Wednesday, August 26, 2026

Farmers Union Ditch Meeting

Board Present:
Corey Blaine, Luke Erlebach, Cheryl Bloom, 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 4:59 p.m.

KM Engineering – Meadowcrest

KM Engineering has been working with Seth on the possible relocation of headgate 22 for the Meadowcrest development. They would like to move the headgate approximately 220 east (upstream) to place an irrigation pumphouse in the northeast corner of the property. The Board does not see an issue with relocating the headgate. The developer will be responsible for the new headgate and infrastructure required for relocation and they will need to work directly with Seth. They will need to connect the headgate with C900 pipe which extends outside of the 25' Farmers Union easement and since this is a high-fill area they will also need to use a clay/bentonite mixture to set the headgate and secure the cut-off wall. Andy asked for the design plans to forward to Will Mason for review. Upon approval of design and materials Andy will issue a license agreement.

Records Requests – Ms. Fleming

- Ms. Fleming submitted a records request to review shareholder transfer files involving conveyances to new holders for use on different properties.
- Ms. Fleming subsequently submitted a second records request for the general ledger for 2025 and 2026 through July.
- Review of the shareholder transfer files was initially scheduled at counsel's office.
- The review was moved to the August 10 Board meeting so shareholders attending via Zoom could observe.
- The August 10 meeting was postponed to August 26 due to a family emergency.
- Ms. Fleming attended the August 26 meeting but stated she was not prepared to review the shareholder transfer files without her laptop.
- Counsel will schedule a separate meeting at his office for Ms. Fleming to review the shareholder transfer files.
- The Board discussed whether shareholders are entitled to inspect the general ledger.
- Counsel stated that the bylaws provide for summary financial documents and that the Nonprofit Corporation Act requires annual financial statements. Counsel stated that shareholders are entitled to a year-end financial statement.

- The Board discussed the contents of the general ledger.
- Director Zwygart stated that the general ledger does not contain Social Security numbers, birth dates, or similar information. He stated that he could not fully identify all categories of information contained in the general ledger.
- It was noted that the general ledger contains other personally identifiable information that should not be publicly disclosed.
- The Board discussed the extent of redaction that may be required and the associated staff time and cost.
- Ms. Fleming was asked to reconfirm the purpose of her request for the general ledger.
- Ms. Fleming stated that she was not required to provide a reason and that she had previously provided one.
- Ms. Fleming stated that she has never alleged corruption and that reviewing the general ledger would help her better understand Company operations.
- Corey requested that Ripley Doorn review discrepancies previously raised by Director Zwygart.
- Mr. Crookham stated that there were no discrepancies.
- Corey expressed concern that statements regarding discrepancies could cause confusion among shareholders and stated his view that a third-party audit may be appropriate.

Motion:

- Director Zwygart moved to provide Ms. Fleming with a PDF copy of the general ledger for 2025 and 2026 through July, contingent upon Board review by September 10, and to track staff time required to fulfill the request.
- Director Netzly seconded the motion.
- Motion passed unanimously.
- Director Netzly stated that he would pay the bill associated with fulfilling Ms. Fleming's records request.

The Board noted that the full recording of the August Board meeting will be uploaded to the website for any shareholder who wishes to review the complete discussion.

Katy Sullivan – 3290 Holl Dr.

- Ms. Sullivan appeared with her husband, her father, and several other family members.
- Due to Eagle City Hall fire-code occupancy limitations, approval for Ms. Sullivan's appearance had been limited to Ms. Sullivan only.
- The Board allowed Ms. Sullivan, her husband, and her father to enter the meeting room.
- Ms. Sullivan purchased 0.25 share from Richard Brower.
- Ms. Sullivan clarified that she is not requesting delivery of the water associated with the share.
- Counsel stated that the matter may involve legal issues and therefore may require discussion in Executive Session.

- Counsel stated that he responded to an August 21 email from Ms. Sullivan addressing various considerations after speaking with Katy Reichert, who had contacted him on Ms. Sullivan's behalf.
- Counsel previously provided the Board with an analysis of the transaction on July 21.
- Counsel stated that the transaction presents a unique circumstance because Ms. Sullivan's property is not within the Farmers Union delivery area, there is no delivery method to the property, and there is no means to use the water on the property.
- Counsel identified considerations involving the Company bylaws, a 2011 Board resolution, applicable statutes, the water-right decree, and case law concerning mutual ditch companies.
- Counsel explained that Company shares represent an apportioned interest in water rights owned by the Company.
- Counsel stated that the shares have no value without property on which the associated water can be used.

Motion:
- Director Corey Blaine moved to table further discussion for Executive Session.
- Director Luke Erlebach seconded the motion.
- Directors Corey Blaine, Cheryl Bloom, and Luke Erlebach voted in favor.
- Directors Jacob Zwygart and Robert Netzly voted against.
- **Motion passed.**

The Board noted that the full recording of the August Board meeting will be uploaded to the website for any shareholder who wishes to review the complete discussion.

Jeff Devine – 345 W Beacon Light Rd.
Mr. Devine requested that legal counsel, Andy Waldera, not be present during his time before the Board.
Motion: Director Jacob Zwygart moved to have Mr. Waldera step out; seconded by Robert Netzly.
Directors Corey, Cheryl, and Luke voted against.
Directors Jacob and Robert voted in favor.
Motion failed.

- Mr. Devine questioned Mr. Waldera regarding his identity, employer, bar number, and role in drafting the 2024 agreement with Eagle Sewer District (ESD). Mr. Waldera confirmed participation in drafting and revising the agreement and issuance of a December 11, 2025 legal opinion.
- Mr. Devine asserted that Mr. Waldera had a conflict of interest. Mr. Waldera stated that the term was being misapplied under Idaho's Rules of Professional Conduct and requested identification of any rule allegedly violated.
- Mr. Devine stated that shareholders at the annual meeting overwhelmingly supported dissolving the ESD agreement. The Board clarified that the vote represented **78% of those present**, equating to **35% of total shares**.

- The Board summarized prior actions regarding the ESD agreement, including two letters sent (March 10, 2026 and June 30, 2026) and a joint meeting with ESD in February.
- Mr. Devine asked Board members for their positions on rescinding the agreement. Board members discussed potential options: buyout, litigation, or voluntary withdrawal by ESD. No motion was made.
- Board members discussed whether ESD's DEQ application constituted a material breach and whether additional notice should be issued. No motion was made.
- Mr. Devine asked about potential consequences of litigation, dissolution, or shareholder reorganization. Counsel provided general information regarding special assessment authority and dissolution under Idaho nonprofit law.
- **The Board noted that the full recording of the August Board meeting will be uploaded to the website for any shareholder who wishes to review the complete discussion.**

<u>Kala Golden, Program Manager – Weather Modification Incorporated (via Zoom)</u>

- Ms. Golden stated that she is not a shareholder but is a resident of Star.
- Ms. Golden expressed concerns regarding the public conversation surrounding the reuse agreement between Farmers Union and Eagle Sewer District.
- She stated that important contextual information appears to be missing from the public dialogue, creating anxiety and unnecessary division within the community.
- Ms. Golden encouraged the Board to support additional educational efforts and information sharing.
- In response to a question from Director Zwygart, Ms. Golden stated that she is employed by Weather Modification International.
- Ms. Golden described her professional background in water management, including:
    - Water District 63;
    - Boise's wastewater treatment plant laboratory;
    - Idaho Department of Water Resources and Idaho Water Resource Board;
    - Management of Idaho's cloud seeding program; and
    - Similar projects nationally and internationally.
- Ms. Golden stated that, in her professional view, reuse must be part of long-term water sustainability.
- Ms. Golden reported that on the first day of school at Star Middle School and Independence Elementary, individuals were present with signs alleging risks to water, soils, and families.
- She stated that while she supports free speech, the location of the activity underscored the need for improved communication.
- Ms. Golden stated that key questions regarding treatment standards, monitoring, permitting, testing, and environmental protections are not being addressed in the current public dialogue.
- Ms. Golden referenced Section 6C of the agreement, which provides that Farmers Union and ESD shall cooperatively educate and inform shareholders and the public regarding the benefits and advantages of the agreement.
- Ms. Golden asked the Board to explore this provision and consider sustained communication efforts addressing:

    - Project benefits and risks;
    - Safeguards;
    - Testing; and
    - Ongoing monitoring.
- Ms. Golden noted that companies, consultants, or independent experts may be available to assist with those educational and communication efforts.

PRESIDENT'S REPORT
In the interest of time Corey opted to forego the President's Report

MINUTES
The Board approved the June 8th and July 14th meeting minutes via email and in the interest of time plan to review meeting minutes prior to meetings so they can be approved in a timely manner.

FINANCIALS
The Board hired a new webmaster upon the resignation of the previous webmaster.

Andy wanted to clarify that in a professional capacity he does work on water quality issues as a director of the Lower Boise Watershed Council which is the watershed advisory group for the lower Boise River below Lucky Peak Dam as it relates to DEQ's TMDL writing responsibilities and enforcement responsibilities on sediment, bacteria and phosphorus. He has also been involved in contentious litigation on ms4 permit stormwater discharges to irrigation facilities in both Pioneer and Settlers Irrigation Districts.

There was discussion about extensive legal fees and if Corey could approve items necessary for Andy to respond to in an effort to streamline communication with Andy. Rosalie stated the majority of the costs are related to records requests. Corey said the consistent requests are from shareholders who he thinks are being stirred up with misinformation and there is an unprecedented amount of activity.

Jacob stated he previously said the accountant financials don't match QuickBooks and the Board voted at the last meeting that he would review the file. Luke asked if the discrepancies are worth having an audit of the books done. Luke said it seems like multiple shareholders believe there are "significant" discrepancies according to language Jacob used. Corey asked the CPA and he said there were no significant discrepancies. Luke thinks for the shareholders in general it would be good to have an audit done with all of the bookkeeping questions coming up. He would like to assure the shareholders the books are in order. Corey stated Jacob has continuously brought up things such as the lack of a treasurer, significant discrepancies which have caused concern for shareholders. Farmers Union has never had an audit done and Corey thinks it would be worthwhile and asked Jacob why a third party, unbiased opinion would not be worthwhile. Jacob said an audit is not guaranteed to find fraud and he thinks the checks and balances in place are adequate. Corey said Mr. Crookham asked for a list of specific questions and discrepancies in writing so he can review

them. Luke asked Jacob to provide the Board with the discrepancies and what the amounts of the discrepancies are. Discussion on the audit was tabled until the October meeting.
Financials were approved.

Corey and Luke would like to start issuing a monthly President's Report to Shareholders on behalf of the Board.

DITCH RIDER REPORT
Seth reported as of August 24th there is a little over 10,000 acre-feet remaining in storage with approximately 6 weeks left in the irrigation season. He estimates we should end the season with 4-5,000 acre-feet to carry over to 2027.

Historically the shut-down date has been October 8th or 9th and he plans to stick with that.

Seth plans to replace 5-6 headgates this off-season and explained that once water is out, they do a full evaluation of the headgates so there could be more.

Seth would like to wait on sending a letter to Larry Christensen until water is out and he has a chance to fully assess the damage.

The pad for power at the new shop location is complete and we are on Idaho Power's schedule to get power to the site. Will Mason has preliminarily determined a location for the shop. A cut had to be made into the hill and eco blocks were installed for stabilization. Seth thinks Will may have to do another survey. Will reported the CUP application should be approved within the next week. Seth stated well drillers are scheduling quite a way out so he would like to start getting bids from contractors and well drillers. Luke estimates a well will cost $30-$40,000.

Jacob would like TOK to attend a meeting to discuss listing the Clover property before signing the contract. The Board agreed to have Seth get a cost estimate compiled for construction of the new shop so we can determine if the listing price for the Clover property is adequate. Corey suggested Jacob call TOK and ask his questions rather than waiting until the next meeting.

Daniel Hoke is going to meet Seth at the tail of the canal to help install the Ethos monitor.

Seth spoke with Neil Jenkins and according to Neil, Eagle Sewer District expects to have an answer from DEQ on the permit application by October. They may want to install the discharge to the canal this off-season, then run the pipe this spring/summer and possibly begin discharging into the canal toward the end of the 2027 irrigation season. Neil asked if the Ditch Riders had some time to meet with ESD's new person who will be running the treatment plant.

The equipment list is done and the Board asked Seth to bring a “wish list” to the next meeting for budget discussions.

Cheryl asked for a special meeting of the Board to review the Development Policies and Procedures. She said there are a lot of documents and it is quite comprehensive. Cheryl, Luke and Corey will meet to review the documents and work on the policies.

On May 18th Andy sent a response letter to ESD asking for the engineered pipeline and discharge pipe plans, map of the easement and any other documents pertinent to ESD’s request for a license agreement to install the canal discharge. Recently ESD sent an email asking where Farmers Union was in the process of drafting the license agreement. The Board directed Andy to send a reply letter to ESD stating their note on July 22nd was received and the information provided is not sufficient. Andy will direct them back to his May 18 letter and reiterate what documents are needed.

Andy said ESD has a 30-day opportunity to cure the items brought forth by Farmers Union. He asked, what if they fail to amend the application? In that event a declaratory judgement suit would have to be filed to determine whether the contract is in fact materially breached and terminated for failure to follow the opportunity to cure.

Jacob Zwygart made a motion to have Andy draft a letter to ESD in regards to the permit application with DEQ. Upon Board approval Andy will send the letter to ESD’s attorney by September 4th; motion was seconded by Luke Erlebach. Motion was unanimously approved.

Jacob Zwygart made a motion to roll the maturing CD into a 6-month promotional CD; motion was seconded by Luke Erlebach. Motion was unanimously approved. Cheryl will take care of it.

The Board discussed Andy’s involvement in drafting letters and assisting in negotiations to exit the ESD contract since he was involved in the drafting and negotiation of the original contract. Robert and Jacob asked the Board to hire a separate attorney to work on this matter and Corey, Luke and Cheryl are confident in moving forward with Andy’s representation. Luke stated he was under the impression the “concerned shareholders’ group raised $16,500 to hire an attorney for a legal opinion on the ESD agreement. He asked if they might be willing to share their findings which would save the company some money. Robert and Jacob will bring a list of recommended attorneys to the next meeting.

Rosalie contacted several venues for the annual meeting and so far, has not found an available space. She is waiting on a response from a couple and will keep working on it. The Board discussed finding a way to handle a potential vote and will also look into that. Jacob would like to include a copy of the proposed budget and estimate of the 2027 assessment out with annual meeting notices. He would also like to include language in the annual meeting notice asking shareholders interested in running for

being nominated for a Board position to submit a letter that can go out to shareholders ahead of the annual meeting.

Andy stated the Board approves the budget, it is not a shareholder function, and the assessment is derived from the approved budget. Shareholders are informed of the annual assessment at the annual meeting based on the approved budget. The approved budget is provided to shareholders at the annual meeting.

ATTORNEY'S REPORT

Andy received plans from Terraview to forward on to Will Mason for review. Pending license agreement requests are: Terraview, Idaho Power at Scenic View subdivision and Intermountain Gas for Caliber Cove. Incoming license agreements from Ryan Westbury regarding moving a fence. In process are the draft license agreement with the City of Boise in regards to gates along the Willow Lane Corridor and Lennar Homes on Meadowcrest.

The redline of the Ardurra Master Services agreement is with Ardurra for review.
The TOK contract is ready for signature.

DISCUSSION ITEMS

Tabled until September meeting.

Luke Erlebach made a motion to adjourn the meeting and go into executive session; motion was seconded by Corey Blaine. Motion was unanimously approved. The Board entered executive session at 8:26 p.m.

Luke moves that the Board enter executive session.

Discussion will be limited to statutory duties under Idaho Code § 30-30-618 and procedural compliance. No motions will be made or acted upon during the executive session. Seconded by Bloom. Motion passed.

Meeting was adjourned at 10:40 p.m.