

FARMERS IRRIGATION DISTRICT
BOARD MEETING MINUTES
WEDNESDAY, MARCH 21, 2012

The Board of Directors of the Farmers Irrigation District met on Wednesday, March 21, 2012, at the District office for the purpose of conducting its regular monthly business. Those in attendance were directors Steve Benton, Don Chandler, Tim Annala and Bob Nickelsen; District Manager, Jer Camarata; Financial Administrator, Cathy Roberts; Administrative Assistant, June Brock and Attorney Jeff Baker. Also in attendance were Anne Saxby and Steve Stampfli of the Hood River Soil and Water Conservation District (HRSWCD) and Julie O'Shea from FCA.

Chairman Steve Benton called the meeting to order at 12:00 p.m.

MONTHLY BUSINESS:

The minutes of the February 15, 2012 board meeting were presented and discussed. It was moved by Bob Nickelsen and seconded by Tim Annala to approve the minutes as amended. The motion passed with all in favor.

The O&M bills for the month of March 2012 were presented and discussed. It was moved by Don Chandler and seconded by Bob Nickelsen to approve the bills in the amount of \$301,333.64. (\$218,803.00 represents three DEQ debt service payments). The motion passed with all in favor.

BUSINESS FROM THE FLOOR:

FCA – Julie O'Shea was happy to inform the Board that FCA has been receiving calls on a weekly basis from potentially interested parties. New screen orders include a 2cfs screen for the municipal water district of Corbett, a 30cfs screen at Badger Creek in Wamic and a 20 cfs screen for Three Mile Creek in Umatilla. Les Perkins is heading to California next week to give a lecture on fish screens with over 150 people already having signed up. FCA has also been marketing the screen as a hydro power intake debris screen. Julie also informed the Board that Congressman Greg Walden met with Mr. Will Stelle of NMFS to discuss the screen. Julie would like the District and Board to thank Congressman Walden for his continual support of FCA. Director, Don Chandler asked Julie if there has been any resolve towards the 6" minimum water depth for the screens. Julie and Jer replied that this is being handled on a case-by case basis. FCA has received funding from BPA for a small screen on Buck Creek in WA. The District thanked Julie for the royalty check in the amount of \$1,250 from the Gordon Creek screen installation. Julie is hoping that more royalty checks will be coming our way this spring. The Board thanked Julie for her report and wished FCA continuing success.

HRSWCD – Anne Saxby was invited to the Board meeting to give an overview of the District's annual funding/support to the HRSWCD. Anne thanked the Board for its support over

that last eleven years. The funding aids with employees' salary, small grants, educational, technical and financial assistant to our community for the protection, conservation and restoration of natural resources. (see attached). The HRSWCD has aided both Middle Fork and East Fork Irrigation Districts with high dollar projects. Director Don Chandler informed Anne that the upper District's Lowline canal needed to be completely placed in pipe and asked if the HRSWCD would be willing to aid in the piping. Anne informed the Board that Steve Stampfli was currently working on a grant to provide some funding for the Lowline canal.

Steve Stampfli gave a slide-show presentation depicting several projects completed by the HRSWCD. These included MFID's Coe Creek diversion and Evan's Creek, EFID's Neal Creek, FID's Beren's Bend and Horizon Christian School's educational garden. The HRSWCD is also involved with educating the public by giving presentations/tours/classes/publications on a variety of topics from water-saving lawns to fishing. Last year Jer Camarata compiled a temperature study for the lower Hood River, this study will now be taken over by the HRSWCD staff. An updated Watershed Action Plan will be provided when completed. Steve S. thanked the Board for their support. The Board agreed to match funds with the other contributing irrigation districts. It was moved by Tim Annala and seconded by Bob Nickelsen to fund the HRWSCD in an amount not to exceed \$10,000. The motion passed with all in favor.

CORRESPONDENCE: None

REPORTS AND DISCUSSION:

- a) A/R report – Cathy Roberts reported that the District has received \$25,431.17 in payments since the last board meeting. Accounts receivable stands at 63% this year versus 67% last year. Hydro production for the month of February was projected at 3 million kWh, with an actual production of 2,639,152 kWh. In the past two months, Hydro operations have been impacted for approximately nineteen days due to the Ice Storm. Hydro revenue was projected at \$195,000.00 with actual revenue of \$171,329.49. The District's end of month balance for February was \$715,796.87 (including restricted reserves for debt payments).

Cathy informed the board that the District had received notification regarding SDAO's Employer Option for Reimbursement of Medical expenses on Non-Disabling claims. The District's "mod factor" is so low that it was not worth pursuing the claim. The Board was in agreement not to pay the claim.

- b) Manager's report – Jer Camarata reported that the reservoirs are 60% full. The Green Point Snotel station snow water equivalent is reading at 16.1" with 58" of snow. The crew has been charging lines for spray water and repairing and replacing airvac's and PRV's throughout the district. Assessment of damage from the Ice Storm continues and as main lines and laterals are charged (according to demand), folks are encouraged to notify the District immediately.

SDAO/Insurance Update – Jer informed the Board that he has been working with Mike Hackbart; Senior Claims Consultant for SDAO. Jer explained that he has had zero direct cooperation from the District’s insurance broker Rodney Lewis. After much interrogation of the District’s insurance policy and SDAO insurance files, it was discovered that the District may lack proper business interruption insurance. Jer is also being told by SDAO that it was not their intention to cover open canals under the policy. The District Board was never informed of these substantial changes by our Agent of Record, and is very concerned. Jer is working with Mike Hackbart, SDAO for approximately \$117,000 worth of business interruption revenue loss from the Ice Storm as well as over \$56,000 (trending) worth of supplies and equipment needed for repairing ice storm damages. Currently there is a \$4,000 invoice from Terril, Lewis and Wilke (Agent of Record), and the Board agreed that in lieu of payment, Chairman Steve Benton write a letter to Mr. Lewis stating the District’s dismay over our insurance coverage status, lack of communication, and support. The Board wants to know why the District was not informed of these substantial changes, if they are in fact true, and why our premiums are still so high? Chairman Steve Benton would like to have SDAO and our Agent of Record in to a board meeting to explain in detail, “what exactly is and is not covered in our policy.”

FEMA - Jer again met with FEMA on March 12, 2012. Currently there are approximately 2.8 miles of open canal on Lowline. The area is highly vulnerable to slides, blow outs, and bank erosion and needs to be placed completely in pipe. The district is aware of this liability but currently lacks sufficient funds to address the problem. Jer will attempt to seek possible mitigation dollars, but funding is extremely limited. Next week several FEMA inspectors will be here to assess the damage from the Ice Storm, Jer will be taking them on tour of Lowline and Farmers Canal, and the North Greenpoint pipeline, weather permitting. FEMA public affairs department also contacted Jer and would like to use the District as a “poster child” for mitigation dollars regarding the 1996 and 2006 flood disasters. Jer has been diligently working with both the public assistance and public affairs people on an almost daily basis.

SDAO – Board members workshop opportunity on April 30, 2012 at the Hood River County Library. Board members are encouraged to attend. Possible topics include: statutes, rules, ordinances, Board duties and obligations, public meetings, public records ethics. etc.

Director Bob Nickelsen asked Jer if he has had any luck selling REC’s. Jer informed Bob that the market was still not moving but that he will be responding this week to a small RFP that, if accepted, would amount to approximately \$20,000 over the next three years. Buyers have still not been coming to market and prices are currently estimated in the \$1-2 range. Jer has been trying to market the District’s RECs to multiple brokers in California.

Jer will be attending the OWRC District Managers’ Workshop on Thursday, March 22, 2012 in Newport, Oregon.

Jer is also working to find a Pass-Thru Partner for the District's BETC credits.

LEGAL:

Attorney Jeff Baker informed the Board that he received a request for a removal of a temporary construction easement from Mr. Tim Heltzel. Mr. Heltzel has property located near the District's headgates on Dee Highway. Jeff will keep the District appraised.

OTHER BUSINESS:

Directors Don Chandler and Steve Benton met with Jer on Tuesday, March 20th to discuss the District's current infrastructure liabilities. All three gentlemen are seeking exploratory information regarding what it would take to complete the District's infrastructure build out on both Lowline and Farmers Canal, as well as the North Green Point Pipeline, which is in dire need of replacement. It was moved by Don Chandler and seconded by Tim Annala that the District do due diligence by looking closely at such Project Build Out (PBO) options and associated funding alternatives. The motion passed with all in favor.

ADJOURNMENT: There being no further business, the meeting was adjourned at 2:26 p.m.

Signed: _____
Tim Annala, Secretary

Attest: _____
Steve Benton, Chairman