

FARMERS IRRIGATION DISTRICT
BOARD MEETING MINUTES
WEDNESDAY, JULY 20, 2011

The Board of Directors of the Farmers Irrigation District met on Wednesday, July 20, 2011, at the District office for the purpose of conducting its regular monthly business. Those in attendance were directors Don Chandler, Steve Benton, Allan Henderson, Tim Annala and Bob Nickelsen; District Manager, Mike Kleinsmith; Financial Administrator, Cathy Roberts; Water Right Specialist, Rick Brock; Administrative Assistant, June Brock and Attorney Jeff Baker. Also present were Julie O'Shea of FCA and District users Mike and Heidi Anderson.

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

MONTHLY BUSINESS:

The minutes of the June 15, 2011 board meeting were presented and discussed. It was moved by Steve Benton and seconded by Bob Nickelsen to approve the minutes as presented. The motion passed with all in favor.

The O&M bills for the month of July 2011 were presented and discussed. It was moved by Steve Benton and seconded by Tim Annala to approve the bills in the amount of \$419,958.29. This included a payment of \$343,551.00 to Oregon DEQ (Avalon-Belmont Loan). The motion passed with all in favor.

BUSINESS FROM THE FLOOR:

Mike Anderson and his wife Heidi of 2325 Reed Road introduced themselves to the Board. Mr. Anderson voiced his concerns regarding the inability to receive a constant irrigation supply to his property during the irrigation season. Currently Mr. Anderson's irrigation water is fed through the Hukari's Orchard, and he is only able to irrigate with minimal flow when the Hukari's line is charged. Chairman Don Chandler explained that District policy states "User parcels or contiguous parcels of eight or more acres of water right will be entitled to a single turnout". Several board members gave Mr. Anderson options for obtaining irrigation water from the turnout. After much discussion the Board offered to provide "pipe only" to Mr. Anderson should he decide to run a separate line to the turnout.

FCA – Don Chandler informed the Board that the Licensing Agreement for the Patent had expired on April 19, 2011 between Farmers Irrigation District and Famers Conservation Alliance. After much discussion and review of the license it was moved by Steve Benton and seconded by Tim Annala to renew the licensing agreement for fourteen more years until 2025. The motion passed with all in favor. Julie O'Shea was excited to inform the Board that the 12" Farmers Screen had finally met NMFS approval, the 6" screen is still pending. On June 24th, Will Stelle and Keith Kirkendahl of NMFS along with staff members from Senator Merkley's

office took a tour of the Davenport and Dead Point screens. This was a very enlightening day for the engineers from NMFS to see both screens running and meeting the NMFS screen criteria. Julie also informed the Board that OWEB is providing grant funds for a 50cfs screen at Badger Creek in The Dalles. Julie thanked everyone on the board for their un-ending support of FCA.

CORRESPONDENCE:

The Board of Directors reviewed a MOU from the Turkey Dogs User Group (see attached). It was moved by Steve Benton 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 \$5,636.95 in payments since the June board meeting. Accounts receivable stands at 95% this year versus 89% last year. Liens were filed with Hood River County on July 19th.

Hydro production for the month of June was projected at 880,000 kWh, with an actual production of 1,923,927 kWh. Hydro revenue was projected at \$52,800.00 with an actual revenue of \$115,854.36. The District's end of month balance for June was projected at \$2,091,422.40 with an actual balance of \$2,335,337.67.

- b) Manager's report - Mike Kleinsmith reported that the upper reservoir is full and the lower reservoir is down 2 feet.

Hydro Report- Plant 3 is off and Plant 2 is running 64 cfs.

Hydro production for the month of July is projected at 660,000 kWh. As of today the District has produced 602,500 kWh.

This morning the Board members took a tour of Plant 3 and the new Forebay 2 debris screen.

REC's/TREC's update-Mike informed that board that Ben Reese a broker for Evolution Market contacted Mike regarding the prices for REC's. Some REC's are going for \$25.00 a REC. By this fall the District will have approximately 22,000 RECs for sale. Gary Marcus of the Clean Hydroelectric Coalition has been working with legislation to ensure that all sellers of RECs meet LIHI and CEC approval for the sale of RECs in California.

Mike informed that Board that the District will shut down for two weeks in October (Annual Shut down). No water will be turned in for Hydro during this period which will also enable the District to meet its 250 cfs minimum flow agreement with ODF&W and DEQ.

Mike is waiting to hear from DEQ's Shanna Bailey regarding the remaining \$640,000 from the Lower District Pressurization Project. The District is hoping these funds can be used to pipe from Plant 3 towards McCurdy's. There is a tentative tour date for DEQ and EPA on August 16th of the Indian Creek Corridor Project (ARRA).

The City of Hood River is working with the District on a Crossing Policy at the Glass Property on Riverdale Road. To be continued.

LEGAL:

The Affidavit for the cancellation of Water Right Certificate 74303 (Plant 1) was signed by District Manager Mike Kleinsmith on July 12, 2011 and sent to OWRD for processing.

Jeff Baker informed the Board that State water lawyers are trying to streamline the process of property development in Eastern and Southern Oregon by-passing the requirement of sign-offs by irrigation districts.

OTHER BUSINESS: None

ADJOURNMENT: There being no further business, the meeting was adjourned at 12:16 p.m.

Signed: _____
Tim Annala, Secretary

Attest: _____
Don Chandler, Chairman