

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

The Board of Directors of the Farmers Irrigation District met on Wednesday, December 16, 2009, at the district office for the purpose of conducting its regular monthly business. Those in attendance were directors Don Chandler, Tim Annala and Bob Nickelsen; District Manager, Mike Kleinsmith; Financial Administrator, Cathy Roberts; Water Rights Specialist, Rick Brock; Administrative Assistant June Brock. Rodney Lewis, Insurance Broker for Terril, Lewis & Wilke, was also in attendance.

Board member Don Chandler called the meeting to order at 11:00 a.m.

**MONTHLY BUSINESS:**

The minutes of the November 18, 2009 board meeting were presented and discussed. It was moved by Bob Nickelsen and seconded by Tim Annala to approve the minutes as presented. The motion passed with all in favor.

The O&M bills for the month of December 2009 were presented and discussed. It was moved by Bob Nickelsen and seconded by Tim Annala to approve the bills in the amount of \$327,062.52. The motion passed with all in favor.

**BUSINESS FROM THE FLOOR:**

- a) Rodney Lewis of Terril, Lewis & Wilke introduced himself to the board. The staff provided Mr. Lewis with an updated list of changes needed for the 2010 insurance renewal. Mr. Lewis will process the changes and provide the District with the updated 2010 insurance renewal for the board's review next week. It was moved by Tim Annala and seconded by Don Chandler to accept Rodney Lewis as the new Agent of Record. The motion passed with all in favor.

**CORRESPONDENCE:**

- a) The Board of Directors reviewed a MOU from Tallman/Gorge Electric (see attached). It was moved by Tim Annala and seconded by Bob Nickelsen 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 \$67,813.81 in payments since the November board meeting. The A/R balance is at 25% versus 27% last year.
- b) State Energy Loan Program (SELP) Loan # L00278 was paid in full on 11-30-2009.

- c) Hydro production for November was projected at 2.56 million kWh. Actual production was 2,199,288 kWh. The budgeted end-of-the-month balance was projected at \$1,108,433.27; the actual ending balance was \$1,334,463.64.
- d) Manager's Report - Mike Kleinsmith reported that the Farmers Canal is shutdown due to pipe boring and installation at Plant 3. Due to the severe cold weather and ice forming in the canal it may take a little longer to get the generators back on line.
- e) Power Sales Contracts – Mike informed the Board that he and Cathy Roberts met with the District's power sales attorney, Peter Richardson, along with power sales specialist, John Lowe, and power sales accountant, Bernard Versari, on December 14<sup>th</sup> to develop a power sales settlement proposal for PacifiCorp that will serve in the best interest of the District constituents. Presently, PacifiCorp's offer does not give fair consideration to the District and its community at large. Mr. Versari's accounting work will take into consideration the District's up-front needs and will expose the manner in which PacifiCorp manipulates the avoided cost rate (ACR) and net present value of money to its advantage.
- f) Indian Creek Corridor Project – Mike informed the Board that the project is getting underway. The Markham, Douglas Fir, Ing, Deborde-Parks Rec, Hayes, and Sunset segments of the project are nearly complete, leaving the Country Club and Methodist Road Pump Station ditch to be completed by the beginning of irrigation season 2010. Leroy (Dick) Leonard has created some issues for the project, and some people representing Mr. Leonard have suggested that he might file some sort of claim. The details of this claim (if any) have not been provided. Staff people are working on a public records request for Mr. Leonard's attorneys. While the District has an existing and adequate easement across Mr. Leonard's property, the project has been re-designed to route the District's new Avalon Belmont pressure supply line around Mr. Leonard's property so as to avoid any potential for conflict. The rerouting of the pipeline has added expense to the project, but the new alignment keeps the project moving and will likely save money in the long run.
- g) LIHI – Mike informed the Board that on November 19, 2009 the District received notification that its hydropower plants are now Low Impact Hydro Institute (LIHI) certified for the next five years, subject to certain conditions that must be met over the next two years. The District may now develop a market and receive premiums for its LIHI certified power.
- h) Mike presented a letter to the Board from the James Irrigation Group (see attached) thanking the District for a wonderful, uninterrupted irrigation season.

**OTHER BUSINESS:**

- a) Bob Nickelsen presented a letter to the Board (see attached) from Bob Tallman. The letter was a requesting permission to be hooked up to irrigation line on Westfliff Drive.

- b) Special Districts Association of Oregon (SDAO) and the Oregon Water Resources Congress (OWRC) are holding a training seminar in Bend on January 28, 2010.

**ADJOURNMENT:**

There being no further business, the meeting was adjourned at 11:40 a.m.

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

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