

Exhibit E: Confirmation of District Approval

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**WATER RESOURCES DEPT
SALEM, OREGON**

**THREE SISTERS IRRIGATION DISTRICT
BOARD OF DIRECTORS MEETING**

MINUTES

February 6, 2007

CALL TO ORDER

Board meeting called to order at 4.03 pm by President Glenn Cooper

IN ATTENDANCE:

Glenn Cooper, President; Don Boyer, Vice President; Len Knott, Secretary/Treasurer;
Marc Thalacker, TSID Manager

ALSO IN ATTENDANCE:

John Leason, Gib Carter, Kay Patterson, Kay Knott

BOARD BUSINESS ACTION ITEMS:

A. Consideration of minutes of previous meeting(s)

Don Boyer moved to approve the minutes of December 12, 2006 as written, Len Knott seconded the motion. Motion carried unanimously.

B. Consideration of financial report

1. Previous month's transaction report

Glenn Cooper moved to accept the transaction report as written. Len Knott seconded the motion. Motion carried unanimously.

2. Checks To Be Approved Report

Glenn Cooper moved to approve payment of check numbers 2561 through 2579. Len Knott seconded the motion. Motion carried unanimously.

C. Approval of 2007 DRC-TSID Leasing Program MOU

The program remains almost the same as last year, with the addition of farm deferral and weed control issues. These documents will be going out soon, and anybody that signs up for the leasing program will be advised by these documents in writing of the need for managing weeds, and the issues that they need to be concerned about regarding the farm deferral program. They will be signing an agreement with us and the DRC that they are aware of the weed policy and the farm deferral notice so that they won't come back on the district or the DRC. Len Knott moved to approve the 2007 Leasing program Memorandum of Understanding. Glenn Cooper seconded the motion. Motion carried unanimously.

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D. Approval of Tumalo Farms/Morrow 580 Transfer

The board discussed with the manager the transfer of Morrow to Morrow and the transfer of Tumalo Farms to Morrow. Don Boyer moved to approve the transfers subject to the following conditions:

1. Putting a turnout in at the main canal to the Uncle John ditch.
2. Morrow agrees to pipe or clean the Uncle John Ditch to address any delivery capacity issues.

Len Knott seconded the motion. Motion carried unanimously.

E. Approval of McKenzie Canyon Irrigation Pipeline Project Conserved Water Applications

The board discussed with the manager the Conserved Water applications. Len Knott moved to approve the submission of the application for allocation for use of conserved water for phases 4,3,2,1. Glenn Cooper seconded the motion. Motion carried unanimously.

OLD BUSINESS:

A. McKenzie Canyon Irrigation Pipeline Project

Glenn Cooper reported that he is almost out of pipe. Digging of the last 3000 feet is now being done. Two and a half miles of pipe are in the ditch. The engineer was out last week and ran a survey grade on it and it's right on line and we have been laser leveling the ditch the entire time. Backfill will begin this week. Glenn will be conducting a field trip of the pipeline Thursday, February 8th at 10:00 am.

B. *Watson II

Nothing new to report.

C. Construction Policy on Projects

Len is continuing to work on this policy.

D. Right of Way and Easements

Marc reported that he and the board had a work session today and went over some of the information that he has obtained from the archives. He will be doing some more research and try to bring that information to the board in the next couple of weeks. He may have to ask the board to approve hiring Dr. Hatfield to help with the research.

E. District Maintenance Program

Once the digging of lower bridge is finished we will move the equipment back up to the District. The permit with Forest Service has been obtained and cleaning out of the sand trap will be next. We can then start filling the reservoir. After that pulling of the broken meters will begin. All of the broken meters will be repaired before the beginning of the season.

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Discussion turned to Committees and how those committees would function. Leonard Knott expressed concerns. First he would recommend that committees should meet on a quarterly basis. Also would like to see good district wide representation on committees, with the chair of the committee being chosen within the committee. He feels that it is defeating for the Board of Directors to be members of all committees and would be acceptable to have 1 of 3 as a liaison on the committee. Committee would be responsible to submit a report to the BOD on their findings. Marc said that there are currently two committees, the Bylaws & Rules committee and the Budget Committee. Marc feels that the Board of Directors should all be members of the Budget committee as it is their fiduciary responsibility as Directors of the district for the budget. Discussion of the members in attendance resulted in the agreement that committee meetings should start on a quarterly basis beginning in March.

F. Property across from Mac Pond

The property is the same tax lot as the pond and it would not be advisable to go through the procedure of land use change as the district is a non-profit organization and the land use change may require payment of back taxes. Len Knott recommended this item be removed from the agenda in the future.

G. Mobile Home

The BOD asked this item to be added as at the last BOD meeting it was tabled for discussion at this meeting but was inadvertently left off. Marc said that he would talk to Bill McKinney within the next couple of weeks. Bill may want to moved in to the

District house at some point, if not it is the Managers recommendation that the house be rented out as previously discussed. Marc will get back to the Board after speaking to Bill. At this point in time there appears to be no reason to purchase a mobile home.

NEW BUSINESS:

A. Formation and Implementation of a Reservoir Advisory Committee

Tabled for discussion at a later time after the text amendment is completed.

MANAGERS REPORT:

Managers Report was discussed above under Old Business.

LETTERS TO THE BOARD:

There were no letters to the Board.

ADJOURN

There being no further business to come before the Board. Glenn Cooper moved to adjourn the January 16, 2007 Meeting of the Board of Directors. Don Boyer seconded the motion. Motion carried unanimously. Meeting adjourned at 5:35 PM.

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WATER USER CONCERNS & COMMENTS

Following adjournment, comments and concerns were heard from the water users

Glenn Cooper, President

Don Boyer, Vice President

Len Knott, Secretary/Treasurer

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