

FARMERS IRRIGATION DISTRICT
BOARD MEETING MINUTES
WEDNESDAY, JUNE 17, 2009

The Board of Directors of the Farmers Irrigation District met on Wednesday, June 17, 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. Julie O'Shea from FCA was also in attendance.

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

MONTHLY BUSINESS:

The minutes of the May 20, 2009 board meeting were presented and discussed. It was moved by Tim Annala 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 June 2009 were presented and discussed. It was moved by Don Chandler and seconded by Bob Nickelsen to approve the bills in the amount of \$181,712.17. The motion passed with all in favor.

LDPP Disbursement #9 was presented and discussed (see attached). It was moved by Don Chandler and seconded by Bob Nickelsen to approve the payments in the amount of \$227,144.07. The motion passed with all in favor.

BUSINESS FROM THE FLOOR:

FCA – Julie O'Shea presented a quarterly update to the board (see attached) including recently paid royalties, current pending royalties, and projects under development. FCA is still having screen criteria issues with National Marine Fisheries Service (NMFS) and awaiting NOAA criteria approval.. FCA will be meeting with and NMFS and NOAA on July 1st. FCA is currently working with the Puyallup Tribe to provide a 400 cfs screen for the Electron Dam. Jer Camarata is now working for FCA in sales; Jer previously worked for Geo-Spatial Solutions in Bend and will be a great asset to FCA.

CORRESPONDENCE:

- a) The Board of Directors reviewed a water right application from Stephen Burkhart (see attached). It was moved by Bob Nickelsen and seconded by Tim Annala to approve the application. The motion passed with all in favor.

- b) The Board of Directors reviewed a water right application from Ronald Harris

(see attached). It was moved by Tim Annala and seconded by Bob Nickelsen to approve the application. The motion passed with all in favor.

- c) The Board of Directors reviewed a water right application from Erik Eastman (see attached). It was moved by Don Chandler and seconded by Tim Annala to approve the application. The motion passed with all in favor.
- d) The Board of Directors reviewed a subdivision application and MOU from Rael Isacowitz of Elan Estates (see attached). It was moved by Tim Annala and seconded by Don Chandler to approve the application and MOU as presented. The motion passed with all in favor.
- e) The Board of Directors reviewed a MOU from Tucker-Orchard Southwest SUG (see attached). Contingent upon completion of the District formatted MOU it was moved by Tim Annala 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 \$13,586.52 in payments since the May board meeting. The end-of-month balance was budgeted for \$1,383,905.55. The actual end-of-month balance of \$1,238,877.02.

Hydro generation for May was projected at 1.6 million kWh. Actual production was 3.059 million kWh; producing an additional 1,459,477 kWh. Hydro revenue was projected at \$188,181.88 for May with actual revenue of \$340,485.26.

A list of delinquent accounts was presented to the board. A notice of lien was sent out with the last billing on June 3rd and lien and foreclosure notice letters will be sent to delinquent accounts in the first week of July.

- b) Manager's report - Mike Kleinsmith informed the board that both reservoirs are full. Currently there are 3,749gpm flowing through Methodist Road Pump Station, 1,577gpm flowing through Peters Road Pump Station and 1,840gpm flowing in the 24" gravity pipe. There are 56.2cfs flowing through Plant 2, and 9.7cfs through Plant 3.

Mike has been in contact with Peter Richardson regarding the renewal of the District's Power Sales Contract with PacifiCorp. Mr. Richardson has sent a formal letter to PacifiCorp informing them that we are ready to proceed. Mike will update the board with any new information.

LIHI (Low Impact Hydro Institute). Farmers Irrigation District LIHI application is on the agenda for the LIHI's July board meeting and open for comments. Mike will keep the

board updated.

Mike was informed by Shanna Olson of Oregon DEQ that the District is on the recipient list for stimulus funds.

Phase 8 (Eliot Road and Eby Road) of the LDPP is under construction with completion scheduled for the end of this month. Farmers Irrigation District is currently reimbursing users on Eliot and Eby Road who have opted to use domestic water for irrigation while this project is under construction.

Farmers Irrigation District submitted signed agreements to the Energy Trust of Oregon today. We could potentially receive approximately \$225,000 towards the Lower District Pressurization Project.

Mike met with Rick Creager of OWEB for a tour of the district and the Indian Creek Corridor Project. Our OWEB application was turned in at an opportune time.

Mike has a meeting today with Middle Fork Irrigation, East Fork Irrigation and PacifiCorp to discuss PacifiCorp's 500cfs water rights and its in-stream allocation. It may be possible that a gauging station will be put in place where the existing dam is.

Mike informed the board that an amendment A-7 to House Bill 2940 has been issued. HB 2940 severely erodes Oregon's Renewable Energy Standards. This bill relates to the sale of Green tags for Hydro Power houses with 40megawatts or less that are LIHI certified. We should know more by the next board meeting.

LEGAL:

Farmers Irrigation District was informed by Terril, Lewis and Wilke Insurance Company that the District's Agent of Record Mark Malland has retired. Chris Malland will be taking over in Mark's place and is invited to meet with the board some time this fall. It was moved by Allan Henderson and seconded by Bob Nickelsen to accept Chris Malland as the District's new Agent of Record. The motion passed with all in favor.

OTHER BUSINESS:

Board members Don Chandler and Steve Benton met with East Fork Irrigation District to discuss the option of forming a coalition between the existing irrigation districts in the Hood River basin (see attached). After much discussion it was decided by the board to allow two board members to attend meetings and represent, basin-wide, the irrigation districts within the Hood River valley.

ADJOURNMENT:

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

Signed: _____
Tim Annala, Secretary

Attest: _____
Steve Benton, Chairman