

FARMERS IRRIGATION DISTRICT
BOARD MEETING MINUTES
WEDNESDAY, OCTOBER 20, 2010

The Board of Directors of the Farmers Irrigation District met on Wednesday, October 20, 2010, at the district office for the purpose of conducting its regular monthly and budget committee business. Those in attendance were directors Steve Benton, Don Chandler, Tim Annala, Bob Nickelsen and Allan Henderson; District Manager, Mike Kleinsmith; Financial Administrator, Cathy Roberts; Water Rights Specialist, Rick Brock; Administrative Assistant, June Brock and Attorney Jeff Baker. Also in attendance were Budget Committee members Bob Benton, Rich Hanners, Randy Franz, Andy VonFlotow and Kevin Asai.

BUDGET COMMITTEE WORK SESSION

A budget committee work session took place from 10:05 a.m. until 11:16 a.m. It was moved by Kevin Asai and seconded by Rich Hanners to elect Bob Benton as Budget Chairman. The motion passed with all in favor. There was much discussion regarding the 2011 budget consisting of District upgrades, Hydro production and projection, debt service, system reserve fees, payroll and the negotiation of power sales contracts. Following extensive discussion, it was moved by Randy Franz and seconded by Kevin Asai to recommend that the Board adopt the 2011 Budget as presented. The motion passed with all in favor. Bob Benton closed the Budget Committee work session at 11:16 a.m.

REGULAR MONTHLY BOARD MEETING

Chairman Steve Benton called the regular meeting of the board to order at 11:37 a.m. and presented the annual budget proposal for review. It was moved by Don Chandler and seconded by Allan Henderson that the Board accept the recommendation of the Budget Committee and approve the budget for 2011 as presented. The motion passed with all in favor.

MONTHLY BUSINESS:

The minutes of the September 15, 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 October 2010 were presented and discussed. It was moved by Tim Annala and seconded by Don Chandler to approve the bills in the amount of \$84,726.99. The motion passed with all in favor.

BUSINESS FROM THE FLOOR: none

CORRESPONDENCE:

- a) The Board of Directors reviewed a MOU from the Peachtree Drive Irrigation Group (see attached). It was moved by Don Chandler and seconded by Tim Annala to approve the application as presented. The motion passed with all in favor.
- b) The Board of Directors reviewed a water rights request from Brian Steeves (see attached). It was moved by Don Chandler and seconded by Tim Annala 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 \$3,083.90 in payments since the September board meeting. The A/R balance is at 91% versus 95% last year. The end of month balance for September was projected at \$1,970,144.06 with an actual ending balance of \$1,818,511.33.
- b) Hydro production – September’s production was projected at 850,000 kWh. Actual production was 1,186,994 kWh. Hydro revenue for September was projected at \$114,787. Actual revenue was \$154,595.83.
- c) Manager’s report – Mike Kleinsmith reported that the District conducted the annual shut down for maintenance from October 11th through October 23rd. Additional work is currently underway at the Davenport screen, Deadpoint screen and a retro fit to Forebay
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at Plant 3 (Peter’s Dr.). On October 19th, the budget and board members took a tour of all the new projects that have been completed throughout the district.
- d) Power Sales Contract- Mike informed the board that the power sales contract has not been signed yet due to the following factors:- settlement negotiations, charges from PacifiCorp and some discrepancies with the interconnection agreement. Mike informed the Board that Central Oregon Irrigation District (COID) did not have to pay for their interconnection agreement and Mike feels that we should not have to pay either. Mike has been in contact with John Claybrook of Phoenix Controls and Brad Berreth of Current Designs (telemetry) to confirm that our Hydro plants meet all the necessary standards required by PacifiCorp. Mike will be meeting with Laura Raybpush of PacifiCorp’s Interconnection Transmission Services and he will keep the board apprised of any new findings from PacifiCorp.
- e) Mike met with Rod French of the Oregon Department of Fish and Wildlife (ODFW) to discuss next years minimum flow agreement. ODFW would like to raise the amount from 300cfs to 350 cfs, Mike felt that this number was too high.

LEGAL:

DIVISION 1 ELECTION

Allan Henderson submitted a valid petition for the position of Director for Division 1. No other petitions were received. It was moved by Bob Nickelsen and seconded by Don Chandler that the board adopt the certificate of election stating that Allan Henderson is elected Director of Division 1 for the three-year term commencing on the first Tuesday in January 2011.

DIVISION 4 ELECTION

Tim Annala submitted a valid petition for the position of Director for Division 4. No other petitions were received. It was moved by Bob Nickelsen and seconded by Don Chandler that the board adopt the certificate of election stating that Tim Annala is elected Director of Division 4 for the three-year term commencing on the first Tuesday in January 2011.

OTHER BUSINESS: None

ADJOURNMENT: There being no further business, the meeting was adjourned at 12:35 p.m.

Signed: _____
Tim Annala, Secretary

Attest: _____
Steve Benton, Chairman