

FARMERS IRRIGATION DISTRICT
BOARD MEETING MINUTES
WEDNESDAY, AUGUST 20, 2008

The Board of Directors of the Farmers Irrigation District met on Wednesday, August 20, 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; Financial Administrator, Cathy Roberts; Water Rights Specialist, Rick Brock; Attorney, Jeff Baker and Administrative Assistant, June Brock.

Chairman Steve Benton called the meeting to order at 11:02 a.m.

MONTHLY BUSINESS:

The minutes of the July 16, 2008 board meeting were presented and discussed. It was moved by Bob Nickelsen and seconded by Don Chandler to approve the minutes as presented. The motion passed with all in favor.

The O&M bills for the month of August 2008 were presented and discussed. It was moved by Don Chandler and seconded by Tim Annala to approve the bills in the amount of \$200,404.20. The motion passed with all in favor.

BUSINESS FROM THE FLOOR: None

CORRESPONDENCE:

- a) The Board of Directors reviewed a minor partition request from Jeff Osborn (see attached). It was moved by Bob Nickelsen and seconded by Tim Annala to approve the minor partition request as presented. The motion passed with all in favor.
- b) The Board of Directors reviewed a water right application from Kelly Cushing (see attached). It was moved by Bob Nickelsen and seconded by Tim Annala to approve the water right request as presented. The motion passed with all in favor.

REPORTS AND DISCUSSION:

- a) A/R report – Cathy Roberts reported that the District has received \$3,130.78 in payments since the July board meeting. Steve Reynolds and Moses Schneider have paid in full. Kevin Benefield, Howard Wellar and Larry Whitaker have made monthly payment arrangements. Cathy informed the Board that the District has received a royalty check from FCA in the amount of \$1500.00 for the Berry Creek screen. FCA representatives will give a full report at the October 2008 Board meeting.
- b) Hydro production for July was projected at 650,000 kWh; actual production was 701,020 kWh. Hydro revenue for July was projected at \$87,777.92; actual production was

\$98,667.87. The end-of-month balance for July was budgeted at \$556,987.73. The actual end-of-month balance was \$1,123,431.88.

- c) System Report- Mike Kleinsmith reported to the Board that the upper reservoir is 2 feet below spill and flowing 3.55cfs. The lower reservoir is 12.2 feet below spill and flowing 2.09 cfs. Plant 2 is currently flowing 36 cfs.
- d) Manager's Report – Mike reported that the LDPP Phase 4 is 99% complete. The remaining portion of Phase 4 and Phase 2 will both be completed at the end of the irrigation season. Kerr Contractors have done excellent work and in a timely fashion. A public notice will be published at the beginning of September for Request for Proposals for the remaining Phases 3 and 5 through 8 of the LDPP.
- e) Mike Kleinsmith presented Resolution 07-08 (see attached) to the Board of Directors for review. It was moved by Don Chandler and seconded by Bob Nickelsen to adopt Resolution 07-08 authorizing and approving the SRF loan agreement to finance the lower district pressurization project (LDPP). The motion passed with all in favor.
- f) It was moved by Don Chandler and seconded by Tim Annala to authorize payment of outstanding LDPP invoices upon receipt of SRF funds and prior to the regular monthly meetings. One director must sign each Interim Disbursement form. All forms will be presented for board review at the regular monthly meetings. The motion passed with all in favor.
- g) Arens & Associates presented an Engagement of Services form authorizing preparation of the 2007 audit. It was moved by Bob Nickelsen and seconded by Don Chandler to authorize Secretary Tim Annala to sign the forms as presented. The motion passed with all in favor.

LEGAL:

Attorney Jeff Baker is working on LDPP easements and the remaining District foreclosures.

OTHER BUSINESS:

- a) Mike distributed an article regarding the suit between the Fort Vannoy Irrigation District vs. Oregon Water Resource Commission to the Board members (see attached). The suit references the sale or transfer of water rights.
- b) Mike has been in correspondence with Peter Richardson of Richardson & O'Leary regarding negotiation of the District's future power sale contracts. Mike has requested that Peter Richardson start the contract process.

- c) The District has been notified by Sergeant. Craig Ball of the OSP-DEQ that many complaints have been filed against Ryan’s Juice Company for dumping of fruit/waste water that leaches into the District’s irrigation ditches. Any further complaints by District users are to be directed to Sergeant. Ball in Salem.
- d) Tim Annala and Don Chandler of Oak Grove Water Company asked that the Farmers Irrigation District Board entertain the idea of merging with or using Farmers Irrigation District staff to help maintain and possibly update the Oak Grove Water Company. After much discussion by Board members regarding liability, insurance, contract of services and billing issues the board stated that they would prefer to see a written proposal or agreement before any further action is taken.
- e) Mike Kleinsmith asked the Boards opinions regarding a possible conflict of interest between Middle Fork Irrigation District, East Fork Irrigation District and the proposed Wild and Scenic Bill. Mike felt that it would be in the District’s interest to support the other irrigation districts.
- f) Steve Benton asked Jeff Baker and Mike Kleinsmith if Farmers Irrigation District has an Intergovernmental Agreement with the City of Hood River. Jeff Baker stated that an agreement requires that certain articles need to be written or incorporated into the agreement prior to acceptance by both parties.
- g) Mike Kleinsmith asked the Board if they had any objections to the regular monthly meetings being audio recorded. Cathy Roberts stated that recordings, along with written minutes, are public domain. Cathy will contact SDAO regarding the required term for retention of records and follow up with the Board at the September meeting.

ADJOURNMENT:

There being no further business, Chairman Steve Benton adjourned the meeting at 12:08 p.m.

Signed: _____
Tim Annala, Secretary

Attest: _____
Steve Benton, Chairman