

FARMERS IRRIGATION DISTRICT
BOARD MEETING MINUTES
WEDNESDAY, MAY 19, 2010

The Board of Directors of the Farmers Irrigation District met on Wednesday, May 19, 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. Consultant John Lowe was also in attendance.

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

MONTHLY BUSINESS:

The minutes of the April 21, 2010 board meeting were presented and discussed. It was moved by Bob Nickelsen and seconded by Don Chandler to approve the minutes. The motion passed with all in favor.

The O&M bills for the month of May 2010 were presented and discussed. It was moved by Tim Annala and seconded by Don Chandler to approve the bills in the amount of \$132,531.09. The motion passed with all in favor.

ICCP Disbursement #6 was presented and discussed (see attached). It was moved by Don Chandler and seconded by Tim Annala to approve the payments in the amount of \$630,392.19. The motion passed with all in favor.

BUSINESS FROM THE FLOOR:

John Lowe introduced himself to the board. John has been working with Mike and other coalition members on the District's Power Sales Contract. John went into great detail as to the coalition's efforts to file petitions, change regulations in PacifiCorp's PURPA rules, qualifying facilities such as ours being eligible to meet PacifiCorp's standards, legislative dockets, interconnection agreements, renewable energy credits (REC's), and Avoided Cost Rates (ACR's), etc.

Farmers Irrigation District has presented proposal case #10 to PacifiCorp and FID is now waiting for PacifiCorp to come back with a final offer. Mike informed that Board that he was supposed to have an answer from Mr. Griswold from PacifiCorp. Mike will keep the Board apprised.

CORRESPONDENCE:

- a) The Board of Directors reviewed a Memorandum of Understanding from the Kahoe Drive User Group (see attached). It was moved by Don Chandler and seconded by Tim

Annala to approve the application. The motion passed with all in favor.

- b) The Board of Directors reviewed a water right request application from the Hood River Saddle Club (see attached). It was moved by Tim Annala and seconded by Bob Nickelsen to approve the application. The motion passed with all in favor.
- c) The Board of Directors reviewed a water right request application from Jon and Lydia Gardner (see attached). It was moved by Tim Annala and seconded by Bob Nickelsen to approve the application. The motion passed with all in favor.
- d) The Board of Directors reviewed a water right request application from Dave and Eloise Russell (see attached). It was moved by Tim Annala and seconded by Bob Nickelsen to approve the application. The motion passed with all in favor.
- e) The Board of Directors reviewed a water right request application from Rutger and Heidi Engbersen (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 \$39,797.68 in payments since the April board meeting (85% this year compared to 88% last year). The end-of-month balance for April was projected at \$2,323,426 with an actual ending balance of \$1,777,534.25. The Haanstad property has been sold and the lien on that property has been removed. Mr. Lyle Thornton made a payment of \$300 and also set up payment arrangements.
- b) The District received a final payment from FEMA in the amount of \$16,964.24 for the 2006 Headgate flood damage.
- c) Water Supply and Production – Hydropower production for April was projected at 2.5 million kWh. Actual production was 2,897,902 kWh. Hydro revenue for April was projected at \$289,248.57. Actual hydro revenue was \$335,611.25.
- d) Business Energy Tax Credit (BETC)-Cathy informed the Board that she received an email confirmation that the Farmers Irrigation District's BETC application for the Lower District Pressurization Project has been approved and we are in queue for a pass through partner.
- e) Health Insurance Renewal-Cathy Roberts presented the 2010 health insurance to the board for review (see attached). The board discussed the various options. It was moved by Don Chandler and seconded by Tim Annala to approve the 2010 health insurance as presented. The motion passed with all in favor.

LEGAL:

Attorney Jeff Baker presented Resolution 05-10. A resolution detailing the District's procedure for transferring Water Rights due to non-use (see attached). It was moved by Tim Annala and seconded by Bob Nickelsen to approve Resolution 05-10 as presented. The motion passed with all in favor.

OTHER BUSINESS: None

ADJOURNMENT:

There being no further business, Chairman Benton adjourned the meeting at 1:01 p.m.

Signed: _____
Steve Benton, Chairman

Attest: _____
Tim Annala, Secretary