

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

The Board of Directors of the Farmers Irrigation District met on Wednesday, November 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 Specialist, Rick Brock and Administrative Assistant June Brock. Julie O'Shea of FCA was also in attendance.

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

**MONTHLY BUSINESS:**

The minutes of the October 21, 2009 board meeting 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 minutes of the November 16, 2009 election canvass 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 November 2009 were presented and discussed. It was moved by Tim Annala and seconded by Don Chandler to approve the bills in the amount of \$130,971.59. The motion passed with all in favor.

The LDPP Disbursement #11 for the month of November was presented and discussed (see attached). It was moved by Don Chandler and seconded by Allan Henderson to approve the payments in the amount of \$273,491.67. The motion passed with all in favor.

**BUSINESS FROM THE FLOOR:**

FCA – Julie O'Shea gave the Board an update of installed and pending screen projects (see attached). Many screens have been installed in Oregon, Montana, Idaho and Wyoming with great reviews. The National Marine Fisheries Service (NMFS) has still not approved the Farmers Screen as a criteria screen, which is holding up the installation of 35 screen projects throughout the region. (Screens installed prior to this have been installed on a case-by case, experimental basis.) To achieve criteria, NMFS has requested numerous testing. Letters of support from USGS and NRCS have been sent to the National Marine Fisheries Service as well as calls and discussion from Senator Wyden's staff and Ray Hatlerode of ODFW to encourage expedited review of Farmers Screen criteria and projects. With recent support from other agencies and political partners towards achieving Farmers Screen criteria, FCA is hoping by next spring all criteria will be created, approved and FCA can move on with screen order and installations.

## **CORRESPONDENCE:**

- a) The Board of Directors reviewed a MOU from the Cherry/ Bradley User 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.
- b) The Board of Directors reviewed a MOU from the Jeanette West User 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.
- c) The Board of Directors reviewed a MOU from the Moser Road User 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 \$89,359.93 in payments since the October board meeting. The A/R balance is at 14% versus 15% last year.  
The annual billing statements for the 2010 irrigation season were sent out on October 28, 2009. The final DOE Loan # L00278 payment in the amount of \$5,878.00 will be sent out on December 1, 2009.
- b) Hydro production for October was projected at 1.85 million kWh. Actual production was 1,644,492 kWh due to the annual maintenance outage. Hydro production for November is projected at 2.56 million kWh; as of November 17<sup>th</sup> we have produced 1,053,539 kWh. The end-of-the-month balance was projected at \$806,035.21; the actual ending balance was \$1,325,288.92.
- c) Manager's Report - Mike Kleinsmith reported that we currently have 89 cfs flowing through plant #2 and 17 cfs through plant #3.
- d) Power Sales Contracts – Mike informed the board that our power sales contracts with PacifiCorp are currently in a holding pattern. Mike has been working closely the District's power purchase attorney, Peter Richardson, and John Lowe (private contractor) regarding the District's Power Purchase Agreements (PPAs). John Lowe and Manager Mike Kleinsmith suggest that we wait until the end of December to see the outcome of the Public Utility Commission hearing on UM-1442 before commenting on PacifiCorp's offer. Mike has also been in contact with Bernard Versari. Mr. Versari is currently doing a financial analysis on the settlement offer proposed by PacifiCorp regarding our request for a new PPA. John Lowe currently has a contract with the District and Mike would like to extend this contract with Mr. Lowe for the next two months until January 15, 2010. After much discussion it was moved by Allan Henderson and seconded by Tim Annala to extend Mr. Lowe's contract. The motion passed with all in favor.

- e) Indian Creek Corridor Project – Crestline construction is moving right along with the project. Don Chandler wanted to know if we were going to keep or remove the MRPS building? After much discussion Steve Benton said it was the Manager’s decision as to when the building should be removed, if at all.
  
- f) Low Impact Hydro Institute – The LIHI Board will be meeting on November 19, 2009. Mike is to have a conference call with Fred Ayer of LIHI and hopefully our Hydro facilities will be LIHI certified. There are only 25 certified hydro facilities in the United States.
  
- g) Mike informed that board that he was in Salem on November 17, 2009 to give testimony to the Natural Resource Committee in favor of the House Bill being proposed to allow Non-Utility REC’s to count towards Oregon’s RPS. Brian Clem will be taking this bill to the senate. Mike also is on the Hydro Fees Review Committee for OWRD, and attended a meeting in Salem regarding hydro fees. The purpose of the committee is to set fees and see where the fees are being spent, and how.
  
- g) Mike notified the Board that the District will be receiving a check this afternoon for the Lower District Pressurization Project from the Energy Trust of Oregon.

**LEGAL:** Election results - Steve Benton announced that Bob Nickelsen had won the election for Division 2. Bob Nickelsen had 94 votes and Phil Richter had 24 votes. Bob will serve a three year term commencing on the first Tuesday in January 2010.

**OTHER BUSINESS:** None

**ADJOURNMENT:** There being no further business, the meeting was adjourned at 12:05 p.m.

Signed: \_\_\_\_\_  
 Tim Annala, Secretary

Attest: \_\_\_\_\_  
 Steve Benton, Chairman