



• 1985 Country Club Road, Hood River, OR 97031 Phone (541)-386-3115 Fax (541)-386-9103 www.fidhr.org •

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## **BOARD MEETING MINUTES**

**WEDNESDAY, APRIL 16, 2014**

The Board of Directors of the Farmers Irrigation District met on Wednesday, April 16, 2014, at the district office for the purpose of conducting its regular monthly business. Those in attendance were directors Don Chandler, Tim Annala, Bill Munk, Pete Siragusa and Erick von Lubken; District Manager, Jer Camarata; Office Manager, June Brock; and Attorney, Jeff Baker. Also in attendance was Brian Brandt of the Hood River Golf Course.

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

### **MONTHLY BUSINESS:**

The minutes of the March 19, 2014 board meeting were presented and discussed. It was moved by Erick von Lubken 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 April 2014 were presented and discussed. It was moved by Erick von Lubken and seconded by Tim Annala to approve the bills in the amount of \$588,472.03. The motion passed with all in favor. \$518,031.00 is an interim reimbursable payment from DEQ for the Gilkes Turgo turbine - 15% down payment. \$25,393.88 is the cost of replacing a major valve at Plant 3, which is funded through the 0%-interest, residual ARRA funds that the District needs to spend this year.

**BUSINESS FROM THE FLOOR:** Mr. Brandt of the Hood River Golf Course wanted to let the board know of the water pressure issues he has been dealing with during the late summer months when reservoir supplies are tight. Management and board had several suggestions that Mr. Brandt could look into within his existing private infrastructure, some being: a booster pump, a retention pond, and more aggressive sprinkler rotation schedules. Much discussion ensued. Mr. Brandt is to be notified, as he has been in the past, whenever crew members make any pressure adjustments that may affect the golf course 8" line. Mr. Brandt was assured that FID is well aware of the situation and has been looking into reservoir and forebay expansion schemes, which may alleviate his issues, but that these projects can take a very long time and cost a lot of money. Jer explained that the District currently has a grant application into OWRD to conduct a reservoir storage expansion study in 2015.

### **CORRESPONDENCE:**

Hood River Homes lien and Hood River County Parks and Recreation potential acquisition. Hood River Homes owner Doug Beveridge contacted the district on 3/20/13 regarding removing water rights from his parcel on Devon Court. Mr. Beveridge was informed that past due amounts are to be paid in full prior



to water right removal (see attached). After some research, Water Right Specialist; Rick Brock contacted Lori Stirn of Hood River Co. Parks & Rec, where he learned that HRCP&R possibly wanted to acquire this parcel as a trailhead to the Indian Creek trail. After much discussion it was moved by Bill Munk and seconded by Pete Siragusa to deny the “write-off” of the outstanding balance owed on this parcel as it could potentially set a bad precedent. The motion passed with all in favor.

Heltzel Water Right Request (Rev#2) – A second attempt at an out-of-district water right request was submitted by Tim and Ellen Heltzel (see attached). After much discussion and review it was moved by Bill Munk and seconded by Erick von Lubken to accept the application, with the water right restriction being “up to 20” water right acres, and a special out-of-district assessment be applied at a rate of 1.3 times the existing annual assessment. The motion passed with all in favor. Jer will notify the Heltzels and move forward with the project.

#### **REPORTS AND DISCUSSION:**

**a) A/R Report** – Jer reported that the district has received \$194,265.25 in payments since the March board meeting. The A/R balance is at 87% versus 79% last year. Three liens have been satisfied.

**b) Hydro Production** – March’s production was projected at 3 million kWh. Actual production was 3,092,427 kWh (see attached). Hydro revenue for March was projected at \$205,560. Actual revenue was \$215,179.75. Jer estimates a production loss of approximately 350,000 kWh due to a 5 day tunnel cleanout. The district is investigating engineering solutions at the tunnel location to mitigate these sorts of bottlenecks. End of Month balance for March was \$1,440,284.27.

**c) Manager’s Report** – Jer reported that both the upper and lower reservoirs are still full, and spilling. The basin snow pack was 79% of normal and March’s precipitation was 180% of average (see attached). Irrigation season started on April 15<sup>th</sup> and district staff have been charging lines upon demand.

LIHI Recertification – Jer applied for and received a short extension of our LIHI certification for 30 days, good until April 28, 2014, while LIHI re-certification review is still under scrutiny. LIHI re-certification is necessary for keeping our Oregon RPS certification current, which is critical for the District to meet ETO contractual obligations for the Turgo project. Jer is confident that our LIHI application will be approved by the LIHI board very soon, and is expecting a 5-year extension now that all historic conditions have been adequately addressed.

Oregon Water Resources Congress – OWRC asked Jer to be the Chairman of their Hydro Power Caucus. Jer accepted the position and is looking forward to working with OWRC in the realm of PPA protection, hydro rights enhancement opportunities, future hydro rates, renewable financing incentives, etc. (see attached).



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TURGO Funding – Jer provided the board with a new proforma at 2.45% (see attached). A letter of thanks was sent to Governor Kitzhaber in recognition of DEQ’s Shanna Bailey expressing the district’s sincere gratitude for all the hard work she has done (see attached). Jer is working diligently on the interim financing (line of credit) with Columbia State Bank. The Land Use Compatibility Statement (LUCS) was completed on Monday and the Environmental Review should be completed by the end of this week.

Oregon Water Resources Department - OWRD Reservoir Storage Grant Application for \$50,000 was submitted last Friday. If awarded, a feasibility study could take place next year, with the goal of reservoir expansion and or consolidation.

Internal Control Processes – Jer provided the board with a revised internal control process policy to be implemented immediately (see attached). The modifications reflect the contemporary technologies and processes that the District has recently implemented. A copy of the policy has also been sent to the district’s Auditor of Record for review.

Anderson Perry Scholarship Fund – Anderson Perry and Associates on behalf of Farmers Irrigation District is providing a scholarship donation in the amount of \$750.00 to a deserving Hood River Valley senior student on May 28<sup>th</sup>.

**LEGAL:** Gilkes Proposal Rev# 2 (Final)

Legal counsel informed the board that on March 26, 2014 the Gilkes Proposal Rev#2 (Final) had been accepted and signed. This final revision addressed clarification and corrections regarding the point of delivery for the Turgo machinery.

**OTHER BUSINESS:**

It was moved by Erick von Lubken and seconded by Bill Munk to move into executive session to discuss personnel matters. The motion passed with all in favor.

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**Executive Session** – 1:48 p.m. -- The board moved into executive session and discussed personnel matters. Post discussion, it was moved by Erick von Lubken and seconded by Bill Munk to move out of executive session. The motion passed with all in favor.

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Back in the regular board meeting, it was moved by Erick von Lubken and seconded by Tim Annala to have attorney Jeff Baker adjust employee agreement per executive session discussion. The motion passed with all in favor.

**ADJOURNMENT:** There being no other business, the meeting was adjourned at 2:23 p.m.

Signed: \_\_\_\_\_ Pete Siragusa, Secretary

Attest: \_\_\_\_\_ Don Chandler, Chairman