

Thursday, February 19, 2026

Farmers Union Ditch Meeting

Board Present:

Corey Blaine, Cheryl Bloom, Luke Erlebach, Robert Netzly, Jacob Zwygart

Seth Kettering, Sean Kettering – Ditch Riders

Rosalie Cope, Administrative Assistant

Andrew Waldera, Attorney for FUD

Corey Blaine called the meeting to order at 5:30 p.m.

Board, staff, and audience introductions.

Minutes from the January 21st meeting were e-mailed to

the Board for review. Luke Erlebach moved to approve

the January 21st minutes and Agenda; motion was

seconded by Cheryl Bloom. Motion was unanimously

approved.

BRENT ORTON, ORTON ENGINEERING – SAGEMONT SUBDIVISION

Mr. Orton provided the Board with plans for Sagemont Subdivision with revisions based on Will Mason's review. They are asking for a bridge crossing with a precast box culvert. The drawing shows detached sidewalks and they plan to ask the City of Star for a variance for attached sidewalk. There is a cross section on the plans that shows DR25 C900 sleeves to carry water and sewer and utilities will include Intermountain Gas and communication conduits. A water reservoir is required to service the area so there may be two water main sleeves. They plan to sleeve through the easement, 25' from bank on either side and would like the Board's input on how far below the bottom of the box culvert the pipe needs to be. Andy said the requirement is 3 ft. Andy said the only other consideration is seepage water undercutting the box culvert and asked they include 50/50 native/bentonite mix for backfill. The canal road in-use seems to be on the south side of the canal in this location and they are proposing a depressed sidewalk section for the driveway. They plan to put an apron on the north side also, but would like permission to plant native material to prevent weeds or put down an all-weather surface to be able to keep it clean. Seth specifically asked that they do not use asphalt in the driveway. Brent said they will fill the road section with concrete from easement to easement. Andy clarified this section of the canal is high fill and the easement is 25' from toe of bank, not top of bank. The Board asked Mr. Orton to continue working with Will Mason and get final plans to Andy for a license agreement.

Orton did not know if the project property had water shares. He said he was in the process of getting more information to Rosalie to make that determination. Andy said that if there was not, they would have to submit a water right place of use, or drill a well or they could possibly request their irrigation rights be expanded if it doesn't currently fall in FUD area.

ISAAC JOSIFEK, ARDURRA – CALIBER COVE SUBDIVISION

City Council approved the preliminary plat for Caliber Cove Subdivision. The city wants the road paved from the north side of the bridge to the right-of-way and the Fire Department allowed them to keep the existing bridge location. Mr. Josifek has been working with Will Mason on bridge design. There is one pressurized irrigation crossing and a headgate next to the existing bridge that will be moved to the east. The property owner was in attendance also and said they can have the bridge complete in two weeks. He asked if they could start staging. Seth said as long as they leave a spot for them to get by with equipment they can start staging. The Board gave them approval to start demolition on the existing bridge.

Will Mason met with Southwest District Health on-site at the shop property. They set a date for next week to dig the test hole. Sean will meet him on site . There was some discussion about digging a second test hole so there is an alternative option for the septic location.

The Alta survey for the Clover property is complete. Will is going to reach out to the State Department of Lands to redefine the meander line to get more property as accretion ground.

FUD received a letter/communication from ACHD regarding a roundabout on Hill and Pierce Park..

Cheryl Bloom moved to approve the financials; motion was seconded by Luke Erlebach. Motion was unanimously approved.

DITCH RIDER REPORT

Seth reported there is currently 10,700-acre ft. of storage water and we started the 2025 season with approximately 19,000-acre ft. Typically, we use 1,000-acre ft. per week after the day of allocation. Storage water in the Boise Basin is currently at 67%. Andy said we may still have a full allotment, based on March snowpack.

Seth explained from April, through the first day of allocation, we're on full ditch flow. Seth discussed that a couple of years ago we ran the ditch at 80% after the first allocation. FUD carries the Jacob's water too, and that water is uncuttable.

Chemicals have been ordered and are on budget. 2-4D, and Copper Sulfate for the water are used. Seth said he got 2 types of Copper Sulfate this year. They've always used the granules, but the liquid is easier to control. It kills the moss and algae. Jacob and Seth discussed when they put chemicals in and Seth said it depends how clear the water is. The quicker the water clears up, the faster the moss and algae grow.

Seth reported the new hire candidate did not work out. He does have someone else in mind and is working to get him on board.

Seth reported that Sean was in a small accident with the new truck. The police cited the guy

who pulled out in front of him. Insurance is already working on it. The Emmett Lateral is up for replacement and Seth will start working on that soon.

2026 BUDGET

Rosalie provided the Board with an updated budget to include expenditures to date and what proposed increased assessments would look like to cover the overages. Jacob said under the current updated budget there is a proposed deficit of \$241,000. He suggested that with a couple of cuts to the budget the loss can be decreased to around \$100,000.

- 1) Overtime: the hope is with an additional person that line item may decrease or be eliminated this year.
- 2) Space Rental: There may be a possibility to decrease the space rental expense.
- 3) \$71,000 budgeted for Board stipend with the President and Vice President at \$26,000 annually and the other three board members at \$6,000 annually: Jacob proposed eliminating the Board stipends, at least for this year. Corey and Luke were not in favor of removing the Board stipend
- 4) Legal Fees: organize communications with Andy and try to utilize his time more wisely.

Corey explained legal fees related to license agreements are reimbursed by the developers. Andy cautioned the Board stating Seth is the first line of defense but he doesn't always get a response from the large developers. He said communication needs to come from the Board and on-site meetings will still need to take place. Andy said the development approval process has been a little ad hoc in the past and it wasn't until the end of 2025 that Will Mason came on in a more significant role. He explained engineering and legal fees are billed through the company but paid by the licensee. Jacob asked if we could implement an application fee. Andy said Pioneer Irrigation District has an application fee of \$3,500 which includes \$1,500 for drafting the license agreement, \$1,500 for engineering and a \$500 non-reimbursable administrative fee. Any of the \$3,000 for professional services that doesn't get used is reimbursed and if those fees exceed the \$3,000 the developer receives an additional invoice. Farmers Union has been working on implementing the process but needs its own standards and specifications for engineering projects on the canal which will require some of Will and Andy's time to put in place. Jacob would like to start with an informal one-page outline of the process and implement an application fee. Cheryl will contact Black Canyon Irrigation and Pioneer Irrigation to get some information and work on a preliminary draft. Standards and Specs, application, etc. need to be in place before the company can implement the process. Corey said Black Canyon has a per lot fee to make the cost more appropriate to the project size. The Board would like to have something in place by August 1st in order to get in front of new projects for the next off-season.

The Board agreed to explore the option of generating additional revenue and revisit the budget discussion at a later date.

CONOR BYRT – 6570 W HILL ROAD

Mr. Byrt's property is at the toe of the bank. Andy said there is a lateral pipeline that runs along the side of the house which is rotted out and this is likely a lateral problem. He doesn't have much more information. The Board asked to invite Mr. Byrt to the next meeting.

ESD AGREEMENT

Corey asked that everyone please remain respectful and avoid discussing pending agenda items on social media during the meeting.

The Board met with the Eagle Sewer District Board earlier in the day. If Farmers Union wants to exit the agreement Eagle Sewer District would want F.U.D. to pay the difference in what the additional expense would be to pipe elsewhere plus expenses incurred. E.S.D. did not have an accurate number at the time but estimated the cost to be anywhere from \$2.5 to \$5 million. If F.U.D. is concerned about testing for emerging contaminants then F.U.D. will need to pay for installation of additional processes and ongoing annual O&M costs to reach the desired classification level. There are several options to clean up emerging contaminants that would require more sanitation.

During the meeting, there were two options proposed:

A: pay costs incurred to date plus costs to pipe to the farther/other destination (Pioneer;

B: Clean up forever plastics with the 3 types of systems:

- 1) RO system which is not an option as it creates too much brine and there is not a large enough body of water to discharge into.
- 2) A Charcoal system would remove everything but requires filters or filtration system.
- 3) Carbon filtration is extremely expensive.

Regardless of what system is installed, it would be at the cost of FUD, not ESD.

E.S.D. has met the D.E.Q. requirements to treat to class A standards and they will not take on anything above that. It is very clear they do not want to exit the contract and are going to make it as costly for F.U.D. to exit as possible. Regardless, ESD left us with no options.

The Board will make reasonable efforts to exit the contract in a reasonable manner. Cheryl commented there was no vote taken at the annual meeting and that only 35% of total shareholders in attendance or via proxy were in favor of exiting the contract even though the majority of shareholders at the Annual Meeting were in favor of exiting the contract. Corey and Cheryl noted they would only vote with a majority of total shareholders and not with the vote taken during the Annual meeting. Cheryl noted there was no official vote at the Annual Meeting because it was not an agenda item. Cheryl also noted that she needed additional information before deciding whether she was in favor of exiting the ESD contract. Luke commented at this time it appears there is no avenue out of the contract without spending a considerable amount of money. He would like to put it to a mail in vote requiring the majority of shareholders vote in favor of exiting the contract. Corey and Cheryl both commented they would vote with the shareholders. Jacob asked who had read the DEQ application. Cheryl and Luke both yes, Jacob and Robert did not answer that question. Corey said he's read part of it. No response from Robert and Jacob that was heard on the recording.

Andy suggested getting a real number from Eagle Sewer District before moving forward; the hard cost, dollars spent to date specifically going to the Farmers Union canal and supporting documentation. Jacob suggests we draft a letter to ESD outlining our concerns. Andy will submit a letter to the Eagle Sewer District attorney asking for the aforementioned and reminding them F.U.D. utilizes Dry Creek spill and E.S.D. will need to get to 0 zero spills. Farmers Union will not change operations at the spill or otherwise.

Points the Board would like in the letter are:

- 1) What are the hard costs; dollars spent to date specifically going to the Farmers Union canal; supporting documentation, and no year round
- 2) Reminder: Dry Creek spill is imperative to F.U.D. operations. What is the solution?
- 3) Year-round discharge is not an option.
- 4) ESD must follow all Class A guidelines

Jacob said D.E.Q. came out with an FAQ recently and as part of that there is required education for people using class A water. He would also like Andy to ask ESD what their policy is going to be to confirm that all users of the water have been educated. There are aspects of class A water Jacob suggested they should follow, such as; user agreements and pond lining. Jacob suggested the D.E.Q. application downplays the use of Dry Creek spill. The application states F.U.D. does not need the spillway after May 1st. Andy stated that bypassing or eliminating the spill will take an engineered solution and it is their responsibility to solve the Dry Creek spill problem.

Andy stated phosphorus is the issue discouraging ESD from applying for an IPDES permit for direct discharge to the river. They would have to do a final polish on phosphorus which is what the City of Boise currently does for them and the cost would be \$90 million. Depending on where they come into the canal, if the mixing of the water in the canal with the phosphorus load from the Class A water met the Boise River T.M.D.L. they don't necessarily need an IPDES permit if there was a spill at Dry Creek. Andy reiterated that at the end of last season ESD ran an infiltration test with 10 cfs of water to determine how long it would take to infiltrate and the water made it to the tail of the canal. He doesn't think year-round discharge makes sense to them as a practical matter. Reminder that FUD is not a discharger of the Class A Water, ESD is. They (ESD) are required to comply with all applicable regulations.

Andy will put a draft together for the Board to review. Once a response is received the Board will determine next steps.

Cheryl Bloom made a motion to direct Andy to draft a letter to ESD counsel outlining the Board's wants; motion was seconded by Corey Blaine. Motion was unanimously approved.

Cheryl has been working with Luke to research Organic Farming, concentrating on the Farmers Union footprint. To date, there are no certified organic farming operations served by Farmers Union. Certified Organic excludes consumer crops in the ground (tubers) irrigated with drip line. Those are the only crops that can't be grown using Class A water under certified organic farming regulations; anything eaten directly by a consumer. Gardens grown for personal consumption are not regulated and crops used for food production are acceptable, just not direct to consumers. Regenerative farming is different from certified organic.

BOARD OFFICER POSITIONS

Jacob said, "I had two shareholders call me, and I think you were on the email, and they were just asking to confirm that everyone who had been voted on had been a shareholder at the meeting...." Corey and his wife signed over the Thompson Limited Partnership shares to Corey and Melanie at the annual meeting. Jacob stated according to Idaho State law shares are locked in at the time of sign-in for the annual meeting. The Farmers Union bylaws state a shareholder is not recognized by the company until the shares are recorded in the books. He is worried about the liability of a potentially ineligible Board Officer signing contracts. Luke agreed to sign contracts until this matter is cleared up. Jacob read the section of the bylaws regarding share transfers; "Transfer shall be

entered upon the books of the company but no transfer shall be valid except between the parties until entered in proper form upon the books of the company”. Andy said there was no way the company books could have been updated ahead of the election based on the transfer that Corey and his wife signed at the meeting. A vacancy can be declared on the Board and Corey can be appointed to the Board if that is a concern. Luke agreed to sign contracts until this matter is cleared up. Jacob read the section of the bylaws regarding share transfers; “Transfer shall be entered upon the books of the company but no transfer shall be valid except between the parties until entered in proper form upon the books of the company”. Andy agreed with Jacob records must be entered with the Company in order to be valid and said there was no way the company books could have been updated ahead of the election based on the transfer that Corey and his wife signed at the meeting. A vacancy can be declared on the Board and Corey can be appointed to the Board if that is a concern. Andy asked if the issue is Corey should be gone all together or is the issue that you declare a vacancy on the board and now that Corey is a shareholder and he could be appointed to the board. Jacob said the votes to Corey become invalid, because they were put to someone who was not a valid shareholder and we just need to go down the list to next person voted on. Corey said that if we’re going to play that route, there was fraud. Corey said that he knows that your Concerned Shareholder Group brought fraudulent proxies. Jacob states that we can’t change the bylaws on a voice vote. Andy then asked if we should elevate the 6th vote getter instead? Luke thinks the only fair way around this is to do a re-election. Andy says that he agrees that at the time of the election, Rosalie had not effectuated the transfer on the company’s books. Andy doesn’t know where those votes would have gone. Andy thinks this may taint the entire board. Jacob said it doesn’t taint the valid candidate results. Jacob suggests we look at state law on how to deal with ineligible candidates. Andy stated the whole vote is skewed because there is no way to know where the shares voted to Corey would have gone and who would have ultimately been elected to the Board. Luke said the only fair way to go about voting another person on the Board if there are Board members that are unwilling to appoint Corey is to do a reelection. Andy said at the time of the election the transfer had not been recorded on the books therefore the whole vote could be thrown out and a new election conducted. He will have to review the Non-Profit Corporation Act to see what remedies and/or challenges there are to candidates and votes.

Luke Erlebach moved to adjourn the meeting; motion was seconded by Cheryl Bloom. Motion was unanimously approved. Meeting adjourned at 8:40 p.m.

Meeting minutes are prepared in accordance with Roberts Rules of Order Newly Revised and are not intended to be a verbatim transcript of the meeting.

Signed Cheryl Bloom
Board Secretary