

FARMERS IRRIGATION DISTRICT
BOARD MEETING MINUTES
WEDNESDAY, FEBRUARY 17, 2010

The Board of Directors of the Farmers Irrigation District met on Wednesday, February 17, 2010, at the District office for the purpose of conducting its regular monthly business. Those in attendance were directors Steve Benton, Allan Henderson and Bob Nickelsen; District Manager, Mike Kleinsmith; Financial Administrator, Cathy Roberts; Water Rights Manager, Rick Brock and Attorney Jeff Baker. Craig Ortega of Columbia State Bank was also in attendance.

Chairman Steve Benton called the meeting to order at 11:07 a.m.

MONTHLY BUSINESS:

The minutes of the January 20, 2010 board meeting were presented and discussed. It was moved by Bob Nickelsen 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 February 2010 were presented and discussed. It was moved by Bob Nickelsen and seconded by Allan Henderson to approve the bills in the amount of \$217,546.81. The motion passed with all in favor.

The ICC Disbursement #2 was presented and discussed (see attached). It was moved by Bob Nickelsen and seconded by Allan Henderson to approve the payments in the amount of \$828,326.33. The motion passed with all in favor.

BUSINESS FROM THE FLOOR:

Craig Ortega of Columbia State Bank and the Directors reviewed and discussed a letter regarding the recent closure by FDIC of Columbia River Bank (see attached). Staff recommended that the current checking account be changed to a non-interest bearing account. This change would permanently insure unlimited FDIC coverage of all current and future deposits without changing the account number, and would not require restructuring of electronic transfers from the Treasury, ACH project disbursements from DEQ and Electronic Federal Tax Processing Services. Columbia State Bank is also on the qualified depository list and has pledged the required collateral to hold Oregon public funds deposits as required by the Office of the State Treasurer. Following extensive discussion, the Board elected to leave the account as currently structured for the next few months and see what the market does.

CORRESPONDENCE:

The Board of Directors reviewed a proposed partition from Henry Hanna III (Mt. View LLC) (see attached). It was moved by Bob Nickelsen and seconded by Allan Henderson 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 \$24,280.29 in payments since the January board meeting. Hydro production for the month of January was projected at 2.8 million kWh, with an actual production of 2,963,010 kWh. Hydro revenue was projected at \$320,641.22 with actual revenue of \$342,223.74. The District’s end of month balance for January was \$1,149,316.47.

- b) Manager Mike Kleinsmith reported that the Indian Creek Corridor Project is progressing nicely. Both the construction and electrical components of the project are now at 65% completion. Projected revenue for the February is 2.5 million. As of today we are at 1,590,432. Mike submitted a power sales counter-offer to PacifiCorp. As of today there has been no response. Mike provided a brief overview of the PacifiCorp response to the PUC Petition to Initiate an Investigation into Utility Practices that Discourage Development of Renewable Resources petition (see attached).

LEGAL: The District received a letter from the Leonard’s attorney for property damage (see attached). The claim has been forwarded to Crestline Construction.

OTHER BUSINESS: None

ADJOURNMENT: There being no further business, the meeting was adjourned at 12:10 p.m.

Signed: _____
Tim Annala, Secretary

Attest: _____
Steve Benton, Chairman