

FARMERS IRRIGATION DISTRICT  
BOARD MEETING MINUTES  
WEDNESDAY, OCTOBER 21, 2009

The Board of Directors of the Farmers Irrigation District met on Wednesday, October 21, 2009, 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 and Bob Nickelsen; District Manager, Mike Kleinsmith; Financial Administrator, Cathy Roberts; Water Rights Specialist, Rick Brock; Administrative Assistant, June Brock and Attorney Jeff Baker. Also in attendance were Budget Committee members Bob Benton, Rich Hanners, Randy Franz, Andy VonFlotow and Kevin Asai.

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**BUDGET COMMITTEE WORK SESSION**

A budget committee work session took place from 10:00 a.m. until 11:20 a.m. It was moved by Randy Franz and seconded by Bob Benton to elect Kevin Asai as Budget Chairman. The motion passed with all in favor. There was discussion regarding the 2010 budget, District upgrades, Hydro production, purchases, new temporary staff members, water rights transfers and the negotiation of power sales contracts. Following extensive discussion, it was moved by Randy Franz and seconded by Rich Hanners to recommend that the Board adopt the 2010 Budget as presented. The motion passed with all in favor. Kevin Asai closed the Budget Committee work session at 11:20 a.m.

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**REGULAR MONTHLY BOARD MEETING**

Chairman Steve Benton called the regular meeting of the board to order at 11:35 a.m. and presented the annual budget proposal for review. It was moved by Don Chandler and seconded by Bob Nickelsen that the Board accept the recommendation of the Budget Committee and approve the budget for 2010 as presented. The motion passed with all in favor.

**MONTHLY BUSINESS:**

The minutes of the September 16, 2009 and September 30, 2009 board meetings were presented and discussed. It was moved by Don Chandler 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 2009 were presented and discussed. It was moved by Don Chandler and seconded by Bob Nickelsen to approve the bills in the amount of \$93,161.58. The motion passed with all in favor.

The LDPP Disbursement #10 was presented and discussed (see attached). It was moved by Don Chandler and seconded by Tim Annala to approve the interim payment in the amount of \$468,367.90. The motion passed with all in favor.

**BUSINESS FROM THE FLOOR:** none

**CORRESPONDENCE:**

- a) The Board of Directors reviewed a hardship letter from Donna Arbuckle (see attached). The Board directed the staff to continue to work with Ms. Arbuckle on her previously agreed payment plan.
- b) The Board of Directors reviewed a MOU from the Tucker/McCarthy Irrigation Group (see attached). It was moved by Don Chandler and seconded by Bob Nickelsen 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 \$1,706.59 in payments since the September board meeting. The A/R balance is at 95% versus 94% last year. Disbursement #11 in the amount \$273,491.67 has been submitted for reimbursement. The District has received a check in the amount of \$225,000.00 from the Energy Trust of Oregon.
- b) Hydro production - September production was projected at 850,000 kWh. Actual production was 1,154,009 kWh. Hydro revenue for September was projected at \$112,067.90. Actual revenue was \$144,682.22. The end-of-month balance was \$350,938.79.
- c) Manager's report – Mike Kleinsmith reported that the District conducted the annual shut down for maintenance the week of October 12<sup>th</sup> through October 17<sup>th</sup>. We may have to shut down for one day for additional maintenance of the fish screen. Currently there are 80 cfs flowing through Plant #2, and 10cfs flowing through Plant #3.
- d) Mike has been in close communication with the District's power purchase attorney, Peter Richardson, regarding the District's Power Purchase Agreements (PPAs). Peter is waiting for a response from PacifiCorp; this has been the second delay and Peter hopes to hear from PacifiCorp this week.
- e) The Indian Creek Corridor Project has been awarded to Crestline Construction. Construction should begin next week.

**LEGAL:**

Division #2 election:

Petitions for District #2 were received from Bob Nickelsen and Phil Richter. It was moved by Tim Annala and seconded by Don Chandler that the Board of Directors formally declare a mail-in election and authorize district staff to select and schedule sufficient election judges to allow for three judges to be present on election day, November 10, 2009. The motion passed with all in favor. The polls will close at 8:00 p.m. for the election process in accordance with OWRC guidelines and timelines as derived from State law. The Board of Directors designated Rick Brock as Clerk of Election and further designated that the election be held at the District office located at 1985 Country Club Road, Hood River, OR 97031. The Board of Directors scheduled the canvassing of the ballots for November 16, 2009 at 11:00 a.m. at the District office. Public notices for the election and the canvassing meeting will be posted at the District office and placed in the Hood River News according to the OWRC State election timelines.

**OTHER BUSINESS:**

Don Chandler asked the board if it was necessary for a board member to participate in the contractor bid evaluation process. Following extensive discussion Don Chandler was appointed by Steve Benton to partake in future contract evaluations.

**ADJOURNMENT:** There being no further business, the meeting was adjourned at 12:16 p.m.

Signed: \_\_\_\_\_

Tim Annala, Secretary

Attest: \_\_\_\_\_

Steve Benton, Chairman