

FARMERS IRRIGATION DISTRICT
BOARD MEETING MINUTES
TUESDAY, NOVEMBER 20, 2012

The Board of Directors of the Farmers Irrigation District met on Tuesday, November 20, 2012, at the district office for the purpose of conducting its regular monthly business. Those in attendance were directors Don Chandler, Tim Annala, Steve Benton and Bob Nickelsen, District Manager, Jer Camarata; Financial Administrator, Cathy Roberts; Water Rights Specialist, Rick Brock; Administrative Assistant, June Brock, and Attorney, Jeff Baker. Also in attendance were Insurance Broker, Julie Hammond; Hood River County Forestry Equestrian Trail Representatives, Barbara Hicks and Dwight Moe, and future Board Member, Pete Siragusa.

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

MONTHLY BUSINESS:

The minutes of the October 17, 2012 board meeting were presented and discussed. It was moved by Don Chandler and seconded by Tim Annala to approve the minutes as presented. The motion passed with all in favor.

The O&M bills for the month of November 2012 were presented and discussed. It was moved by Don Chandler and seconded by Tim Annala to approve the bills in the amount of \$78,507.16. The motion passed with all in favor.

The LPFP-Disbursements #2 and #3 were presented and discussed (see attached). It was moved by Don Chandler and seconded by Tim Annala to approve and hold the payments in the amounts of \$273,888.34 and \$1,413,573.91 until management saw them fit for release. The motion passed with all in favor.

BUSINESS FROM THE FLOOR:

Barbara Hicks introduced herself to the Board. Ms. Hicks is a representative for the Hood River County Forest Trails (Equestrian Group). Ms. Hicks is requesting trail access from Post Canyon and Riordan Hill to Kingsley Reservoir via route 1100 (see attached map), particularly a short stretch of approximately two hundred yards crossing Phelps Creek by accessing Farmers Irrigation District's easement. The trails group would like to build an equestrian bridge across Phelps Creek. As this location is on Hood River County property, the board was not opposed to the building of an equestrian bridge downstream of the FID crossing and diversion as long as the group obtains county permission and any other needed permits. Legal council did however point out that FID must have access to this easement and is not responsible for anything that may happen to their trail as a function of FID operations. It was also pointed out that FID equipment such as trucks, heavy equipment, chainsaws, etc. can move quickly and make loud noises that scare horses, and that FID would not make migratory concessions. Ms. Hicks understood and thanked the board for their support.

CORRESPONDENCE:

The Board of Directors reviewed a Partition Application from JJ Bell Properties (see attached). It was moved by Bob Nickelsen and seconded by Tim Annala to approve the application as presented. The motion passed with all in favor.

REPORTS AND DISCUSSION:

- a) A/R report – Cathy Roberts reported that the District has received \$94,347.62 in payments since the October board meeting. The A/R balance is at 13% versus 14% last year. The end of month balance for October was projected at \$688,980.30 with an actual ending balance of \$755,892.92.

Hydro production – October’s production was projected at 2.6 million kWh. Actual production was 914,641 kWh due to the October shutdown and Low Line Pipeline construction. Hydro revenue for October was projected at \$169,000. Actual revenue was \$59,572.

- b) Manager’s Report & General Discussion – Jer reported that staff are working on the District’s winterization schedule. The new Low Line Pipeline is running beautifully so far, but any potential leaks won’t show up until we reach full pressure in the next few weeks. The City water overflow that flowed into the Farmers Canal for years (approximately 2.5-3.5 cfs) is no longer available. Last week the staff worked on cleaning out massive amounts of sediment from the headgate infrastructure due to torrential rain storms and a very dirty and silty Hood River. Don Chandler suggested looking into the use of a vacuum truck for dredging the facility should sediment become a persistent problem in this area. Jer will have the crew look into this option.
- Hydro report – (see attached). Jer Camarata provided the Board with a graphical representation of kWh produced with modified projections reflecting the 2012 budgetary revenues. The representation showed that the District has currently produced 96.95% of the projected 26 million kWh, per the original 2012 budget estimates.
 - ETO Update – The Final Project Evaluation has been completed for the Low Line Pipeline. The District received \$95,000 from ETO. With efficiencies gained by piping Low Line the District could possibly receive an additional \$798.00 per megawatt in 2013. Jer will be tracking and reporting those numbers to ETO on a monthly basis.
 - LPFP – Low Line Public Improvement Project Final Report (see attached). Jer reported that the project was completed under budget and ahead of schedule. Original project engineering estimate: \$1,717,100, Awarded proposal price: \$678,479.00, Actual project cost was \$614,268. The Farmers Canal Pipeline project is currently being engineered

and will be constructed in phases beginning in October, 2013.

On December 3rd and 4th the Contracting Exemption Hearing Notice will be published and all plans and specifications should be submitted to DEQ by December 21st. A project schedule is available for review. The demolition of Plant 1 on Farmers Canal will be done

in-house and staff will attempt to salvage and sell any useable materials. Collaboration with Hood River County is going well regarding the crossing and potential stormwater issues at Portland Drive, and also the numerous upstream draws. Staff are working on a 2, 5, 10, 50, and 100 year stormwater analysis with engineering.

- Sustainability Plan – Jer provided the Board with an updated sustainability plan (see attached). It was moved by Don Chandler and seconded by Tim Annala to adopt the Sustainability Plan as presented. The motion passed with all in favor.
- Jer informed the Board that he took the Bureau of Reclamation on a tour of the Kingsley reservoirs and dams as a part of the ongoing County Water Planning Storage Assessment work. It is hoped that in the future the lower reservoir could be removed and replaced by wetland habitat and the upper reservoir enlarged through dredging and possible dam upgrades and rehabilitation to accommodate an overall increase in total storage capacity for irrigation. Such a project would also reduce the liability of operating two dams. As the USBR and County Water Planning group continue with their work, Jer will stay involved and keep an eye out for funding opportunities.
- FEMA Update – The District received \$85,211 from FEMA for the January Ice Storm. Jer thanked everyone for all their hard work, support, and patience through this long and demanding process.
- Insurance Update – Insurance Broker, Julie Hammond and Jer have been working diligently on recording and updating values for the District’s infrastructure. Julie presented a draft insurance quote from GCube Renewable Energy Insurance along with District insurance claims over the past 26 years. Much discussion ensued regarding deductibles, rates, premiums, business interruption, infrastructure, earthquake, fire and the perils of uninsured property. Julie will strive to provide the Board with additional insurance quotes prior to the December board meeting, and then propose such alternatives at the December meeting.
- As a follow up to a budget workshop, board members again briefly discussed the notion of raising the O& M rates for Small User Groups to cover increased costs. No decisions were made.

LEGAL: none

OTHER BUSINESS: none

ADJOURNMENT: There being no further business, the meeting was adjourned at 1:51 p.m.

Signed: _____
Tim Annala, Secretary

Attest: _____
Steve Benton, Chairman