

Wednesday, November 12, 2025

Farmers Union Ditch Meeting

Board Present:

Sam Rosti, Paul Akins, John Schram, Bert Browen, Corey Blaine

Rosalie Cope, Secretary/Bookkeeper

Andrew Waldera, Attorney for FUD

Sam Rosti called the meeting to order at 5:27 p.m.

Dana Hofstetter attended the meeting to express her dissatisfaction with the Board entering into a water reuse agreement with Eagle Sewer District. Ms. Hofstetter recently sent an email to the Board outlining her concerns and has some questions regarding the quality of the reuse water. She provided the Board with her professional background and did a demonstration of what she perceives the quality of Class A recycled water to be. She pointed out that there are times in a chemical process when conditions are upset and specs aren't met. Andy Waldera explained Eagle Sewer District will have monitoring in place and once an upset is detected the water will be diverted to the City of Boise. Ms. Hofstetter asked why the Board entered into this agreement and if the anticipated benefits justify the risks. Andy explained at full buildout the amount of reuse water is expected to be 8cfs, 16-acre ft. per day. When Farmer's Union is utilizing storage water for 90 days of the irrigation season that water would amount to 1,400-1,500-acre ft. of saved storage water. Ms. Hofstetter asked if we are diverting less storage water with all of the urban buildout. Andy said Farmer's Union is diverting every drop historically diverted to serve turf grass and with that there is no rotation and water doesn't come back into the system during harvest or water rotations. It is imperative we take measures to save storage water for drought conditions in back-to-back years. The reuse water is free and will always be there. It is the most reliable source of water in the Valley. Ms. Hofstetter stated she doesn't care what the cost is to line the canal pipe it, drill wells, etc. She says taking Class A water may be legal or regulatory compliant but she likes things the way they are now. Andy explained under the Articles of Incorporation it is the responsibility of the Board to procure water and water rights. He said Pioneer Irrigation entered into an agreement with the City of Nampa for 40 cfs which was taken in the 2025 irrigation season. Ms. Hofstetter again agreed it is not illegal but the required treatment process does not remove pharmaceuticals and is not good for her pond. Andy stated those items are not regulated.

Sam said the canal water is not meant to drink or swim in. When the river water coming in at the top of the system was compared to the treated water the treated water was cleaner.

Andy Waldera reiterated Eagle Sewer District will have to adhere to DEQ reuse regulations and Phosphorus and Nitrogen at Class A levels are not concerning for irrigation purposes. The Eagle Sewer District DEQ permit application will go out for public comment to Farmer's Union shareholders and Eagle Sewer District patrons.

Jacob Zwygart asked what Farmer's Union has agreed to under the agreement. Andy stated assuming Eagle Sewer District can obtain the necessary permits and governmental approvals Farmer's Union has agreed to accept the regulatory compliant discharge at Class A regulatory standards. He explained Farmer's Union is not the reuse applicant. Farmer's Union is bound by contract to cooperate with Eagle Sewer District's efforts and there are various provisions in the agreement that indemnify and further insulate Farmer's Union should Eagle Sewer District fail to meet the regulatory requirements. Mr. Zwygart asked if the only way for Farmer's Union to exit the contract is to enter into the 25-year termination period. He stated if the Board were replaced then the 25-year termination could be started. Mr. Zwygart said he read the 2024 annual meeting minutes and the agreement was not discussed however he assumes it was possibly in the discussion phase at that time. Sam stated if all business dealt with by the Board was brought up at the annual meeting, then no business would ever be concluded. The Board makes decisions in the best interest of the company on a good faith basis with the best information available and is of the opinion this is a good deal for the Company. Andy said there is nothing in Articles, Bylaws or Non-Profit Corporation Act that requires shareholder input on such matters. Shareholders have input on the annual budget and assessments. Outside of that the day-to-day operations and water procurement is the responsibility of the Board. Sam said the Board thought it was a smart move economically and there are other ditch companies that are using recycled wastewater now. Corey Blaine said this topic has been discussed at many meetings, a couple of Board members were interviewed on Channel 7 and there was an open house at the Eagle Sewer District office. Mr. Zwygart agreed Eagle Sewer District has been doing public outreach but he is not a patron of Eagle Sewer District. He said he inquired in April and was sent to Eagle Sewer District for more information. Bert asked if his primary concern is water quality, and explained that is why he was directed to Eagle Sewer District. They can better answer technical questions.

Tom LaJoie, President of Buckhorn Estates West asked why the Board signed the contract with Eagle Sewer District without feedback from the shareholders? Andy explained this contract is not new per se, it is a replacement for the agreement with the City of Boise which the City of Boise retracted because they saw the value of the water and opted to utilize it themselves. The idea of Class A recycled wastewater reuse in the Farmer's Union canal is not new.

Sam said there is other business to conduct and Ms. Hofstetter is welcome to attend the next Board meeting in December.

TRAPPER RIDGE

Jonah Duncan with Bailey Engineering received Will Mason's recommendations and provided the Board with a revised plan. From the edge of lot 23 to the edge of lot 26 and from lot 31 to the peak of lots 32-33 they will install 12" diameter rock as rip rap to reinforce the canal bank for approximately 400' in total. Sam suggested they use broken concrete. It can be packed into the bank and would do a better job. Jonah asked if he could see some areas on the canal where this has been done. Seth and or Sam can meet him onsite prior to work starting. He will have it engineered and then they can meet on-site. They plan to meet at 3:00 on December 8th, prior to the next Board meeting.

JAMES JENSEN, FOCUS ENGINEERING – SCENICVIEW SUBDIVISION

They have decided not to install the pipe and would like to move forward with a culvert. The road is 28' in width, 30' on the outside which meets the Star/Middleton Fire regulations. Andy said it will mimic the GWC culvert but narrower. The trench needs to be bedded with Bentonite or clay, 50% natural, 50% bentonite backfilled. The top of box is to be 12" higher than or at least even with the top of bank, at least or no less than 24" above ordinary high water. Mr. Jensen will add the notes the Board asked for and forward to Will Mason for final review. Upon approval from Will Mason Andy will draft the license agreement. They also want to include relocation of the headgate in the license agreement.

Will Mason asked if the Board read the offer from CHD4. They are expecting a counter offer from Farmer's Union within 30 days. Sam asked what comps they are basing the offer on? Andy suggested asking CHD4 for more detail on how they arrived at the offer of \$25,000 for 1.7 acres. The Board agrees to the road alignment and all other terms with the exception of the purchase price.

Mr. Mason said his team is working on the ALTA survey for the Clover property and when the surveyor looked into the deed it appears Farmer's Union is occupying ground the river has moved. The yard is outside the deeded area and they will need to facilitate some Quit Claim Deed to ground with the Department of Lands before proceeding.

NEIL JENKINS AND RON GEARHART – EAGLE SEWER DISTRICT

The infiltration study is concluded and in the most saturated condition the estimated seepage from Highway 55 to Palmer Road is about 1.4 cfs and from Highway 55 to Highway 16 was 2.8 cfs. They would like to conduct the study again in the spring, prior to season in the least saturated conditions. Neil explained Eagle Sewer District owns the Valnova treatment plant and there may be a discussion about utilizing the Farmer's Union canal in the off-season to transport the reuse water to the Valnova plant. Valnova is designing an infiltration basin and Eagle sewer may buy some additional ground to utilize their system in the winter months.

Ron Gearhart, the Plant Manager for Eagle Sewer District explained per cup of water there are 3-500 colonies of ecoli. Under the DEQ requirements 2.2 total coliform is the burden they measure for which is 500 times less. The canal is way over the 500 colonies of just ecoli, not total coliform. The pilot shows less than 2 will be going into the canal. That is 4 times less than what is already in the canal. Andy explained the impermissible increase of burden on an existing easement is not a no increase of burden standard but an unreasonable or material increase in burden. Farmer's Union is taking water that is a recognized and regulatory compliant source of irrigation water. The canal already carries irrigation water. Neil explained E.S.D. has provided public outreach and information by staffing a table during Eagle Fun Days, on the website, flyers, the news, City Council and the Mayor's podcast.

Minutes from the October meeting were e-mailed to the Board for review. John Schram moved to approve the October minutes with corrections; motion was seconded by Bert Browen. Motion was unanimously approved.

ATTORNEY'S REPORT

John Schram made a motion to utilize Mason & Associates as the on-call engineer; motion was seconded by Bert Browen. Motion was unanimously approved.

The Board reviewed the TOK marketing contract for the Clover property. Andy will make the agreed upon changes and get it back to TOK for their approval.

Andy drafted the license agreement for the Sports Park after he received the construction drawings and it is out for the City of Eagle to review and sign. Corey reported they cut all of the dirt back and there may not be a need for the retaining wall. John explained they removed dirt that was holding the ditch bank up in the right-of-way. There used to be a bank and they just sloped it up to the bank without approval from Farmer's Union. Andy asked if what they did jeopardizing the integrity of the canal? He will reach out to their attorney to see where they are with signing the agreement which includes a retaining wall.

Rosalie has received multiple phone calls from Tom Spillner, the HRM lateral manager regarding the share transfer between Theodore & Christine Marrugi and Daniel & Nancy Magnusen and Travis Chesley. Travis Chesley split his original parcel and sold 2.071 acres to Marrugi/Magnusen. He retained 2.940 acres. When Rosalie received the sale/transfer documents from the Title company she was not aware the property had been split and a new certificate for the entire 1.2175 shares was issued to Marrugi/Magnusen. Rosalie was then contacted by Mr. Chesley informing her the property had been split and he did not mean for all of the shares to go with the sale. After speaking with Andy Waldera Rosalie called Marrugi/Magnusen and informed them of the situation. She asked for their share certificate to be returned to the Company and explained they would receive a new certificate for the appropriate amount of shares for their parcel. Marrugi/Magnusen is insistent that in their purchase agreement Mr. Chesley agreed they were to receive the entire water share. Rosalie has let Mr. Spillner and both parties know that until Farmer's Union receives something in writing from both

parties as to how the water shares were to be distributed that Farmer's Union was not going to make any further changes. She explained the water is to stay with the property and they both received the appropriate amount of the share per parcel size. The Board is in agreement that until a legal written document is provided stating otherwise the shares are to be split with the property.

Rosalie has been in contact with Elisa Stokes who maintains the Middleton Irrigation website. She is able to revamp and update the existing website for an hourly rate. Rosalie and Bert Browen will work with her to re-work the website over the winter. Rosalie urged the Board to take a look at the Middleton Irrigation website and some of the information they have up regarding subdivisions and pressurized irrigation systems.

Rosalie will email the draft budget to the Board for review prior to the December meeting.

Rosalie provided the Board with the proposed Health Insurance Renewal plan for review. There was not a significant increase in premiums.

The Board approved a \$1,200 donation to Star Fire for the use of the meeting room. The donation was already in the approved budget therefore a motion was not necessary.

Rosalie asked for approval to pay out the approved \$600 bonuses the first of December. Corey Blaine made a motion to increase bonuses to \$1,000; motion was seconded by John Schram. Motion was unanimously approved.

Stags Crossing HOA has 2.3 shares of Farmer's Union for the north part of property and 1.25 shares of New Dry Creek for the southern part of the development. Andy has had a conversation with the HOA president and the subdivision was designed to operate with the New Dry Creek shares only at full build-out and they are not sure where they would even access their Farmer's Union water. New Dry Creek has a surplus of shares and Farmer's Union has quite a few requests for shares. New Dry Creek already approved the swap for 0.937 additional shares of New Dry Creek. The Board is in favor of the swap and will provide Stags with the waiting list of potential buyers. Andy will touch base with the property manager.

John Schram moved to approve the financials; motion was seconded by Bert Browen. Motion was unanimously approved.

John Schram moved to adjourn the meeting; motion was seconded by Paul Akins. Motion was unanimously approved. Meeting adjourned at 9:30 p.m.