

Minutes of a Regular Meeting of the Board of Commissioners (Board) of Greenfields Irrigation District (GID) held on January 10th, 2017 at 7:00 PM. Attending the meeting were the following: President Tim Brunner, Vice President Bill Norris, Commissioners David Gulick, Chris Ostberg and Pat Brosten, Manager Erling Juel, Secretary Trudy Whitmore, O&M Foreman Charlie Clement, Sun River Water Shed Group coordinator Kevin Stone, Alan Rollo, GID ditchriders Steve Lettengarver and Cory Copenhaver, GID landowners/waterusers Spencer Pearson, Chase Brady, Michael Konen, Phil Schroeder and Turnbull Hydro partner Wade Jacobsen.

President Brunner called the meeting to order at 7:03 PM and asked for approval of the agenda. That approval was made by unanimous vote following a motion for approval by Commissioner Brosten and second by Vice President Norris.

Minutes from the December 13th, 2016 Regular Meeting were called for amendments/corrections. On page two, 7) the year "1965" was corrected to "1975". Those minutes were approved as corrected on the motion by Commissioner Ostberg, second by Commissioner Gulick and unanimous vote. Minutes from the Special Meeting held November 15th and December 27th, 2016 will be sent out when they are written up.

Warrants totaling \$158,553.10 (\$264.73 reimbursable) were presented for discussion and approval. After discussion of maintenance on the long boom by T & E (Tractor & Equipment) payment was approved as presented. Gulick motion, Brosten second, vote carried.

There were no Parties Presenting Issues. Prior to the start of this meeting all grazing leases were signed by Board members.

MANAGER'S REPORT:

- 1) RESERVOIR & RIVER OPERATIONS AND PROJECTIONS, attached. Under B. it was noted Badger pass is not in GID's watershed but it is a good indicator of snow pack and water equivalence at the higher elevations. Precipitation is ahead of normal right now but the snow pack is a bit below normal.
- 2) GID STAFF UPDATES, GID is sending five staff to a One Call Excavation safety training in Great Falls on January 24th.
- 3) GIS MAPPING, PLAT & CERTIFICATION UPDATES, nothing new
- 4) DNRC STATE LAND WSCs: MT DNRC is filing an injunction against GID to keep GID from turning off water to State Lands in 2017 even though GID has no intention of doing that. GID waterusers have told Manager Juel there is a meeting for those waterusers before the court hearing. President Brunner's son-in-law was served the papers and was instructed by the Sheriff's Deputy to deliver them to Brunner. Brunner read through the complaint; 90% of what is stated is false. Juel believes the hearing is scheduled for January 25th or 26th at 4 PM but isn't sure as GID has not received official notification. GID sent a letter to the former WSC holders letting them know GID has no intention of terminating their water delivery. The letter also mentioned the possibility of allowing them to convert the former WSC acreage and asked if they were interested. Juel followed up

the letter with a phone call to each lessee reiterating that GID has no intention of not delivering water to those lands in 2017. GID's attorney has limited availability during the legislative session and has limited trial experience; Juel is looking for an experienced litigator; has notified GID's insurance carrier of the upcoming costs as well as contacted the BoR regarding the hearing as they have not been named as a defendant but their actions, practices and policies have been challenged.

- 5) A. Farm Unit 786.4, new pivot, see attachment #1. 83.67 assessed acres in the farm unit; pivot sweep unknown at this time as well as plan for irrigating corners or the remainder of the field not under the sprinkler. There are no known impacts to GID infrastructure and Manager Juel will write to the producer about his irrigation plans and will address assessed vs. irrigated acres during the certification process. **NO BOARD ACTION NECESSARY**
- 6) BILL PEARSON LAWSUIT: GID's lawyer sent Pearson's lawyer a letter. GID is unaware of a response to that letter at this time.
- 7) GID VEHICLES & HEAVY EQUIPMENT: GID sold the old precast gravel truck for \$3,500 and had to buy \$4,000 worth of tires for the loader; next on the replacement list is 3 to 4 pickups for the Dam Tender, Water Master and 2 divisions.
- 8) OFFICE IMPROVEMENTS & GENERAL ADMINISTRATION: Nothing new, see attached
- 9) GIBSON HYDRO UPDATE: quote from Daines Staffer..." We're working on reintroducing the bill very soon. It may need to go through a markup in ENR. Waiting to hear back from the Committee. But if so, that should happen quickly/asap."
- 10) LOW HEAD HYDRO PROJECTS, see attached. In regard to hydro on GID's low head drops/canals, Mr. Rollo reminded the Board about the negative impacts to any low gravity flow development on the Ashuelot Bench.
- 11) FINANCIALS, 2017 BUDGET & FUTURE O&M RATES, see attached. The proposed 2017 Budget requires Board action under Agenda Item #5.
- 12) GID INFRASTRUCTURE PROJECTS: A. J-Waste Way – Manager Juel has asked GID attorney and BoR's attorney for an update. Nothing yet. B. Shook Ditch – Nothing new C. Crushing at the Kasper pit got started but is shut down now due to the weather.
- 13) GID O&M PROJECTS, see attachment #2 for latest O&M projects. Considering reconfiguring the "cold storage" area of the shop to allow more room to do indoor work and equipment maintenance during the off season. Considering installing a new wall, concrete floor and inspection pit...area will be heated but no air conditioning...
- 14) GID GRAZING LEASE PROGRAM, as stated on the Agenda under Contracts to Execute, the leases have been signed, all are paid and copies will be sent to all lessees. See the attached spreadsheet, also on file at GID.
- 15) MISCELLANEOUS: Correct "Canter" to "Cantor" Coverdell. GID has purchased two tables (16 seats) at the Ag Appreciation Banquet...those wishing to attend need to let Manager Juel know as soon as possible.
- 16) SHORT-TERM TO DO LIST - JANUARY, read attached.
- 17) LONG-TERM TO DO LIST – FEBRUARY & ON, read attached.
- 18) GID MANAGER'S CALENDAR, attached. GID's Water User Appreciation Meeting will be held February 22nd at noon at the Fairfield Community Hall. President Brunner is not able to be there that day; VP Norris will fill in for him. Manager Juel has invited an individual from the BoR to attend and speak on the AgriMet program.

As an FYI/Reminder, the February Regular Meeting will be held February 7th at 7:00 PM...Manager Juel will be in Denver for training the 2nd Tuesday of Feb.

- 1) GRAZING LEASES – The Official Bid Spreadsheet is attached to these minutes. President Brunner wants all improvements on the parcels recorded. The lessees have already indicated on maps where the fence lines are and those maps are attached to the

new leases. The new lease requires Board approval for improvements and President Brunner wants documentation on each pasture of who owns how much of every fence so that in ten years a lessee who loses a lease can't claim he owns 11 miles of fence when in truth only owns five miles.

- 2) COMMISSIONER ELECTION – The resolution stating no need for an election and Mr. Gulick's Election by Acclamation needs to be executed and filed with the Clerk and Recorder.
- 3) REQUEST TO WINTER GRAZE – See the attached letter and map from Arlene Harris regarding her request(s) on Grazing Lease #14. Requests #1 and 3 were approved as stated. Mr. Ostberg motion, VP Norris second and unanimous vote.
The Board tabled Mrs. Harris' 2nd request as they want Manager Juel to visit the landslide area with Mrs. Harris.
- 4) WADE JACOBSEN – Mr. Jacobsen was at the meeting explaining to the Board there is a very small window of opportunity for GID to purchase all the structures at the Turnbull Hydro site OTHER than the penstocks. Turnbull wants to sell them as their five years of not paying taxes under the 1603 grant is up and it makes sense for GID to own them due to the District's tax exempt status. GID already owns the transmission lines. This action would save \$50,000 to \$60,000 per year in property taxes. Turnbull would continue doing the maintenance on the structures as well as carry the liability insurance. It was asked if GID can own the structures or would the BoR have to... Jacobsen reminded the Board GID owns the transmission lines not the BoR. With the expiration of the 1603 grant, GEI could be dissolved. Saving \$60,000 in property taxes would be a savings of \$6,000 to GEI. This Quit Claim and Bill of Sale needs to be done this month... Manager Juel will have GID's attorney look at it and get back to Jacobsen. Discussion of GID/GEI owning 100% of Turnbull was discussed with the conclusion being the other investors would probably not sell out. Mr. Gulick made the motion to approve executing the Quit Claim and Bill of Sale of all structures excluding the penstocks contingent on GID's attorney reviewing it and finding no major issues, Mr. Brosten seconded. Before the vote, the Board discussed what will happen if the Department of Revenue does not approve the transfer; Mr. Jacobsen said all would be null and void if that happened and stressed the importance of having the document signed before the end of the month. There was no more discussion and the vote carried the motion and second.
- 5) APPROVE 2017 BUDGET – copy attached. The Board discussed GID's "reserves" held at 1st Security Bank in Fairfield. When GID was making payments on the original contract and then on the R & B project in the 1980's, the District was required to carry two times the annual assessment in reserve. When the original contract and the R&B were paid off the Board, at that time, opted to maintain the same amount. This Board agreed to maintain the reserves right around \$2 million. The Board and Manager Juel went through the proposed budget with no issues. Mr. Brosten motioned to approve the 2017 budget as proposed, Mr. Gulick seconded and the 2017 budget was approved following a unanimous vote.

Mr. Rollo had nothing to report.


Kevin Stone, Sun River Watershed Group updated the Board on the following:

- As a reminder, the draft Helena and Lewis and Clark Forest Plan Revision is out and a public meeting is scheduled for February 24th at the Stage Stop in Choteau at 7:00 PM.
- Priorities for 2017 are finishing the work plan and getting funding for further work on the Muddy Creek. Help with GID projects will be available under the work plan and he thanked GID for all the great work in the past on Muddy Creek.

- He will be attending a meeting in Great Falls with various cities in this watershed within the next month concerning their water systems. The meeting is open to GID and he will send information to Manager Juel. The meeting will focus on existing systems and design.

Manager Juel along with Kevin Stone and others are meeting here at GID on February 8th to discuss snowpack and runoff modeling. There was no public comment and the Board moved into Executive Session at 8:31 PM for the purpose of conducting the Manager Evaluation.

Executive Session adjourned at 9:25 PM and the meeting went back into regular session. At 9:26 PM Mr. Brosten motioned for adjournment, VP Norris seconded and the meeting adjourned.



President



Secretary

Recap of Board action taken during this meeting:

- Approved winter grazing request on Parcel #14 as requested north and south of existing cross fence.
- Contingent on attorney review of the Quit Claim and Bill of Sale with Turnbull, approved the transfer of ownership on structures at Turnbull OTHER than the penstocks.
- Approved 2017 budget as proposed.

AGENDA FOR: Regular Meeting January 10th, 2017 7:00 PM at the office...

CALL TO ORDER

Public Comment: Prior to each agenda item...limited to 5 minutes...any Board action necessary will be addressed at the next regular meeting.

APPROVAL OF THE AGENDA

APPROVE MINUTES: December 13th, 2016 Regular, December 27th, 2016 Special Meeting, and November 15th, 2016 Special meeting.

REVIEW AND APPROVE BILLS FOR PAYMENT

PARTIES PRESENTING ISSUES TO THE BOARD:

CONTRACTS TO EXECUTE:

MANAGER'S REPORT

AGENDA ITEMS:

- 1) GRAZING LEASES – Official bid results available
- 2) COMMISSIONER ELECTION – Sign Resolution declaring no need for election and David Gulick's election by acclamation
- 3) REQUEST TO WINTER GRAZE – Arlene Harris has verbally requested permission to graze her pasture #14 in starting in March, 2017. She may have a written request submitted by this meeting
- 4) WADE JACOBSEN – Wade is hoping to have paperwork from Ted Sorenson regarding Turnbull Hydro to present and discuss with the Board
- 5) APPROVE 2017 BUDGET -

Public Comment
Jim Hodgskiss updates...

Alan Rollo updates...
Kevin Stone updates

MOVE TO EXECUTIVE SESSION TO CONDUCT THE MANAGER'S PERFORMANCE EVALUATION

Tabled items:

*Jo Hatch WSC on BoR pasture...Jo, Trudy and Erling are working towards resolution to this issue...from March 8th, 2016 meeting