

FARMERS IRRIGATION DISTRICT
BOARD MEETING MINUTES
WEDNESDAY, OCTOBER 15, 2008

The Board of Directors of the Farmers Irrigation District met on Wednesday, October 15, 2008, at the district office for the purpose of conducting its regular monthly and budget committee business. Those in attendance were directors Steve Benton, Don Chandler, Tim Annala, Allan Henderson and Bob Nickelsen; District Manager, Mike Kleinsmith; Financial Administrator, Cathy Roberts; Administrative Assistant, June Brock and Attorney Jeff Baker. Also in attendance were Budget Committee members Rich Hanners, Randy Franz, Andy VonFlotow and Kevin Asai. Engineer Robin Harris of Anderson-Perry was also in attendance.

BUDGET COMMITTEE WORK SESSION

A budget committee work session took place from 10:00 a.m. until 10:50 a.m. It was moved by Andy VonFlotow and seconded by Kevin Asai to elect Randy Franz as Budget Chairman. The motion passed with all in favor. There was discussion regarding the 2009 budget, the new SRF loan, District upgrades, Hydro production, purchases, new staff members and the negotiation of power sales contracts. Following extensive discussion, it was moved by Rich Hanners and seconded by Andy VonFlotow to recommend to the Board that it adopt the 2009 Budget as presented. The motion passed with all in favor. Randy Franz closed the Budget Committee work session at 10:50 a.m.

REGULAR MONTHLY BOARD MEETING

Chairman Steve Benton called the regular meeting of the board to order at 11:03 a.m. and presented the annual budget proposal for comment. It was moved by Tim Annala and seconded by Steve Benton that the Board accept the recommendation of the Budget Committee and approve the budget for 2009 as presented. The motion passed with all in favor.

MONTHLY BUSINESS:

The minutes of the September 17, 2008 board meeting were presented and discussed. It was moved by Tim Annala and seconded by Bob Nickelsen to approve the minutes as presented. The motion passed with all in favor.

The O&M bills for the month of October 2008 were presented and discussed. It was moved by Tim Annala and seconded by Don Chandler to approve the bills in the amount of \$128,934.02. The motion passed with all in favor.

The LDPP Disbursement #2 for the month of September was presented and discussed (see attached). It was moved by Don Chandler and seconded by Tim Annala to approve the payments in the amount of 87,293.00. The motion passed with all in favor.

BUSINESS FROM THE FLOOR: none

CORRESPONDENCE:

- a) The Board of Directors reviewed a water right request from Jon & Kristin Gerde (see attached). It was moved by Don Chandler and seconded by Tim Annala to approve the application as presented. The motion passed with all in favor.
- b) The Board of Directors reviewed a letter of appreciation from the Hood River Watershed Group to Mike Kleinsmith and District staff for time volunteered on the Indian Creek improvement project. The Board thanked Mike for a job well done.

REPORTS AND DISCUSSION:

- a) A/R report – Cathy Roberts reported that the district has received \$374.77 in payments since the September board meeting. The A/R balance is at 94% versus 94% last year. Disbursement #2 funds in the amount of \$87,293.00 were received on October 14, 2008. The remaining fund balance for the SRF loan is \$2,655,270.
- b) Hydro production - September production was projected at 750,000 kWh. Actual production was 682,511 kWh. Hydro revenue for September was projected at \$99,517.90. Actual revenue was \$96,730.69. The end-of-month balance was \$828,038.34.

LEGAL:

It was moved by Tim Annala and seconded by Don Chandler to move into Contract Review Board session. The motion passed with all in favor.

CONTRACT REVIEW BOARD

Robin Harris of Anderson Perry presented to the board findings from the Request For Proposals for the Lower District Pressurization Project Phases 3 and 5 through 8. Five Contractors were interviewed by the CRB consisting of Manager, Mike Kleinsmith; Project Manager, Jerry Bryan and Engineer, Robin Harris. Attorney Jeff Baker was available for legal counsel. Robin Harris explained the interview process in detail. Even with all the criteria and clarifications, this has been an extremely competitive bid process. The bids ranged from \$1.9 million to \$3 million. The engineers estimate was \$2.8 million. It was a tough decision as it was extremely close between Emery & Sons, Inc with a bid of \$2.088 million and Kerr Contractors with a bid of \$2.06

million. After extensive examination of all of the criteria, Robin Harris recommended to the Board that the Lower District Pressurization Project Phases 3 and 5 through 8 be awarded to Kerr Contractors.

It was moved by Don Chandler and seconded by Allan Henderson that the bid be awarded to Kerr Contractors. The motion passed with all in favor.

It was moved by Don Chandler and seconded by Bob Nickelsen to move out of Contract Review Board session. The motion passed with all in favor.

It was moved by Don Chandler and seconded by Allan Henderson to accept the Contract Review Board recommendation to award the bid to Kerr Contractors. The motion passed with all in favor.

a) Division #3 election:

Don Chandler submitted a valid petition for the position of Director for Division #3. No other petitions were received. A certificate of election stating that Don Chandler was elected Director of Division #3 for the three-year term commencing on the first Tuesday in January 2009 was issued and accepted by the Board of Directors.

b) Division #5 election:

Steve Benton submitted a valid petition for the position of Director for Division #5. No other petitions were received. A certificate of election stating that Steve Benton was elected Director of Division #5 for the three-year term commencing on the first Tuesday in January 2009 was issued and accepted by the Board of Directors.

c) Foreclosure Status – Attorney, Jeff Baker has submitted four foreclosures for processing and guarantee of foreclosure status.

OTHER BUSINESS:

a) Don Chandler asked for an update on the District’s Power Sales Contract negotiations and also the possibility of reviewing the contract at the next board meeting.

ADJOURNMENT: There being no further business, the meeting was adjourned at 11:50 a.m.

Signed: _____

Tim Annala, Secretary

Attest: _____
Steve Benton, Chairman