

FARMERS IRRIGATION DISTRICT  
BOARD MEETING MINUTES  
WEDNESDAY, MARCH 18, 2009

The Board of Directors of the Farmers Irrigation District met on Wednesday, March 18, 2009, 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 Manager Rick Brock; Attorney, Jeff Baker and Administrative Assistant, June Brock

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

**MONTHLY BUSINESS:**

The minutes of the February 18, 2009 board meeting were presented and discussed. It was moved by Bob Nickelsen and seconded by Allan Henderson to approve the minutes. The motion passed with all in favor.

The O&M bills for the month of March 2009 were presented and discussed. It was moved by Don Chandler and seconded by Tim Annala to approve the bills in the amount of \$78,483.10. The motion passed with all in favor.

The LDPP Disbursement #6 was presented and discussed (see attached). It was moved by Tim Annala and seconded by Allan Henderson to approve the payments in the amount of \$670,188.73. The motion passed with all in favor.

**BUSINESS FROM THE FLOOR:**

FCA – Julie O’Shea informed the Board that FCA continues to market the Farmers Screen and work toward final approval of the District’s technology as a NMFS-approved criteria screen. Once accepted as a criteria screen, FCA will no longer have to undergo long approval processes for each screen, and the screen may then be installed routinely without NMFS and other agency delays. Farmers Irrigation District received a royalty check in the amount of \$4500.00 for the Fish Haven Creek screens and the German Gulch screen. FCA currently has six screen project ready to go with projected royalty payments of \$44,000. These screens will be installed immediately following NMFS approval. FCA also has additional projects under development. Julie will continue to keep the Board updated, and the Board thanked Julie and the FCA staff for their work.

**CORRESPONDENCE:**

- a) The Board of Directors reviewed a letter from LeRoy Nickerson (see attached). Manager Mike Kleinsmith informed the Board that he met with Mr. Nickerson and is in the process of discussing his assertions regarding water on his property. The Farmers Canal reach along Mr. Nickerson’s property is a priority reach for piping because it will

provide operational benefits to the District. Mr. Nickerson had also requested that Farmers Irrigation District pay towards the paving of his driveway. The Board unanimously agreed that paving his driveway was out of the question.

- b) The Board of Directors reviewed a minor partition application from Bob & David Level (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.

### **REPORTS AND DISCUSSION:**

- a) A/R report – Cathy Roberts reported that the district has received \$16,000 in payments since the February board meeting (62% this year compared to 65% last year). The end-of-month balance for February was projected at \$980,739.33, with an actual ending balance of \$1,260,058.08. This ending month balance includes SRF disbursement #6 funds in the amount of \$670,189 which were disbursed at the beginning of April. Without these funds, the in-house balance would be \$589,864.08.
- b) Water Supply and Production – Hydroelectric production for February was projected to 2,500,000 kWh. Actual production was 2,144,102 kWh. Hydropower revenue for February was projected to \$280,831.55 with actual revenue at \$245,942.80.
- c) Manager’s Report-Mike Kleinsmith reported to the board that the snow pack at Green Point is at 85% of average. The reservoirs are filling on schedule and hydroelectric production is approaching maximum capacity. Mike also reported that he attended a DEQ meeting in Portland on March 5<sup>th</sup>, 2009 regarding stimulus dollars. Many other irrigation districts also attended. On March 16<sup>th</sup>, 2009 Farmers Irrigation District submitted a stimulus application to the ODEQ in the amount of \$35 million to complete nearly all of the remaining Farmers Irrigation District projects. The District is also currently working on an OWEB grant with the assistance of HRSWCD for the Markham Road Project.
- d) District auditor Bill Parker has recommended that the Board raise the Capitalization of Assets limit from \$1,000 to \$5,000 to be more consistent with other policy conditions. It was moved by Allan Henderson and seconded by Tim Annala that the limit be raised as recommended. The motion passed with all in favor.
- e) Mike Kleinsmith informed the Board that the District has entered into an agreement with ODFW and ODEQ to address Summer minimum instream flow conditions in exchange for Low Impact Hydropower Institute Certification. The District must realize a revenue positive outcome from the agreement in order for the agreement to remain binding.
- f) Mike Kleinsmith informed the Board that he will send the directors an updated budget prior to the April Board meeting that incorporates the changes brought about by revenue losses, plant upgrades and the accelerated LDPP, Markham Road and Country Club Road projects. Financial Administrator Cathy Roberts is compiling a payroll reimbursement request for DEQ to reimburse the District for staff time spent on the LDPP project.

g) The Board of Directors toured the newly repaired shop. The repairs were made necessary after a tree split the shop in half this winter.

**LEGAL:**

Jeff Baker presented a letter written to Tuenis Wyers, legal representative for Hood River County Board of Commissioners, expressing the District's concerns regarding drainage matters in Hood River County (see attached). The letter explains that the District wishes to work with the County to resolve matters regarding this issue. Jeff will keep the Board informed.

**OTHER BUSINESS:** None

**ADJOURNMENT:** There being no further business, the meeting adjourned at 12:20 p.m.

Signed: \_\_\_\_\_  
Steve Benton, Chairman

Attest: \_\_\_\_\_  
Tim Annala, Secretary