



**BOARD MEETING MINUTES
WEDNESDAY, JANUARY 21, 2015**

The Board of Directors of the Farmers Irrigation District met on Wednesday, January 21, 2015, at the District office for the purpose of conducting its annual meeting and monthly business. Those in attendance were directors Tim Annala, Don Chandler, Bill Munk, Pete Siragusa and Erick von Lubken; District Manager, Jer Camarata; Office Manager, June Brock and Attorney, Jeff Baker. Also in attendance were guests Julie O'Shea, Les Perkins and Fritz von Lubken.

Chairman Don Chandler called the annual meeting to order at 11:00 p.m.

ANNUAL BUSINESS:

Directors Tim Annala, Don Chandler, Bill Munk, Pete Siragusa and Erick von Lubken took official oaths of office.

Don Chandler opened the nominations for Chairman.

A motion was made by Tim Annala to nominate Erick von Lubken for Chairman. Bill Munk seconded the motion. It was moved by Tim Annala and seconded by Bill Munk to close the nominations and cast a unanimous ballot for Erick von Lubken as Chairman. The unanimous ballot was cast with Tim Annala, Bill Munk, and Don Chandler voting aye. (Pete Siragusa had not yet arrived at the meeting by the time the vote was cast.)

Chairman Erick von Lubken opened the nominations for Vice-Chairman. (Pete Siragusa enters the meeting)

A motion was made by Tim Annala to nominate Bill Munk for Vice-Chairman. A motion was also made by Don Chandler to nominate Pete Siragusa for Vice-Chairman. Bill Munk withdrew his name from the nomination and seconded the motion on the floor to nominate Pete Siragusa for Vice-Chairman. It was moved by Don Chandler and seconded by Bill Munk to close the nominations and cast a unanimous ballot for Pete Siragusa as Vice-Chairman. The unanimous ballot was cast with Tim Annala, Don Chandler, Bill Munk and Erick von Lubken voting aye.

Chairman Erick von Lubken opened the nomination for Secretary.

A motion was made by Pete Siragusa to nominate Bill Munk for Secretary-Treasurer. Tim Annala seconded the motion. It was moved by Pete Siragusa and seconded by Tim Annala to close the nominations and cast a unanimous ballot for Bill Munk as Secretary-Treasurer. The unanimous ballot was cast with Tim Annala, Don Chandler, Pete Siragusa and Erick von Lubken voting aye.

BUDGET COMMITTEE:

The directors announced that the budget committee members will remain the same as last year.

DEPOSIT OF FUNDS:

A motion was made by Don Chandler and seconded by Tim Annala to adopt Resolution 01-15 appointing Columbia State Bank as the District's depository for 2015 with additional funds to be held at Oregon State Treasury -- Local Government Investment Pool. The Board of Directors, General Manager, and Water Rights Specialist are authorized to sign on the accounts with two signatures required, one of which must be from a director. Since the district no longer employs a Financial Administrator, the Office Manager, June Brock has been instructed and authorized by the General Manager, Jer Camarata to serve as Custodian of Records and will make Local Government Pool account transactions per newly revised guidelines and protocols. The motion passed with Tim Annala, Don Chandler, Bill Munk, Pete Siragusa and Erick von Lubken in favor. The District Manager will draft new Internal Control Process (ICP) guidelines to reflect the newly established protocols as soon as possible. The ICP will be reviewed and filed with the Auditor of Record.

REGULAR MEETING DATES:

A motion was made by Don Chandler and seconded by Bill Munk to adopt Resolution 02-15 setting the regular meeting days for 2015 on the third Wednesday of each month according to the following schedule:

January through December—12:00 p.m.

Any necessary changes to the schedule will be posted via public notice.

All meetings will be held at the District office located at 1985 Country Club Road, Hood River, Oregon. The motion passed with Tim Annala, Don Chandler, Bill Munk, Pete Siragusa and Erick von Lubken in favor.

ANNUAL BOARD MEETING DATE:

A motion was made by Don Chandler and seconded by Tim Annala to adopt Resolution 03-15 establishing January 20, 2016, at 12:00 p.m. as the date of the Year 2016 Annual Board Meeting. The meeting will be held at the District office located at 1985 Country Club Road, Hood River, Oregon. The motion passed with Tim Annala, Don Chandler, Bill Munk, Pete Siragusa and Erick von Lubken in favor.

BILLING AND COLLECTION OF CHARGES:

It was moved by Tim Annala and seconded by Don Chandler to adopt Resolution 04-15 citing the specific manners in which the District will charge for required funds. The motion passed with Tim Annala, Don Chandler, Bill Munk, Pete Siragusa and Erick von Lubken in favor.

AGENT OF RECORD:

It was moved by Don Chandler and seconded by Bill Munk to designate Julie Hammond of Brown & Brown as Agent of Record for the District's General Liability Coverage. Special Districts Insurance Services (SDIS) will remain the primary insurer for the District's health, vehicle and property coverage.

The motion passed with Tim Annala, Don Chandler, Bill Munk, Pete Siragusa and Erick von Lubken in favor.

ATTORNEY OF RECORD:

It was moved by Don Chandler and seconded by Tim Annala to designate Jeff Baker of Annala, Carey and Baker as Attorney of Record for the District. The motion passed with Tim Annala, Don Chandler, Bill Munk, Pete Siragusa and Erick von Lubken in favor.

AUDITOR OF RECORD:

It was moved by Don Chandler and seconded by Tim Annala to designate Bill Parker of Arens & Associates as Auditor of Record for the District. The motion passed with Tim Annala, Don Chandler, Bill Munk, Pete Siragusa and Erick von Lubken in favor.

ENGINEER OF RECORD:

It was moved by Don Chandler and seconded by Bill Munk to designate Niklas Christensen, P.E. as Engineer of Record for the District. The motion passed with Tim Annala, Don Chandler, Bill Munk, Pete Siragusa and Erick von Lubken in favor.

MONTHLY BUSINESS:

Chairman Erick von Lubken called the monthly regular meeting to order at 11:16 a.m.

The minutes of the December 17, 2014 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 January 2015 were presented and discussed. It was moved by Bill Munk and seconded by Don Chandler to approve the bills in the amount of \$80,735.30. The motion passed with all in favor.

BUSINESS FROM THE FLOOR: FCA – Julie O’Shea, Les Perkins, and Fritz von Lubken attended today’s meeting with the hopes of resolving issues and receiving guidance for possible patent infringement - related issues. Much discussion ensued regarding this matter. Julie shared a potential royalty payment chart to the board (see attached). It was unanimously decided that it would be in the Farmers Irrigation District and Farmers Conservation Alliance’s best interest to focus on screen sales via positive marketing strategies and registration of a trademark for the Farmers Screen. It was moved by Tim Annala and seconded by Bill Munk to pay the trademark registration fees and also the fees to have the patent attorney generate a formal opinion regarding whether or not the patent had been infringed upon. The motion was then modified to say that the fees were “not to exceed \$3,500”. The motion passed with all in favor.

CORRESPONDENCE: None

MANAGER REPORTS AND DISCUSSION:

A/R report – Jer reported that the District has received \$666,672.84 in payments since the December Board meeting representing ~66% in accounts receivable. End of Year 2014 Profit and Loss sheet as well as a January 15th current Cash Flow sheet were also provided to the board. Jer answered several finance

specific questions about the financial reports and the district's new accounting capabilities. Jer said that he was very pleased with the new accounting tools, protocols, and reconciliation work that has occurred over the last several months. Jer encouraged board members to come in and look at the new books and or reports anytime.

Hydro report – Hydro production for the month of December was projected at 3M kWh, with an actual production of 2,864,133 kWh. Hydro revenue was projected at \$205,560 with actual revenue of \$199,372.20. Hydro production for the month of December closed at 95.47% leaving our 2014 total production at 93.8% of projected for the year (see attached).

Jer reported that both pipelines, Farmers Canal and Lowline are up to full flow and working well. Jer also provided the board with a snow pack report from January 15, 2015 (see attached). Jer and the crew are concerned with the lack of snow pack to date, studying the weather patterns daily, and working on the best possible strategy to begin safely storing reservoir water early to prepare for a potential 2015 drought year. Jer instructed the crew to close the upper reservoir valve on January 20, 2015, the earliest recorded time on record. Last year, the reservoir valves were closed on January 22, 2014. Jer reported that hydro production would take a small hit over the decision, but that having a full reservoir for irrigators was every bit as important as making power.

Two times over the last month the staff has successfully managed flood waters on the Hood River with minimal damage to facilities and nominal diminishment of power production. Jer noted that the crew was truly exceptional and professional in handling the matters.

The staff have been working diligently on "off-season" chores throughout the district including various PRV upgrades and maintenance, upper Farmers Pipe tap relocations, meter installations, P3 pump rebuilds, manifold upgrades and tap efficiencies, and a plant-to-plant fiber communications project (to name a few).

The district received reimbursement in the amount of \$10,914.51 from Wey Valve to cover the costs of a defective valve that needed repair in Plant 3 this fall.

Jer has been working on updating our Water Management and Conservation Plan Status Report to the State and hopes to finish very soon (it is not due until December 2015).

The Farmers Irrigation District's 2013 Audit has been officially accepted by the state as of yesterday.

Jer is continuing to work with the District's attorney, Jeff Baker and the County Planning Department and landowners on a major partition project around the District's Davenport Fish Screen.

Jer would like to try and sell the Plant 2 Francis equipment upon decommissioning this year. He said that it might be advantageous to list the machines for sale now so that potential buyers could see the equipment while it was still in production. There was some discussion on the matter. It was moved by Tim Annala and seconded by Bill Munk to adopt Resolution 07-15 declaring the materials surplus goods. The motion passed with all in favor. Attorney Jeff Baker will draft the resolution as it was proposed and staff will obtain signatures from the new officers.

Jer presented the board with an updated draft 2015 Pressurization, Construction, Operation, and Maintenance Policy (see attached). After some discussion of the policy and receiving staff recommendations, it was moved by Tim Annala and seconded by Pete Siragusa to accept the updated policy as presented. The motion passed with all in favor.

LEGAL: Attorney Jeff Baker presented the board with Resolution 05-15 authorizing a fact-finding trip regarding the Gilkes Impulse Turgo Turbine-Generator Repower Project. Discussion ensued and the District's Engineer of Record was included and listed on the resolution. It was moved by Don Chandler and seconded by Bill Munk to accept Resolution 05-15 with the inclusion of the District's Engineer of Record. The motion passed with all in favor.

EXECUTIVE SESSION: None

OTHER BUSINESS: None

ADJOURNMENT:

There being no further business, Chairman Erick von Lubken adjourned at 1:37 p.m.

Signed: _____
Bill Munk, Secretary

Attest: _____
Erick von Lubken, Chairman