the Local Contract Review Board and reconvene as District Board of Directors. The motion passed with all in favor and Chairman Benton reconvened the District Board of Directors regular meeting at 12:02 p.m.

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It was moved by Tim Annala and seconded by Bob Nickelsen to award Kerr Contractors Inc. the LDPP Phase 2 and 4 projects. The motion passed with all in favor.

- b) Project Manager’s Report: The RFP for Phases 3 and 5 through 8 – the final phases of the LDPP – will be released in September or early October of this year with an eye to project completion by December 2010. The Country Club and Markham projects are also on tap

to be completed with District staff over the next two years. The projects are fully designed and may be eligible for OWEB grants and the newly restored NRCS Farm Bill funding. The Low Line and Farmers Canal projects are being surveyed and engineered with projected completion dates in 2014 or 2015. The District's Low Impact Hydropower Institute Certification (LIHI) application is nearing completion and will be sent to LIHI within the next few weeks after natural resource agency representatives have been provided the opportunity to submit letters of support. This certification can provide Renewable Energy Credits (RECs) to the District that will increase power revenue by providing carbon offset opportunities for people or corporations seeking these offsets.

- c) Manager's Report – Mike Kleinsmith reported that both reservoirs are full, with irrigation flow at 50%. Currently, Plant 2 flow is 60cfs and Plant 3 flow is 20cfs. It is projected that we will produce at least two and one half times the projected kWh for the month of June due to excellent snow pack and seasonably low temperatures. Mike informed the Board that he will meet with FEMA on Friday, June 20, to review the outstanding funds of approximately \$350,000. An update will be given at the next board meeting. The Board was informed that Doug Adams will be employed by the District as of July 1, 2008. We are looking forward to having him on our staff.
- d) The Board reviewed an updated Sustainability Plan for the District. Following discussion, it was moved by Allan Henderson and seconded by Don Chandler to adopt the Sustainability Plan as presented. The motion passed with all in favor.
- e) Directors and staff discussed the historically high cost to the District of domestic spray taps that are being used during the irrigation season when irrigation water is readily available. The spray taps were made available for users strictly for use outside of the normal irrigation season (April 15 to September 30) of each year. Currently Ice Fountain bills the District directly for the spray tap usage. It was moved by Tim Annala and seconded by Bob Nickelsen that as of the next billing cycle Ice Fountain begin billing the spray tap users directly. The users may then submit a request for reimbursement from the District for bills incurred from October 1 through April 30 of each year **only**. The motion passed with all in favor. A letter will be sent to each user describing the new spray water reimbursement structure.
- f) Mike informed the Board that the District would like to invest approximately \$50,000 to upgrade the hydropower plants (wear rings and runners, etc). Actual costs will be discussed at the next board meeting.

**LEGAL:** None

**OTHER BUSINESS:** None

**ADJOURNMENT:**

There being no further business, Steve Benton adjourned the meeting at 12:28 p.m.

Signed: \_\_\_\_\_  
Tim Annala, Secretary

Attest: \_\_\_\_\_  
Steve Benton, Chairman