



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

BOARD MEETING MINUTES

WEDNESDAY, JUNE 18, 2014

The Board of Directors of the Farmers Irrigation District met on Wednesday June 18, 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, and Erick von Lubken; District Manager, Jer Camarata; Office Manager, June Brock; and Attorney, Jeff Baker. Also in attendance were guests, LeRoy Nickerson and Julie O'Shea.

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

At 12:02 p.m. the board members, district manager, district's attorney and property owner LeRoy Nickerson took a tour of the Large Pipe Facilities Project Schedule E.

MONTHLY BUSINESS:

The minutes of the May 21, 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 June 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 \$142,622.41. The motion passed with all in favor.

BUSINESS FROM THE FLOOR:

FCA Update – Julie O'Shea of FCA gave an update to the board. FCA has been busy with screen installations and project vetting of several future screen projects. FCA is considering hiring a full-time engineer to add to their staff. FCA is excited for the installation of a 500 cfs screen at Electron Dam in Washington in 2016, which will be the largest Farmers Screen to date. One of the projects completed in 2013 was a 0.25 cfs turn-out screen located at Riversong Ranch, Odell, OR. This may lead to future small turn-out screens being built in bulk. Thirteen screens are pending installation for 2014 with a 2 cfs screen being installed in New Mexico. The Energy Trust of Oregon is providing funds for FCA to do an inventory of potential small scale hydro systems in Oregon. On Friday, June 13th a Hydro Operations Supervisor that Jer met from Redding, CA travelled on-site to take a tour of Farmers Screens located at Coe Creek and Davenport. Jay is looking forward to promulgating all the information he gathered on tour in the hopes of building Farmers Screens at various hydro facilities in California.

The board thanked Julie for her update.



CORRESPONDENCE:

LeRoy Nickerson letter and invoice dated June 4, 2014 (see attached) was presented. Bill Munk asked how many trees had been lost, Mr. Nickerson was unsure at this present time and said that he must have forgotten to include the calculation sheet in his letter, but would submit such immediately. Mr. Nickerson mentioned that some of the trees had died due to pseudomonas. Jer asked if historic claims or payments for damage to LeRoy's trees had been requested before. Mr. Nickerson said that he didn't think so. The board thanked LeRoy for the information.

Water Right Request Application – The board of directors reviewed a water right request application from Casey & Aimee Brewer. It was moved by Erick von Lubken and seconded by Bill Munk to accept the application. The motion passed with all in favor.

REPORTS AND DISCUSSION:

a) A/R Report – Jer reported that the district has received \$17,201.97 in payments since the May board meeting. The A/R balance is currently at 95% versus 89% last year. Two liens have been satisfied. A list of delinquent accounts was provided to the board. After much discussion the board chose to have the delinquent accounts forwarded to a collection agency for processing.

b) Hydro Production – May's production was projected at 2,500,000 kWh. Actual production was 2,881,667 kWh (see attached). Hydro revenue for May was projected at \$171,300. Actual revenue was \$200,478.25. The District's trending percentage of actual to projected kWh for the year currently sits at 99.36%.

c) Manager's Report – Jer reported that May's precipitation was 110% of average (see attached). Both upper and lower reservoirs remain closed and full. Hydro production is being scaled back due to irrigation demand. A lot of silt/sludge and algae have been affecting some customers filters; this problem seems to be affecting not only FID, but other districts throughout the valley due to natural, instream conditions. Flushing the individual irrigation system seems to be the best current remedy. Summer stream flow forecasts in the basin range from 82% to 99% of average for the June through September period. Water users in the basin should anticipate slightly reduced water supplies later this summer (see attached NRCS report).

A 3" PRV located at Plant 3 failed last week with minimal damage incurred. A new PRV has been ordered and will be installed next week. A faulted bypass valve motor was one of the damaged components of the PRV failure, and the motor is being rebuilt. In the mean time, the P3 bypass valve is operating in manual mode. Jer reported that Hydro Power Operator Zach DeHart has been doing an excellent job.



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The new draft personnel policy is still under legal review but will be available prior to the July board meeting for comment.

TURGO – The Gilkes Kick-Off meeting was a great success with project engineers, electrical engineers, and staff working closely to fine-tune all the necessary details related to this project. David Martin, Gilkes Technical Director reported that with the new manifold options we could possibly gain 3-6' worth of head which could equate to higher production output. So far the project is running on schedule.

DEQ – Disbursement #14 (Turgo) has made it entirely through the environmental review and is currently in line for processing.

Jer received a letter of denial from the Oregon Department of Energy for the SELP loan application fee of \$7,500 that he requested be refunded. Senator Chuck Thomsen has also written a letter to the acting director of ODOE, with a copy to the Governor, regarding this matter. Senator Thomsen has been very supportive of FID's efforts.

SDIS – Julie Hammond informed Jer that she has spoken with Frank Stratton of SDIS. SDIS is working with their reinsurer regarding Jer's concerns of Hydro-Business Interruption coverage. New opportunities will likely be available 1/1/2015; unfortunately SDIS will not be able to provide us with a quote until 12/1/2014. Julie will keep us apprised of any updates.

Jer met with the USDA Rural Development Program Director in Portland last week. Apparently, there are millions of dollars available in 0% loans or grants through USDA for on-farm efficiency projects. Jer will pass this information on to Mr. Brandt of the Hood River Golf Course regarding the construction of a potential pond and or any other improvements that he may be considering.

LEGAL:

Attorney Jeff Baker and Jer met with Mr. Heltzel regarding Mr. Heltzel's request for out-of-district water rights in exchange for land. At this juncture, Jer will be meeting with Hood River Co. Senior Planner, Eric Walker on Tuesday, June 24th to discuss a possible property line adjustment to the District's headgate lot. Following this meeting and its outcome Jer will inform Mr. Baker and Mr. Heltzel as to the county's recommendations for moving forward.

OTHER BUSINESS:

A motion was made by Erick von Lubken and seconded by Bill Munk to move into Executive Session. The motion passed with all in favor.



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Executive Session – 2:15 p.m. – The board moved into executive session and discussed a recent claim that was submitted to SDIS. Post discussion, it was moved by Bill Munk and seconded by Tim Annala to move out of executive session. The motion passed with all in favor.

Back in the regular board meeting, it was moved by Tim Annala and seconded by Bill Munk to have attorney Jeff Baker and Manager Jer Camarata draft a letter regarding SDIS Claim # GCGL2013054364 per executive session discussion. The motion passed with all in favor.

ADJOURNMENT: There being no other business, the meeting was adjourned at 2:38 p.m.

Signed: _____ Pete Siragusa, Secretary

Attest: _____ Don Chandler, Chairman