

Greenfields

IRRIGATION DISTRICT

Minutes of a Work Session held by the Board of Commissioners (Board) of Greenfields Irrigation District (GID) called to order at 9 A.M. on June 17th, 2021. The purpose of the Work Session was to discuss the future that Sorrenson Engineering and GID have together in working together to develop new hydropower sites. Attending: President Tim Brunner, Vice President Bill Norris, Commissioners Dave Gulick and Pat Brosten; GID Manager Erling Juel and Secretary Jenny Gulick. Ted and Rose Sorenson with Sorenson Engineering were also present, along with Wade Jacobsen who is an investing partner in Turnbull Hydro. Commissioner Brady was absent.

Ted opened up the discussion by asking the Board what the Board has in mind for him and his company. Commissioner Brosten stated that we need to find ways to fund the development of new hydropower sites, without having our producers pay for it and President Brunner agreed. The Board would be asking Sorenson Engineering to be a hired consultant on the design and development of the Arnold Coulee hydro site, along with the potential of expanding on the Gibson project. We will begin with an Arnold Coulee LOPP and are actively seeking title transfer of Pishkun and everything upstream.

Ted applauded GID's efforts for thinking into the future. He then informed the Board that the hard reality is that when Turnbull was developed, a \$70/electric contract was secured, now we would be looking at a \$40/electric contract. The best market for Arnold Coulee power might be to take it up to Bole and sell the electricity to Northwestern Energy. Manager Juel is looking into low interest rate loans with the Montana Department of Commerce, InterCap Program having a current variable rate of 1.6%. Currently irrigation districts are excluded, as there is no acknowledgment of irrigation districts as governmental organizations. Manager Juel asked Sorenson if GID should consider forming a C-corp and pay taxes, in order to receive tax credits and create a depreciation schedule. Sorenson assured him that GID is doing better remaining tax exempt. Manager Juel reiterated the fact that Watersmart grants are easier to get being public instead of a private entity and easier to get loans and that GID could secure a Watersmart grant in the guise of improving infrastructure and secondly would be making the site hydropower ready.

It then is determined that the punch-list items that need to be addressed to begin the process of developing hydropower to Arnold Coulee is as follows: Ted and Wade will fund the legal effort to get Tom Fischer and Tollhouse Engineering out of the contract that they have with GID for developing hydropower. We then need to look at how to get the most bang for the least buck, which Sorenson will help with. We then need to replace the A-Drop so we can go after Watersmart grants and convert it to hydro. We will then go after the next Watersmart grant of \$2 million for Pishkun. Reclamation has a mandate to support non-Federal development of their system for hydropower. GID's goal is to get ownership of Pishkun to create more storage and extend the water season, so as to create a longer season for irrigation.

Ted had previously sent in an operating agreement between GID and Sorenson Engineering. The Board will review the agreement and vote on it at the next Board meeting in July.


Board President


Secretary