

FARMERS IRRIGATION DISTRICT
BOARD MEETING MINUTES
WEDNESDAY, APRIL 21, 2010

The Board of Directors of the Farmers Irrigation District met on Wednesday, April 21, 2010, at the district office for the purpose of conducting its regular monthly business. Those in attendance were directors Steve Benton, Don Chandler, Bob Nickelsen and Tim Annala; District Manager, Mike Kleinsmith; Financial Administrator, Cathy Roberts; Water Rights Specialist, Rick Brock; Attorney, Jeff Baker and Administrative Assistant June Brock. Ken Hansen of the Hood River Saddle Club was also in attendance.

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

MONTHLY BUSINESS:

The minutes of the March 17, 2010 board meeting were presented and discussed. It was moved by Don Chandler and seconded by Bob Nickelsen to approve the minutes. The motion passed with all in favor.

The O&M bills for the month of April 2010 were presented and discussed. It was moved by Don Chandler and seconded by Tim Annala to approve the bills in the amount of \$73,345.41. The motion passed with all in favor.

ICCP Disbursement #5 was presented and discussed (see attached). It was moved by Don Chandler and seconded by Bob Nickelsen to approve the payments in the amount of \$772,775.27. The motion passed with all in favor.

BUSINESS FROM THE FLOOR:

Ken Hansen of the Hood River Saddle Club expressed concerns regarding a leak on his property and questions about the new pressurization system on Country Club. He is interested in installing a sprinkler system for the Saddle Club. Mike has forwarded all his concerns to District Irrigation Supervisor Salvador Velazquez.

CORRESPONDENCE: None

REPORTS AND DISCUSSION:

- a) A/R report – Cathy Roberts reported that the district has received \$132,106.32 in payments since the March board meeting (78% this year compared to 82% last year). The end-of-month balance for March was projected at \$2,104,627.93 with an actual ending balance of \$1,493,503.73. This ending month balance does not include the outstanding BETC funds. The Columbia Gorge Hotel and Haanstad properties have sold, and the liens on these properties will be removed. A potential buyer has expressed interest in the Coefield property, which is in foreclosure.

- b) Water Supply and Production – Hydropower production for March was projected at 2.8 million kWh. Actual production was 2,704,169 kWh. Hydro revenue for March was projected at \$320,493.53. Actual hydro revenue was \$315,259.70.
- c) Columbia State Bank- an FDIC coverage email update was distributed to all board members (see attached).
- d) Cathy Roberts received a newsletter from the Oregon Department of Revenue stating that any entity mandated to submit electronic payment of federal withholding taxes must also submit electronic payment of state withholding taxes as of January 1, 2011. Cathy will investigate further. It was moved by Don Chandler and seconded by Bob Nickelsen to authorize Cathy Roberts to set up electronic state withholding tax transmittal if the District is so mandated. The motion passed with all in favor.
- e) ARRA-Cathy Roberts presented a short overview of the ARRA reporting, payroll inspection and final project auditing processes. The board congratulated Cathy on a job well done.
- f) SDAO Workers' Comp Renewal-Cathy Roberts presented a new employer option for reimbursement of medical expenses on non-disabling claims (see attached). The employer can totally eliminate or partially reduce claim costs used in determining experience modifications. The District's mod factor is currently .77. It was moved by Don Chandler and seconded by Bob Nickelsen to participate in the reimbursement program. The motion passed with all in favor.
- g) Health Insurance Renewal-Cathy Roberts presented the 2010 health insurance to the board for review (see attached). The board discussed the various options. Following discussion, the health insurance renewal was tabled until the May 2010 board meeting.
- h) Manager's report - Mike Kleinsmith informed the Board that the reservoirs are full. Hydro production to date is at 1,827,744 kWh. The hydro projection for the month of May is 1.6 million kWh.
- i) Power Sales Contract update-Mike informed the board that John Lowe, Bernard Versari, Peter Richardson and Mike met with Bruce Griswold of PacifiCorp and their attorney Jeff Lovinger on April 8th. After reviewing multiple scenarios, Farmers Irrigation District presented proposal case #10 to PacifiCorp that would be in the District's best interest and meet our budget needs. FID is now waiting for PacifiCorp to come back with a final offer. Mike asked that the board continue the services of consultant John Lowe and the REC's attorney Tom Nelson for the next three months. It was moved by Bob Nickelsen and seconded by Don Chandler to continue the services on John Lowe and Tom Nelson. The motion passed with all in favor.
- j) FCA update-Mike asked the board if FID should pay 50% of the funds needed to perform

the last of the NMFS fish test screen criteria, this amount is approximately \$20,000. It was moved by Don Chandler and seconded by Bob Nickelsen to pay FCA \$20,000. The motion passed with all in favor.

- k) Indian Creek Corridor Project-the ICCP is 98% complete, all that remains are paving and fencing projects.
- l) Dick Leonard of Barrett Rd. removed trees (saplings) that were planted on our easement at the Barrett Rd/Methodist Rd, Indian Creek restoration site. Rick Ragan was verbally assaulted by Mr. Leonard while working at this location. Mr. Ragan gave a written report to the District's lawyer, and the District manager for their records. Terra Surveying will be placing property markers and easement markers at this site to show that what Mr. Leonard did was illegal.
- m) Mike informed the Board that he waived the 2010 irrigation fees for Mr. Paul Ross, 3995 Portland Dr. as compensation for storage of pipe on his property. (see attached).
- n) Jim Trammel was in contact with both Mike and Steve Benton regarding the fence that surrounds the MRPS building on his property. Mr. Trammel's fence was damaged accidentally by Crestline Construction while storing pipe at this site.

LEGAL:

Water Right Forfeiture Letter-A draft letter was sent to the Board members for review. (see attached). After much discussion, the board requested that attorney Jeff Baker prepare a Water Right Forfeiture Policy for the District.

OTHER BUSINESS: None

ADJOURNMENT:

There being no further business, Chairman Benton adjourned the meeting at 1:05 p.m.

Signed: _____
Steve Benton, Chairman

Attest: _____
Tim Annala, Secretary