



BOARD MEETING MINUTES

WEDNESDAY, NOVEMBER 16, 2016

The Board of Directors of the Farmers Irrigation District met on Wednesday, November 16, 2016, at the district office for the purpose of conducting its regular monthly business. Those in attendance were directors Erick von Lubken, Don Chandler, Tim Annala, Bill Munk, and Pete Siragusa; District Manager, Les Perkins; Office Manager, June Brock and Attorney, Jeff Baker. Also in attendance was Julie Hammond, Insurance Broker.

Chairman Erick von Lubken called the meeting to order at 11:55 a.m.

MONTHLY BUSINESS:

The minutes of the October 19, 2016 board meeting were presented and discussed. It was moved by Pete Siragusa and seconded by Bill Munk to approve the minutes as presented. The motion passed with all in favor.

The O&M bills for the month of November 2016 were presented and discussed. It was moved by Tim Annala and seconded by Bill Munk to approve the bills in the amount of \$597,616.54. The motion passed with all in favor.

BUSINESS FROM THE FLOOR:

2017 Insurance Renewal – Insurance Broker, Julie Hammond of Brown and Brown presented the board with the Starr’s Hydro Property insurance proposal for 2017 (see attached). Much discussion ensued regarding deductibles, premiums, exclusions, business interruption, dams, flood, earthquakes and irrigation interruption coverage. Julie to date, has not received the 2017 proposal from Special Districts Insurance Services (SDIS) which covers the District’s property and auto coverage, she will provide this information as soon as it is available. The Board thanked Julie for her presentation and on-going support.

CORRESPONDENCE: None

REPORTS AND DISCUSSION:

a) A/R Report – Les reported that the 2017 Annual Billing was sent out on November 1st in the amount of \$1,029,010.40 representing 5805.64 Water Right Acres and 1859 accounts.

To date, the district has received \$126,237.23 in payments towards the 2017 irrigation season = 12% of collections versus 2% last year. End of month balance including reserves = \$1,681,732.72.



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b) Hydro Production – October’s production was projected at 1,650,000 kWh. Actual production was 947,864 kWh (see attached). Hydro revenue for October was projected at \$103,257.00. Actual revenue was \$65,605.05. The District’s trending percentage of actual to projected kWh for the year currently sits at 79.49%.

c) Manager’s Report –

The District received its second payment from the Energy Trust of Oregon for the Turgo project in the amount of \$450,000. The District was also notified via email from PacifiCorp’s Interconnection Generation Project Q643 “Turgo” that a refund in the amount of \$59,067.10 will be issued before the end of November.

Plant 3 Controls Upgrade – Cost to date is at \$560,000 of the \$900,000 projected amount for this project. The unit has been synced to the grid, but we have had some issues with old sensors, which have now been replaced for compatibility, also the existing HPU switch and breaker was undersized but has been upgraded to meet the requirements of the unit. Exciter and governor have been tuned. The project should be completed this week.

North Greenpoint Pipe Replacement – Water was turned in to NGP on November 14th and is currently flowing ~8 cfs. Caps on manhole covers, gate installation and some concrete work will finish this project. Crestline Construction has done exceptional work considering the location.

Reservoir – Seismic analysis will be done in the next 2-3 weeks, currently the dam and surrounding areas are being surveyed. The Hazard Rating for the dam has been determined to remain “significant hazard” which is what it has been rated in the past. Maintaining this rating is important because it keeps the project budget in an acceptable range. Going to a more hazardous rating would drive the costs up to where the project could become untenable. Survey work is currently happening. Should be wrapped up by late November. Annual probable exceedance discharge is done. Once the seismic work is completed, then we can proceed to final design. Les will begin working through the Seasonally Varying Flow (SVF) analysis with OWRD in December.

Office Data and Phone lines – Currently Radcomp is migrating server data into the “green” cloud, this should be completed by the end of this week. The District received an exorbitant proposal for 3 “land line” phones for the office from CenturyLink, after more research the District now has an office line via cellphone modem for a mere \$10 a month.

Scada/Telemetry – Due to on-going alarms, power failures, and inaccurate information with the existing telemetry system, Les would like Waylon Bowers with NES to do an analysis of the District’s



telemetry/Scada system. Some of the locations would be better served via radio versus the current cell coverage. The power source for each location would be analyzed to ensure that adequate charging capacity exists and probes and other components would be analyzed to ensure that we are using the best and most reliable technology available. The goal would be to improve accuracy and reliability while decreasing O&M costs. We would also be looking to create some ability to share parts and expertise with other water districts. Also it would be in the District's best interest to have a site at the reservoir once that project has been completed.

Small Lots / city limits – tabled to December's board meeting.

LEGAL:

Attorney, Jeff Baker informed the Board of the following: The 2015 Oregon legislature passed a new provision that provided for new requirements when a tax-exempt entity receives real property. In relevant part, ORS 311.370 Section 1 (1), states as follows.

(b) "Charges against the real property" means all ad valorem property taxes, additional taxes and potential additional taxes, fees, interest, penalties, costs and other charges that have been or will be charged or listed during the property tax year on the assessment roll or the tax roll with respect to real property that is the subject of an instrument described in subsection (2) of this section.

(e) "Conveyance" means the transfer of, or a contract to transfer, fee title to any real property located in this state to a transferee whose property is exempt from taxation under ORS 307.040 or 307.090.

(2) Notwithstanding ORS 205.130, a county clerk may not record or cause to be recorded an instrument conveying or contracting to convey fee title to real property to an entity whose property is exempt from taxation under ORS 307.040 or 307.090 unless the instrument is accompanied by a certificate issued by the assessor of the county in which the real property is located attesting that all charges against the real property as of the date of the recording have been paid.

The District is looking to retain Don Hull as the District's Attorney of Record effective January 1, 2017.



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EXECUTIVE SESSION: At 1:00 p.m. the Board moved into Executive Session.

OTHER BUSINESS:

ADJOURNMENT: There being no other business, the meeting was adjourned at 1:15 p.m.

Signed: _____ Bill Munk, Secretary

Attest: _____ Erick von Lubken, Chairman