



## MEMORANDUM

October 6, 2011

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**TO:** BOARD OF DIRECTORS  
ERIC KUHN, GENERAL MANAGER

**FROM:** DAN BIRCH, DEPUTY GENERAL MANAGER

**SUBJECT:** ORCHARD MESA IRRIGATION DISTRICT (OMID ) EFFICIENCY IMPROVEMENTS

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We have been working on a Grant Agreement between OMID and the River District.

*We hope to have the agreement in final form ready for Board action next week.*

The Agreement basically provides that the River District will place the proceeds of the sale of our Orchard Mesa property into an interest bearing account and release that money to OMID for the Water Efficiency Improvements operation and maintenance account to be set up under agreement with the Bureau of Reclamation. The O&M account will be used to offset some of OMID's costs – mostly pumping costs – of operating the efficiency improvements.

In a related update, proceeds from the United States for the sale of the property (\$902,000) are in escrow and we expect will be released the River District shortly.