

FARMERS IRRIGATION DISTRICT
BOARD MEETING MINUTES
WEDNESDAY, MARCH 16, 2011

The Board of Directors of the Farmers Irrigation District met on Wednesday, March 16, 2011, at the District office for the purpose of conducting its regular monthly business. Those in attendance were directors Don Chandler, Tim Annala, Steve Benton, Allan Henderson and Bob Nickelsen; District Manager, Mike Kleinsmith; Financial Administrator, Cathy Roberts; Water Rights Specialist, Rick Brock; Administrative Assistant, June Brock and Attorney Jeff Baker.

Chairman Don Chandler called the meeting to order at 11:00 a.m.

MONTHLY BUSINESS:

The minutes of the February 16, 2011 board meeting were presented and discussed. It was moved by Steve Benton and seconded by Allan Henderson to approve the minutes as amended. The motion passed with all in favor.

The O&M bills for the month of March 2011 were presented and discussed. It was moved by Steve Benton and seconded by Tim Annala to approve the bills in the amount of \$108,793.80. The motion passed with all in favor.

The ICCP-F2RP Disbursement #1 was presented and discussed (see attached). It was moved by Steve Benton and seconded by Tim Annala to approve the payments in the amount of \$816,288.28. The motion passed with all in favor.

BUSINESS FROM THE FLOOR: None

CORRESPONDENCE:

The board of Directors reviewed a water right request application from Bonnie Dorsey (see attached). It was moved by Allan Henderson and seconded by Tim Annala 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 \$28,998.63 in payments since the February board meeting. Accounts receivable stands at 63% this year versus 56% last year. Hydro production for the month of February was projected at 2.42 million kWh, with an actual production of 2,635,349 kWh. Hydro revenue was projected at \$145,000.00 with actual revenue of \$158,628.62. The District's end of month balance for February was \$1,461,141.91.

- b) Cathy informed the board that the District had received notification regarding SDAO's Employer Option for Reimbursement of Medical expenses on Non-Disabling claims. The District's mod factor is so low it was not worth pursuing the claim. The Board was in agreement not to pay the claim.
- c) Manager's report - Mike Kleinsmith reported that the upper reservoir is closed and the lower reservoir is down 6.25 feet. The Green Point Snotel station snow water equivalent is reading at 13.2" with 36" of snow. Plant 2 is flowing 110 cfs and Plant 3 flowing 33 cfs and we should exceed our hydro production for the month of March.

Irrigation Projects – The Orchard Road line will be extended to include the old “Douglas Orchard” property. The Sunset/Selfridge line is currently under construction with several airvac's and PRV's throughout the district that are either being replaced or repaired.

Mike informed the board that he attended a meeting on Friday, March 11, 2011 at the Oregon Water Resource Department (OWRD) with Craig DeHart from Middle Fork, John Buckley from East Fork and Doug DeHart from Dee Irrigation to discuss the Confederated Tribes of Warm Springs (CTWS) proposal to return PacifiCorp's 500 cfs hydro water right to an in-stream water right. Present from the tribes was Chris Brunn (manager) and the tribe's attorney Mr. Reed Marbut, also in attendance was Mary Grainey from OWRD. The tribes proposed a 250 cfs in-stream minimum at Tucker Bridge. There was no decision made at this meeting. The proposal will be presented at the second Stake Holders meeting on May 3rd, 2011 to continue negotiations with the tribes. Middle Fork's attorney, Doug McDougall is representing the local irrigation districts in these discussions. Discussions in the meeting included possible mitigations such as money for piping in exchange for meeting the minimum in-stream flow. Doug McDougall's strategy is to stand firm on an existing law ORS 543A.305(3) stating “there may be no harm to any existing upstream water rights”.

Pacific Rim Energy. (see attached). Letter from OWRC written by David Filippi, attorney for Stoel-Rives.

TREC's and REC's update - pending legislative bill, 3571 for Oregon REC ownership.

The OWRC is backing House Bill 2873. HB 2873 provides that hydroelectric projects exempted from federal regulation and located within existing artificial delivery systems are not subject to additional requirements for fish screens, by-pass devices or fish passages if projects do not create change in stream conditions that adversely affects fish. Manager Mike Kleinsmith is not in agreement with this bill and is working with Brian Clem to kill it.

Mike will be attending the OWRC District Managers' Workshop on Thursday and Friday, March 17 and 18, 2011 in Silverton, Oregon.

FCA – Tim informed the board that FCA has been in contact with the staff of Representative Greg Walden and Senator Jeff Merkley regarding the fish screen criteria set forth by NMFS. Oregon State Representative Brian Clem is working diligently to set up a meeting with Roy Ellicker, Director of ODF&W and FCA's Director, Julie O'Shea. The District received an amended letter from FCA requesting delayed payment of royalty fees.

Mike informed that board that the US Department of Interior's Secretary Ken Salazar will be touring the Three Sisters Irrigation District screen with NMFS in April. FCA has numerous screen projects ready for this fall, but due to budget restraints the staff is only working half time. Jer Camarata an employee for FCA is also working twenty hours a week for FID on numerous projects including investigating updating the antiquated water program, assisting Jerry with fuel cell feasibility study which could potentially save the district money during the peak pumping season which cost the district approximately \$5,500 per month, assisting Rick with GIS cost cutting efficiencies, helping with Farmers Screen issues, building a hydro-log data management system and working on the LIHI temperature study.

Mike informed the board that Robin Harris, Chief Engineer for Anderson Perry and the District's Engineer of Record will be retiring from Anderson Perry and moving to Texas. Robin will still be available on a "as needed basis" to assist Brett Moore with FID's projects that Robin initially started. We wish Robin and his family all the best.

LEGAL: None

OTHER BUSINESS: None

ADJOURNMENT: There being no further business, the meeting was adjourned at 12:21 p.m.

Signed: _____
Tim Annala, Secretary

Attest: _____
Don Chandler, Chairman