



BOARD MEETING MINUTES

WEDNESDAY, OCTOBER 19, 2016

The Board of Directors of the Farmers Irrigation District met on Wednesday, October 19, 2016, at the district office for the purpose of conducting its regular monthly and budget committee business. Those in attendance were directors Erick von Lubken, Tim Annala, Bill Munk, Pete Siragusa; District Manager, Les Perkins; Office Manager, June Brock and Attorney, Jeff Baker. Budget Committee members Kevin Asai, Art Carroll, Randy Franz, and Andy von Flotow were also in attendance.

Vice -Chairman Pete Siragusa called the meeting to order at 11:08 a.m.

BUDGET COMMITTEE WORK SESSION

A budget committee work session took place from 11:08 a.m. until 11:55 a.m. At the commencement of the meeting it was moved by Randy Franz and seconded by Kevin Asai to elect Andy von Flotow as Budget Committee Chairman. The motion passed with all in favor. Mr. von Flotow and the board thanked the District Manager, Les Perkins for the well written and extremely informative narrative that was provided with the budget spreadsheet. The board members and budget committee collectively reviewed the draft 2017 budget presented by Les, and discussed the facets of debt service, insurance, hydro-revenue, operational efficiencies, payroll, benefits, and O&M rates. Les noted that an account fee increase of \$10 is included in the 2017 budget to help cover the increase in the cost of operations and in particular the disproportionate cost of serving small parcels. Much discussion ensued and there was general acceptance and praise of the proposed budget and planned pro-forma. It was moved by Andy von Flotow and seconded by Kevin Asai to recommend to the Farmers Irrigation District Board that the draft 2017 Budget be adopted as-presented. The motion on the floor passed with all in favor and the budget committee work-session was adjourned.

Chairman Erick von Lubken called the regular meeting of the board back to order at 12:08 p.m.

The board returned to regular board session.

MONTHLY BUSINESS:



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The minutes of the September 21, 2016 board meeting were presented and discussed. It was moved by Bill Munk and seconded by Pete Siragusa to approve the minutes as presented. The motion passed with all in favor.

The O&M bills for the month of October 2016 were presented and discussed. It was moved by Pete Siragusa and seconded by Bill Munk to approve the bills in the amount of \$72,537.91. The motion passed with all in favor.

BUSINESS FROM THE FLOOR: None

CORRESPONDENCE: None

REPORTS AND DISCUSSION:

a) A/R Report – Les reported that the district has received \$990,039.55 to date representing 97% of total 2016 assessments vs 97% last year.

b) Hydro Production – September’s production was projected at 915,000 kWh. Actual production was 471,441 kWh. Hydro revenue for September was projected at \$57,077. Actual revenue was \$32,929.06. End of Month balance including reserves as of October 13, was \$1,177,031.16. Les said that the district “would be receiving Energy Trust of Oregon’s incentive payment #2 for the Turgo project in the amount \$450k, by the end of October.

c) Manager’s Report –

NGP - Les reported that 7,000’ of pipe has been fused and is in ground with a remaining 5,000’ to go, we are needing to borrow some fill material to cover the remainder of the pipe, otherwise the project is going very well considering the inclement weather conditions. There will be a change order reflecting the need to haul in up to 7,000 tons of rock to provide adequate cover for the pipe and to deal with the extremely wet conditions.

Plant 3 Controls – New main unit breaker, control panel, and batteries are installed, HPU to arrive next week. The exciter will arrive the first week of November. Plant should be back on-line by the end of the second week in November.

P2 Cooling Unit – The cooling unit arrived last week, David Martin of Gilkes is here this week to assist with installation and oversight. Runners are being checked, along with seal replacement. The Turgo should be on line next week. All necessary work for the switchyard (transformers) has been completed.

The crew have been working diligently cleaning out the tunnel, flume, fish screen, forebays, and open pipe stretches of the Farmers Canal, also including necessary maintenance required during shutdown.



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Reservoir – Geotechnical engineers and Doug have been digging test pits at the reservoir. So far the material looks good for fill/filter material which is good news as we won't have to haul that material in from off-site. The search for a rock source near the reservoir is not going as well. It's likely we'll have to haul in rock for the project but the budget was built with that assumption. An evaluation of the Schulten property, (39 acres of EFU, valued at ~\$57,000) was provided by Forestry Consultant, Stanley Benson, this property will be used for a land trade between FID and Hood River County Forestry Dept.

Properties within the City – Much discussion ensued regarding FID relinquishing small water right parcels within the City of Hood River.

LEGAL:

Election 2016 - Division 1 – Bill Munk submitted a valid petition for the position of Director for Division 1. No other petitions were received. Division 4 – Tim Annala submitted a valid petition for the position of Director for Division 4. No other petitions were received.

Heltzel – As of today, Mr. and Mrs. Heltzel have signed the necessary documents to complete the Water Right Transfer and land acquisition. Signed easements and partitions will be filed and recorded.

EXECUTIVE SESSION: None

OTHER BUSINESS: Jeff Baker announced his resignation as Attorney of Record as of January 1, 2017. Mr. Baker will be the new Judge for Klickitat County, Washington.

ADJOURNMENT: There being no other business, the meeting was adjourned at 1:00 p.m.

Signed: _____ Bill Munk, Secretary

Attest: _____ Erick von Lubken, Chairman