

FARMERS IRRIGATION DISTRICT
BOARD MEETING MINUTES
WEDNESDAY, MARCH 20, 2013

The Board of Directors of the Farmers Irrigation District met on Wednesday, March 20, 2013, at the District office for the purpose of conducting its regular monthly business. Those in attendance were Directors Don Chandler, Tim Annala, Rich Hanners and Erick von Lubken; District Manager, Jer Camarata; Financial Administrator, Cathy Roberts; Water Rights Specialist, Rick Brock; Administrative Assistant, June Brock and Attorney Jeff Baker. FCA Director, Julie O'Shea. Guests Margo Dameier and Gordon Cook were also in attendance.

Chairman Don Chandler called the meeting to order at 12:00 p.m.

MONTHLY BUSINESS:

The minutes of the February 22, 2013 Board meeting were presented and discussed. It was moved by Tim Annala and seconded by Erick von Lubken to approve the minutes as presented. The motion passed with all in favor.

The O&M bills for the month of March 2013 were presented and discussed. It was moved by Erick von Lubken and seconded by Rich Hanners to approve the bills in the amount of \$309,083.82. The motion passed with all in favor.

BUSINESS FROM THE FLOOR:

FCA – Julie O'Shea gave an update and introduced herself to the new board members explaining that FCA is a 501-c3 non-profit organization developing, marketing, and building Farmers Screen fish and debris screens throughout the Pacific Northwest. To date 27 screens have been installed in 5 states. FCA is currently working on permits for a screen in northern California, and is also working on their first screen installation in Washington. The permitting process for screen installation appears to be less strict in states other than Oregon. Oregon Watershed Enhancement Board (OWEB) has been extremely supportive of FCA and has provided grant funding on several of FCA's screen installations. The Board thanked Julie for her report and wished FCA continuing success.

CORRESPONDENCE: None

REPORTS AND DISCUSSION:

A/R Report – Cathy Roberts reported that the District has received \$66,025.31 in payments since the February Board meeting. The district has collected 64% in accounts receivable versus 63% last year.

Hydro production for the month of February was projected at 3 million kWh with an actual production of 2,743,004 kWh. Hydro revenue was projected at \$191,430.00 with actual revenue of \$178,640.58. The District's end of month balance for February was \$1,534,440.10

Manager's Report - Jer reported that the Hood River is flowing approximately 1,100 cfs. The upper reservoir is at 9 feet from spill and the lower is at 19 feet from spill. North Green Point snow water equivalent values are at 11.2" (see attached report). It is shaping up to be a drier and less than average water year.

Low Line and North Green Point pipes were shut down for the repair of four leaks on the 18th. On Tuesday, March 19th – 20th Kerr Contractors and FID crews made all necessary repairs.

Unit 1 at Plant 2 was shut down for approximately one hour during the leak repair turn-out, and ran on minimum flows for the duration.

Hydro report – Jer reported that February's hydro was lower than anticipated due to drier than normal weather conditions (see attached chart). Hopefully a wet spring is around the corner, but it's not shaping up that way so far.

Jer also informed the Board that he is working with the US Navy via Shell in assembly of a contract for the sale of RECS for the 2013 year.

Jer provided draft written testimony that he has written regarding proposed rule changes that utilities have petitioned to the Oregon Public Utility Commission (OPUC) in Docket UM 1610. Large utilities are trying to limit the length of PPA contracts to five years, limit the threshold on generator sizes, and also change the frequency of published price intervals. Jer has been working along side John Lowe of the Renewable Energy Coalition to ensure that potential changes in rulings that would affect the District's interests are heard by the appropriate bodies (see attached).

Water quality update – Oregon Dept. of Agriculture visited and took water samples from Ms. Goodman's property on Portland Dr. The samples tested well below (1 MPN/100 ml.) state water quality standard of 406 MPN/100 ml., which is good news. Ms. Goodman's property will be monitored throughout the upcoming 2013 irrigation season by ODA and HRSWCD. A final ODA report is pending.

Jer provided the Board with draft proposal #2 for stabilizing the cost of delivering water to large and small patrons (see attached). Within the District's goal of mitigating financial shortfall is an objective to eliminate subsidies for User Groups and also address fairness of cost to all district users.

Margo Dameier on behalf of the Jeannette West User Group, a group of 5 homeowners with water rights ranging from 0.25 WRA to 0.50 WRA listened to the proposal and asked the board "for consideration of people on fixed incomes." After much discussion it was suggested that patrons have the option to make payment plan arrangements on their irrigation bill. Chairman Chandler noted that with the cease of subsidies to User Groups, and with the 3-year rise in rates reflecting the cost of delivering water, the district is still providing filtered, pressurized irrigation water at a fraction of the cost of other water suppliers. Board members also commented that virtually all district patrons no longer have power bills associated with irrigation pumps because the district now absorbs those costs at their pumping station. The board offered Ms. Dameier and any other district patron staff services for a tour of facilities so that they may better understand district infrastructure and how water ultimately makes it to their tap. Ms. Dameier thanked the board for their time and her irrigation water.

LEGAL:

Legal council advised staff and board that today's slotted Executive Session to review personnel was probably not necessary. The board accepted the advice and openly reviewed a resignation letter from staff person, Jamie Kind. Mr. Kind gave written notice to District Manager, Jer Camarata on March 8, 2013. After much discussion it was moved by Erick von Lubken and seconded by Tim Annala to confirm management's acceptance of Mr. Kind's resignation. The board denied Mr. Kind's request for severance pay beyond what is obligated by law. The motion passed with all in favor.

OTHER BUSINESS: None

ADJOURNMENT: There being no further business, the meeting was adjourned at 1:42 p.m.

Signed: _____
Rich Hanners, Secretary

Attest: _____
Don Chandler, Chairman