

Thursday, April 2, 2026

## Farmers Union Ditch Meeting

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Luke reviewed the agenda and outlined expectations for guests in attendance.

Luke Erlebach called the meeting to order at 5:32 p.m.

Board Present:

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

Seth Kettering, Sean Kettering, Logan Rice – Ditch Riders

Rosalie Cope, Administrative Assistant

Andrew Waldera, Attorney for FUD

HANK ALLEN - 687 W. RUSH CT.

Mr. Allen provided the Board with a letter requesting an independent review and a non-ratification of the recycled water discharge and use agreement with Eagle Sewer. Mr. Allen's goal is to see the recycled water discharge and use agreement between Farmers Union and Eagle Sewer District nullified and unwound. He also suggested the Board hire independent counsel to review the contract as Andy Waldera was involved in drafting the original contract. Luke thanked Mr. Allen for attending and stated this issue is going to take much time and consideration and there have not been any decisions made. To date the Board has only agreed to draft a letter to E.S.D. and have received a response. The Board is in the midst of finalizing a few matters and is focused on getting water in at this time, then the Board will reengage in this matter. Jacob stated the Board can't make decisions while the Board eligibility matter is pending.

DANIEL HOKE – BOISE RIVER WATERMASTER, WATER DISTRICT #63

Mr. Hoke and Heather Harris attended the meeting to discuss the upcoming water season and provide the Board with an overview of how the overall system works. Mr. Hoke explained they are tasked with tracking and administering all of the surface water rights in the Boise Basin which is everyone who pulls off the river, drains and creeks before they go into the reservoirs in the hills. They work closely with the Army Corps of Engineers and the Bureau of Reclamation.

The snow pack measurement at Mores Creek this week was the worst in recorded history, approximately 100 years. That means a diminished amount of snow which is natural flow that fills the reservoirs and delivers irrigators natural flow rights. Farmers Union has storage rights in the reservoirs. Lucky Peak and Arrowrock are full and the season will start with full storage accounts, Anderson is not currently full and Mr. Hoke is not sure if it will fill. When Farmers Union diverts water it all calculates together, it is run as a system. As natural flow diminishes and irrigators are pulling water from the

river there is a certain point where natural flow can no longer satisfy all of the water rights and that is called the day of allocation. There may be an earlier day of allocation this year meaning storage will be used sooner and more will be used which could result in shortening the season or possibly running out of water. Luke explained the day of allocation is a very important date for the irrigation season because irrigators do not dip into storage water in the reservoirs until then. In 2025, the day of allocation was June 15<sup>th</sup>. Upon the day of allocation, the Board will have to make a decision as to how to proceed with the irrigation season. Daniel explained flood control release is coordinated with the Army Corps of Engineers and the Bureau of Reclamation. The early update is that flood control releases may begin next week. That means water is being released from Arrowrock and Lucky peak and that release is not taking away from storage water. In order for anyone to divert off the river they have to have an active water right. Farmers Union has active water rights which are decreed and they have a priority date and an amount of water that can be used. Based on the natural flow, the Bureau of Reclamation, Army Corps of Engineers and the Watermaster determine which priority dates are being served. As natural flow diminishes, priority dates drop. It is all dependent on what natural flow is coming down from the mountains as well as how much other diverters are diverting. If irrigators upstream begin diverting more water it may force those below into storage because their natural flow rate may have a senior priority date.

Seth said the water level at the beginning of the season will be at 100% because we will be running off of natural flow. Farmers Union has a storage allotment of just under 18,000-acre feet. In 2025 Farmers Union used 13,000-acre feet of storage water and right now Farmers Union has 13,000-acre feet of storage water available. In this scenario if the canal ran the same way as in 2025 all of the storage water would be used before the end of the season and there would not be any water left to carry over into next season. Seth said on average Farmers Union uses 900-1,200-acre ft. of storage water per week. If the day of allocation is mid-May, at 1,000-acre ft. per week with 13,000-acre ft. in storage water the season would only make it to the middle of September. Daniel sends a daily usage report out and the Bureau of Reclamation has a teacup diagram with each reservoir and a breakdown. Luke stated the Board will send out a letter with a plan for the irrigation season once the day of allocation is determined and will include a link to the Bureau of Reclamation's tea cup diagram. Seth stated most irrigation entities run on 1" per acre and Farmers Union runs on 5/8" per acre. Andy explained it is a function of the company's water right portfolio. The general duty of water under Idaho Law is 1" to the acre for irrigation and the company never procured the water rights necessary to deliver a full inch to the acre. Instead, the company footprint is about 8,500 acres and it has roughly 5,500 inches of water. Andy explained there is very little agriculture left in the Farmers Union system. Sprinkler system use is more efficient than 1" to the acre, however if watering schedules are not followed it is possible that just as much or more water is being used. Farmers Union has uncuttable return flow credits. There is a return flow of approximately 100 cfs for entities on the north side of the river which allows those water users to continue to divert out of priority as long as 100 cfs is coming back to the

river around Middleton. In theory that is 20 cfs which has no priority or cut. Farmers Union also carries a Jacobs water right which is the top water right priority on the river. Daniel explained that depending on the crop, farmers water several times and may be done by the 4<sup>th</sup> of July. The real issue with urbanization is that subdivisions pull water continuously through mid-October and there is no crop rotation. He explained the system was designed as multi-use water which includes everything from the Boise Project to Parma and everything below Caldwell is 100% dependent on water being returned to the system. A sprinkler system is more efficient however it is subject to evapotranspiration, no subbing into the ground and no runoff. Website for teacup diagrams is <https://www.usbr.gov/pn/hydromet/idwd.html>

Seth will start charging the canal on the 13<sup>th</sup> and that takes a couple of days. He recommended those who are ready for water to have their headgates open. He needs somewhere to send the water in order to drop the water level before it gets to the tail. The 15<sup>th</sup> is the estimated start date for everyone. As soon as the day of allocation is determined the Board will meet with Seth to lay out a plan which will be sent out in an email and letter to shareholders and include websites to look at reservoir conditions.

Seth reiterated that having leftover storage water is important. He will provide the Board with several scenarios for the season upon the day of allocation. Seth explained water users will have to adjust their pumps and watering schedules. It is important that Laterals are organized so they can keep each other accountable for water usage and adhering to watering schedules. Luke reiterated Farmers Union does not manage laterals. Andy explained Idaho Code, Title 42 Chapter 13-01 addresses how to set up and organize a lateral and how they are intended to operate. Anytime there are three or more users that take from a common point you are by statute a lateral water users association. It is up to the water users to formally incorporate and organize or at least manage their own system.

Approval of Minutes was moved to the end of the agenda.

Financials were emailed to the Board prior to the meeting and updated financials were provided at the meeting. Rosalie reviewed the accounts receivable summary. Reminder emails were sent out approximately a week ago and statements will be sent out tomorrow. Cheryl asked when liens are filed on outstanding assessments. Sometime in September Andy will send courtesy letters and liens will be filed in December. Jacob asked if he could reach out to Ripley Doorn regarding the 2025 financials. He said the copy he has is missing the front report. Rosalie will see if it is in the file to make sure it isn't there. Jacob also wanted to clarify that Farmers Union does not get audited financials, what we get is compiled financials. He stated the compiled financials are adequate for such a small company that has checks and balances in place and audited financials are costly. He asked if Corey would be willing to forego his stipend while he is not an actively participating board member. Luke said that would be changing the agreement and things should remain as they are while board eligibility is being resolved. Luke Erlebach made a motion to approve the

financials; motion was seconded by Cheryl Bloom. Motion was unanimously approved.

#### BOARD SECRETARY REPORT:

On March 27<sup>th</sup> and again on March 30<sup>th</sup> Cheryl issued written communication to the Board regarding meeting access and the need for clear direction to office staff in advance of upcoming Board meetings. No Board direction or response was received except from Robert Netzly. Cheryl recommends the Board establish and communicate a clear policy regarding meeting attendance, participation and staff procedures in advance of meetings where attendance may be anticipated. Luke stated since a room with adequate capacity has been secured meetings should be open to anyone as long as it is not disruptive. If someone needs to bring something to the board for business they will need to get on the agenda. Cheryl will draft a formal policy for the Board to review and approve at the next meeting. Corey asked if there is any legal liability opening meetings to the general public since Farmers Union is a private company. Andy said there are member meetings and there are board meetings which is dependent on how the board wants to handle meetings. Under the bylaws and non-profit corporation act member meetings have various procedures and informational aspects. Board meetings are different. It is a private company, while shareholders are entitled to listen in and participate in company business in a member meeting, not a board meeting unless they are on the agenda. He does not think there is legal liability in opening the meetings as long as if there is something that is sensitive it is taken up in executive session outside of the audience of shareholders and non-shareholders.

Cheryl recommends the Board establish a consistent process for handling shareholder communications directly to the Board. Andy said board members need to preface conversations with shareholders by starting the conversation with, I am only one board member and one vote, I am giving you my thoughts as an individual board member. Luke said the Board needs to come up with a better communication process which is not going to be solved at this meeting. The questions are; how does the communication come in, how does it get disbursed to everyone and how does the board respond collectively? When does it become a company communication versus a personal communication. Anything coming through Rosalie is a company communication. Rosalie stated the website does have a comment option but it is not functioning. Luke asked the Board to compile their ideas and bring them to the next meeting. Robert suggested setting up an email that sends incoming messages to a distribution group. He said you can't send responses from the email. Rosalie will ask the person that updates the website if they can set something like that up.

On March 24<sup>th</sup>, Cheryl distributed written communication to the Board regarding governance procedures for the authorization of company expenditures. Cheryl is requesting that any expenditure obligating company funds be presented to the full Board for proper authorization consistent with governance requirements. This request is a result of a contract being signed by a director and not the Vice President.

Regarding the Development Policies and Procedures and Plan Review, Cheryl has downloaded all of the forms and resolutions from Black Canyon and Pioneer Irrigation and is currently drafting and revising the forms, policies and procedures that are adaptable for Farmers' Union use. Cheryl reported that at the March meeting it was suggested, she, Luke and Seth met with Mike Meyers at Black Canyon however, since we are at the beginning of water season, she suggested that meeting be postponed until water is in. The forms are on Black Canyon and Pioneer's websites if the Board wants to review those prior to Cheryl completing a draft. Andy stated with Black Canyon and Pioneer, there is an upfront fee which includes an engineering component, a legal component and a non-refundable administrative fee. The administrative fee is not a component of tracking in-house time. It is a number the entity sets to try to average out most situations. The professional services fees are billed against the fee taken in. If the items come in under a refund is issued and if the fees come in over an additional invoice is issued. The sooner this process in place, the better. The Board will need to work with Will Mason to adopt the standard engineering specifications.

Cheryl provided Jacob with copies of the original "voting cards" from the annual meeting, as requested.

#### DITCH RIDER REPORT

The work at Caliber Cove is complete with the exception of some road work.

There is some more burning to be done and Seth is going to place some concrete in the pond for erosion control.

Seth is having a problem with tumbleweeds which are a direct result of properties under development with no maintenance.

Work on the Emmett Lateral headgate was completed.

Seth reported headgates in the "Free Zone" have not been maintained. He asked if maintenance of the headgates is the responsibility of Farmers Union, water users or Boise Valley? Some of the headgates are very difficult to access because they are in the area of "the jungle". There is a specific headgate that services Boise Valley shareholders which is falling off and is in between a shed and house with a pipe that is 5 ft. away and goes under a house. The lateral wants the headgate and the pipe under the house repaired. Andy will need to review the carriage agreement between Farmers Union and Boise Valley. Typically, the headgate would be the responsibility of Farmers Union but because it is the delivery of another entity's water under a carriage agreement it may not be the responsibility of Farmers Union. In the absence of an agreement that speaks to the issue the company position could be that the water users pay for the headgate because it is not a Farmers Union delivery. Andy asked Seth what the cost would be to fix the headgate. Seth stated approximately \$900 for the headgate plus the time to replace. Seth said in order to fix the headgate properly he would need to get equipment in there which is not possible at this time. He may

have to rent a mini excavator. The Board agreed to have Seth do the work and keep track of materials and time to submit an invoice to Boise Valley.

#### ATTORNEY'S REPORT

The Caliber Cove license agreement is signed. The agreement was drafted as if it were the landowner that was doing the work when in fact it was the developer. The landowner is included only for easement granting purposes. The agreement was revised to reflect who the developer actually is so the developer is bearing 90% of the obligations and indemnities. Andy is not going to record the agreement at this time because the landowner is not comfortable signing due to personal conflict.

ACHD hired Jacobs Engineering to do preliminary design on a Can Ada Road widening project. Where the canal crosses under Can Ada Road Jacobs needs to do some Geotech in order to design the box culvert. They asked if they could do a two 6" diameter x 30' deep test bores sometime within the next week. The job will only take a couple of hours and they will refill with Bentonite. The bore will be at edge of pavement and the canal is on grade in that location. Seth doesn't have any concerns about water leakage.

Luke reported the Notice of 2026 billing rate for Lucky Peak Dam and Reservoir O&M costs was received however we still don't know if that is the final number. Rosalie stated the invoice was just received and it came in at \$6.31 per acre-foot as estimated. The Bureau of Reclamation also sent a letter for approval to transition from fiscal year accounting to calendar year which will not have a practical impact on spaceholders. The Board can go ahead and sign the letter.

Veolia contacted the Board regarding the storage water lease agreement. Andy explained Farmers Union has either a 5, 10 or 15-year lease with Veolia for storage water rental through the rental pool. Under the agreement Farmers Union agrees to lease Veolia storage water and are willing to put up to 1,000 acre-feet in the rental pool however there is a provision in the agreement that by sometime in June the Board can make a decision to lease the water or not. The rental income equates to approximately \$22,000. Cheryl Bloom made a motion not to put storage water into the rental pool this year; motion was seconded by Luke Erlebach. Motion was unanimously approved. Andy will contact Veolia and let them know the Board's decision.

The sales representative from Coastline Equipment reached out to Seth to let him know they have a 2013 John Deere 160G for \$84,500. Seth forwarded the information on to the Board for review and Luke suggested Seth evaluate existing equipment and compile an equipment list prioritized by needs and wants over the next couple of items. That way equipment purchases can be addressed during the budget cycle. Jacob asked about funds that were approved in the revised budget. Seth said there is still an immediate need for a pickup to replace the two Ford Rangers.

Rosalie informed the Board that she is currently listed as the Registered Agent for the company under the Secretary of State. She suggested changing that to Andy Waldera/Sawtooth Law. Andy and the Board are agreeable.

The Board entered executive session at 7:37 p.m.

Jacob Zwygart made a motion to adjourn the meeting; motion was seconded by Luke Erlebach. Motion was unanimously approved.

Meeting was adjourned at 8:19pm

Minutes submitted for approval by the Board Secretary per Roberts Rules of Order,  
Newly Revised,  
Cheryl Bloom  
Board Secretary