

FARMERS IRRIGATION DISTRICT
BOARD MEETING MINUTES
WEDNESDAY, SEPTEMBER 16, 2009

The Board of Directors of the Farmers Irrigation District met on Wednesday, September 16, 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 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 August 19, 2009 board meeting were presented and discussed. It was moved by Don Chandler and seconded by Allan Henderson to approve the minutes as presented. The motion passed with all in favor.

The O&M bills for the month of September 2009 were presented and discussed. It was moved by Bob Nickelsen and seconded by Don Chandler to approve the bills in the amount of \$123,857.35. The motion passed with all in favor.

BUSINESS FROM THE FLOOR: None

CORRESPONDENCE:

- a) The Board of Directors reviewed a MOU from the Fukui User Group (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 MOU from the Windmaster User Group (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.
- c) The Board of Directors reviewed a MOU from the Eliot/Eby Irrigation Association (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.
- d) The Board of Directors reviewed a MOU from the Schull Dr. Irrigation Association (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.
- e) The Board of Directors reviewed three water right requests from Ronny Stewart (see attached). It was moved by Bob Nickelsen 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 \$2,590.98 in payments since the August board meeting. Rick Ward made a payment of \$200.00 and Donald & Kristi Buchanan made a payment of \$200.00.

The budgeted end-of-month balance was \$831,385.69. The actual end-of-month balance was \$420,289.08. Hydro generation for August was projected at 500,000 kWh. Actual production was 804,876 kWh; producing an additional 304,876 kWh. Hydro revenue was projected at \$74,543.95 for August, with actual revenue of \$89,727.93.

- b) Manager's report - Mike Kleinsmith informed the board that the upper reservoir is down 13 feet and the lower reservoir is down 17.75 feet. Currently there are 2,439 gpm flowing through Methodist Road Pump Station, 394 gpm flowing through Peters Road Pump Station and 1,018 gpm flowing in the 24" gravity pipe. There are 58 cfs flowing through Plant 2, and 7 cfs flowing through Plant 3. Hydro generation for September is projected at 850,000 kWh. As of today we have produced 480,000 kWh.

Mike informed the Board that Farmers Irrigation District will be on the Low Impact Hydro Institutes board meeting agenda for October. Hopefully the District will have its LIHI certification by the end of the year.

Mike has been in close communication with the District's power purchase attorney, Peter Richardson, regarding the District's Power Purchase Agreements (PPAs) with PacifiCorp.

Mike Kleinsmith and Steve Benton attended a meeting with the Oregon Public Utilities Commission last week to testify against PacifiCorp's proposed Avoided Cost Rates (ACRs). After much discussion, both Mike and Steve felt that the District will have a favorable outcome. Mike hopes to hear from Peter Richardson this week as to PacifiCorp's response to the District's requests to obtain ACR's at the old rate. Mike spoke with David Meriwether, Administrator for Hood River County and Bill Fasching of Hood River County, and suggested that they join the Renewable Energy Coalition (REC) that is being formed in conjunction with other entities and Farmers Irrigation District to gain a better perspective on PacifiCorp's Power Purchase Agreement process. They were directed to contact John R. Lowe (private consultant).

The District will be receiving Request for Proposals (RFP's) on September 18th for the Indian Creek Corridor (ICC) Pressurization Project. There will be no public opening of bids. Award for the project will be held on Wednesday, September 30th at 9:00 a.m. at the District office.

Mike informed the Board that he will be attending the Oregon Water Resources Congress (OWRC) Water Law Seminar at Eagle Crest resort from September 23rd to September 25th.

- c) ARRA Interim payment authorization – It was moved by Don Chandler and seconded

by Tim Annala to authorize interim payment for outstanding ICC invoices upon receipt of SRF disbursement funds 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 meeting. The motion passed with all in favor.

LEGAL:

- a) Resolution 07-09. It was moved by Don Chandler and seconded by Allan Henderson to adopt Resolution 07-09 specifying that the November 10th, 2009 election for Division Two be conducted by mail-in vote. The motion passed with all in favor.
- b) Mike Kleinsmith received a subpoena to testify in the case of Ryan Juice Company at the upcoming circuit court hearing on February 9th through 12th and February 16th through 19th, 2010, (see attached).
- c) Mike presented a joint letter from Middle Fork Irrigation District and Farmers Irrigation District that is being sent to Oregon Water Recourses Department regarding PacifiCorp's Powerdale water rights (see attached). Attorney Jeff Baker reviewed the letter prior to its submittal to OWRD.

OTHER BUSINESS: None

EXTENSION:

At 11:40 a.m. it was moved by Bob Nickelsen and seconded by Don Chandler to extend the meeting to Wednesday, September 30, 2009 at 9:00 a.m. The motion passed with all in favor.

Signed: _____
Tim Annala, Secretary

Attest: _____
Steve Benton, Chairman