

FARMERS IRRIGATION DISTRICT
BOARD MEETING MINUTES
WEDNESDAY, AUGUST 18, 2010

The Board of Directors of the Farmers Irrigation District met on Wednesday, August 18, 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, Tim Annala and Allan Henderson; District Manager, Mike Kleinsmith; Financial Administrator, Cathy Roberts; Attorney, Jeff Baker and Administrative Assistant June Brock. Guests, Julie O'Shea of FCA and Samantha Benton, legal intern for Annala, Carey and Baker.

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

MONTHLY BUSINESS:

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

The O&M bills for the month of August 2010 were presented and discussed. It was moved by Don Chandler and seconded by Allan Henderson to approve the bills in the amount of \$222,402.28. The motion passed with all in favor.

LDDP Disbursement #13 was presented and discussed (see attached). It was moved by Allan Henderson and seconded by Tim Annala to approve the payments in the amount of \$22,598.08. The motion passed with all in favor.

ICCP Disbursement #9 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 \$202,259.42. The motion passed with all in favor. (This was the final ARRA disbursement).

BUSINESS FROM THE FLOOR:

FCA Update – Julie O'Shea had good news for the board. The results of the fish screen testing have been accepted by NMFS. Therefore, NMFS said it would be updating its criteria by the end of this month, which would make the Farmers Screen, a criteria screen. We are keeping our fingers crossed that this long awaited goal will finally be achieved. With this approval, FCA will then be able to install screens that were in a holding pattern. This will also give potential partners more confidence in working with FCA and the Farmers Screen. Regardless of the NMFS decision, Sisters Irrigation District will be installing a 160 cfs screen by December. FCA is also pending a final decision on whether to install a 200 cfs screen in Montana. A decision on the Montana screen is expected in the next six weeks.

Julie also informed the board that Irrigation New Zealand, New Zealand's equivalent to OWRC, is extremely interested in their screens; Irrigation New Zealand's major concern is how the screens will deal with the high algae deposits (didymo). Julie has been in contact with patent attorney Steve Adamson, as to the feasibility of providing screen technology outside of the US and Canada.

CORRESPONDENCE:

- a) The Board of Directors reviewed a Water Rights request from Pathfinder Development (see attached). It was moved by Bob Nickelsen and seconded by Don Chandler to approve the application. The motion passed with all in favor.
- b) The Board of Directors reviewed a Water Rights request from Randy Olmstead (see attached). It was moved by Bob Nickelsen and seconded by Don Chandler to approve the application. The motion passed with all in favor.
- c) The Board of Directors reviewed a Minor Partition application from Jeff Lahti (see attached). It was moved by Bob Nickelsen and seconded by Don Chandler 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 \$5,296.04 in payments since the July board meeting (90% this year compared to 95% last year). The end-of-month balance for July was projected at \$2,192,926 with an actual ending balance of \$2,070,011. Donna Arbuckle paid off her lien; Mike Ellsworth made payment arrangements including a payment of \$442.50. Cathy also informed the board that Water Rights Specialist Rick Brock will give an update at the September board meeting regarding Water Right removal on four properties.
- b) Water Supply and Production – Hydropower production for July was projected at 650,000 kWh. Actual production was 906,089 kWh. Hydro revenue for July was projected at \$91,807.92. Actual hydro revenue was \$124,814.09. The upper reservoir is down 7.3 ft and the lower reservoir is down 13.5. As of today we have put users on the west side of the district on a rotation basis to conserve water. Plant 2 is flowing 44 cfs; Plant 3 is flowing 3.8 cfs. Mike also informed the board that he would like to install an actuator at the upper reservoir this fall.
- b) Power Sales Contract update- Mike informed that Board that he has been in contact with Peter Richardson, John Lowe and Bernard Versari regarding our power sales contract. The District will also submit an AR521 Interconnection Agreement with PacifiCorp. Mike will keep the board informed as soon as he hears from PacifiCorp.

- c) BETC update - Mike informed the Board the Columbia State Bank was unable to be the pass-through partner for the District's \$133,000 BETC funds. Mike will seek an alternative BETC pass-through partner.

LEGAL:

- a) Resolution 07-10 A resolution amending Resolution 06-97 and Resolution 06-09, providing for the collection, funding, and utilization of operation, maintenance, and project construction funds (see attached) was presented to the board. It was moved by Allan Henderson and seconded by Don Chandler to adopt Resolution 07-10. The motion passed with all in favor.
- b) Adoption of revised 2010 Water Management Conservation Plan (see attached) was presented to the board. It was moved by Don Chandler and seconded by Tim Annala to adopt the 2010 Water Management Conservation Plan. The motion passed with all in favor. The 2010 WCMP will be sent to OWRD for adoption.
- c) Resolution 08-10 A Resolution Authorizing and Approving a State Revolving Fund Loan Agreement to Finance a Pressure Pipe Facilities Project (see attached) was presented to the board. It was moved by Allan Henderson and seconded by Tim Annala to adopt Resolution 08-10. The motion passed with all in favor.

OTHER BUSINESS:

There will be a Public Notice in the Hood River News for the vacancy of Board positions for Division 1 and Division 4. Petitions will be available as of August 26, 2010 from the District office.

ADJOURNMENT:

There being no further business, Chairman Benton adjourned the meeting at 12:00 p.m.

Signed: _____
Steve Benton, Chairman

Attest: _____
Tim Annala, Secretary