

FARMERS IRRIGATION DISTRICT
BOARD MEETING MINUTES
WEDNESDAY, MAY 20, 2009

The Board of Directors of the Farmers Irrigation District met on Wednesday, May 20, 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, Allan Henderson and Bob Nickelsen; District Manager, Mike Kleinsmith; Financial Administrator, Cathy Roberts; Water Rights Specialist, Rick Brock; Administrative Assistant, June Brock and Attorney Jeff Baker.

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

MONTHLY BUSINESS:

The minutes of the April 15, 2009 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 May 2009 were presented and discussed. It was moved by Don Chandler and seconded by Tim Annala to approve the bills in the amount of \$238,765.33. The motion passed with all in favor.

LDPP Disbursement #8 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 \$155,643.10. The motion passed with all in favor.

BUSINESS FROM THE FLOOR: None

CORRESPONDENCE:

- a) The Board of Directors reviewed a water right application from Flagline LLC (see attached). It was moved by Bob Nickelsen and seconded by Don Chandler to approve the application. The motion passed with all in favor.
- b) The Board of Directors reviewed a water right application from Steven Hughes (see attached). It was moved by Bob Nickelsen and seconded by Don Chandler to approve the application. The motion passed with all in favor.
- c) The Board of Directors reviewed a water right application from Steve & Judy Culbertson (see attached). It was moved by Bob Nickelsen and seconded by Don Chandler to approve the application. The motion passed with all in favor.

REPORTS AND DISCUSSION:

- a) A/R report – Cathy Roberts reported that the district has received \$85,365.27 in payments since the April board meeting. The end-of-month balance was budgeted for \$1,190,301.00. The actual end-of-month balance of \$1,165,486.00.

Hydro generation for April was projected at 2.5 million kWh. Actual production was 3.087 million kWh; producing an additional 587,668 kWh. Hydro revenue was projected at \$281,248 for April with actual revenue of \$343,079.76.

- b) Manager's report - Mike Kleinsmith informed the board that currently there is 1,000gpm flowing through MRPS (Methodist Road Pump Station) and 383 gpm flowing through PRPS (Peters Road Pump Station). There are 102cfs flowing through Plant 2, and Plant 3 is maxed out. There have been some issues with low pressure on Jeannette Road. Hydro production for the month of May is projected at 1.6 million kWh. To date we have produced 1.75 million kWh.

Mike has been working with the Columbia Land Trust regarding the removal of PacifiCorp's Copper Dam. Jenny Copper has concerns regarding the amount of traffic on Copper Dam Road. Currently Farmers Irrigation District has an easement on Copper Dam Road that allows us access to our Plant 2 hydro facility.

Phase 7 of the Lower District Pressurization Project is complete. Phase 8 (Eliot Road and Eby Road) will start construction this week. Mike asked the board for authorization to borrow \$1.8 million to complete the Lower District Pressurization Project. It was moved by Tim Annala and seconded by Don Chandler to borrow the additional \$1.8 million through State Revolving Funds. The motion passed with all in favor.

The District will find out in July if we are eligible for \$5 million in stimulus funds. The District would use these funds to pipe the Indian Creek Corridor Project which includes removal of the Methodist Road Pump Station, piping of the stretch between Pump #3 pump station and MRPS, the DeBorde project and sections of Methodist and Country Club Road.

Mike will be meeting with Rick Creager of OWEB to take a tour of the district. Mike has been meeting with Craig DeHart of Middle Fork Irrigation and John Buckley of East Fork Irrigation. All three managers will be attending a meeting on June 17th to discuss PacifiCorp's 500cfs water rights and its allocation (in-stream). Mike informed the board that the District offered to pay one third of the attorney fees at this meeting. There was much discussion.

The snow water equivalent at Greenpoint for 2009 is 20", with precipitation at 65".

- c) Cathy Roberts presented the 2009 health insurance research results to the board for review. The board discussed the various options (see attached). Following discussion, it was moved by Don Chandler and seconded by Allan Henderson to choose option #1 that retains the current coverage, raises the annual deduction from \$500 to \$1000 (the employee will be reimbursed for annual deductibles above \$200) and adds Long Term Disability coverage. The motion passed with all in favor.
- d) Steve Benton informed the board that both he and Cathy Roberts had spoken with Craig Ortega, Manager of the Columbia River Bank, concerning the FDIC coverage limit for public funds. Mr. Ortega provided the District with the rules and regulations of the Federal Register (see attached).
- e) At the April 2009 meeting the Board directed Cathy Roberts to inquire if the Local Government Investment Pool would allow PacifiCorp to transfer the hydro revenue earnings directly into the LGIP account. Cathy reported that the LGIP has stated that they will not accept ACH transfers from non-governmental entities.
- f) The District will be making the final electronic payment transfer to DOE for L#000278 at the end of May. The remaining six payments will be made out of reserve funds held by DOE.
- g) Copies of the 2007 Audit are available at the front desk.

LEGAL:

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

CONTRACT REVIEW BOARD

Attorney Jeff Baker presented Resolution 05-09 declaring exemption of the Indian Creek Corridor Irrigation Improvements Project from competitive bidding requirements of ORS 279C.335 (2). The Resolution is attached.

It was moved by Tim Annala and seconded by Bob Nickelsen to recommend that the Farmers Irrigation District Board adopt Resolution 05-09 as presented. The motion passed with all in favor.

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

It was moved by Tim Annala and seconded by Bob Nickelsen to accept the Contract Review Board recommendation to adopt Resolution 05-09 as presented. The motion passed with all in favor.

Jeff Baker presented Resolution 06-09, a resolution amending Resolution 06-97 to provide for the collection, funding and utilization of operation, maintenance, construction and emergency funds. It was moved by Allan Henderson and seconded by Don Chandler to adopt Resolution 06-09 as presented. The motion passed with all in favor.

Arens & Associates presented an Engagement of Services letter authorizing preparation of the 2008 Audit. It was moved by Don Chandler and seconded by Tim Annala to authorize the Secretary to sign the letter of engagement as presented. The motion passed with all in favor.

OTHER BUSINESS: None

ADJOURNMENT:

There being no further business Chairman Steve Benton adjourned the meeting at 12:01 p.m.

Signed: _____
Tim Annala, Secretary

Attest: _____
Steve Benton, Chairman