

FARMERS IRRIGATION DISTRICT
BOARD MEETING MINUTES
WEDNESDAY, FEBRUARY 18, 2015

The Board of Directors of the Farmers Irrigation District met on Wednesday, February 18, 2015, at the District office for the purpose of conducting its regular monthly business. Those in attendance were Directors Tim Annala, Don Chandler, Bill Munk, Pete Siragusa and Erick von Lubken; District Manager, Jer Camarata; Project Manager, Jerry Bryan; and Attorney Jeff Baker.

Chairman Erick von Lubken called the meeting to order at 12:01 p.m.

MONTHLY BUSINESS:

The minutes of the January 21, 2015 Board meeting were presented and discussed. It was moved by Don Chandler 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 February 2015 were presented and discussed. It was moved by Don Chandler and seconded by Bill Munk to approve the bills in the amount of \$252,486.97. The motion passed with all in favor. Board members expressed appreciation for the inclusion of the Vendor Balance Summary in the Board packet.

BUSINESS FROM THE FLOOR: None

CORRESPONDENCE: Water Right Request – Mary Sue Benton. The board of directors reviewed a water right request application from Mary Sue Benton. (See attached.) It was moved by Don Chandler and seconded by Tim Annala to approve the application. The motion passed with all in favor.

REPORTS AND DISCUSSION:

Hydro production for the month of January was projected at 3 million kWh with an actual production of 3,102,183 kWh. Hydro revenue was projected at \$205,560 with actual revenue of \$216,177.70. The District's end of month balance including reserves as of February 11, 2015 is \$1,591,027.55.

A/R Report – Jer reported that the District has received \$693,973.86. The district has collected 68% of total assessments.

Jer reported that the Internal Control Process Documentation for the District is now finalized and has been submitted to the District's auditor. (See attached.) A new 2-year contract with US Cellular has been negotiated, saving \$200/month. We supported Red Barn Orchards to secure a \$10,000 Small OWEB grant to convert 8.6 acres to poly tubes and micro sprinklers. SDAO informs us that a double digit decrease in health insurance premium might be on the horizon beginning June 1st. Staff has renewed its CPR training, and a new Confined Space Policy is under development. The staff will be trained next week regarding confined space safety and procedures. The Reservoir Storage and Expansion Study is going very well, leading to the discovery that the ODA/OWRD "Reserved Storage Rights" for the Hood Basin and entire state are about to expire. We are working with ODA's Margaret Matters to obtain an extension. Regarding the issue of the of the Mount Hood Railroad crossing to our screen road and the

2.5 acre partition work that is presently in process, Jeff Baker has crafted an opinion letter to address the matter with County Planning. (See attached.) The Plant 2 Francis units are now officially for sale, and we've already received one inquiry. Snow pack is terrible at this time with the Green Point SnoTel site showing zero percent of normal snow. This being said, the Upper Reservoir is full, and, with about 6.5 CFS flowing to the Lower Reservoir, the Lower Reservoir is expected to be full in approximately 14 days. John Lowe wants to increase the next two allocations to about \$1,000 each to support expert witnesses in the UM 1610 proceedings, which spearhead perpetual sufficiency periods (which relate to the lack of capacity payments during these so-called sufficiency periods) in state IRPs. This work needs our support. As an OWRC board member, Jer is working with OWRC to develop our own hydro-caucus group to take advantage of the OWRC lobbyist, but we need to continue working with John due to his power and presence amid potential PAC and IA/Turgo repowering work.

The Turgo project is progressing on time, and the formal 80% complete Contract Documents have been sent to DEQ for review and approval. The project team expects to have these documents refined to the 100% level within about one month. Due to additional factors that have come to light as the project moves forward, it is evident that the project can be further enhanced with the inclusion of a new transformer, fiber optic communication cable, replacement of the butterfly valve with a ball valve, Plant 3 PLC, SCADA, and MCC upgrades, PacifiCorp Interconnection Agreement updates, switchyard metering upgrades, and concrete-structural upgrades. Based on current estimates, this means that the total borrowings from our present DEQ SRF loan should be increased from 11.0 million to 12.0 million. After much discussion, it was moved by Don Chandler and seconded by Tim Annala to authorize borrowing up to 12.5 million dollars on the present loan. The motion passed with all in favor.

It was moved by Don Chandler and seconded by Tim Annala to move into Contract Review Board session. The motion passed with all in favor.

CONTRACT REVIEW BOARD SESSION

Attorney Jeff Baker presented and summarized Resolution 06-15 opting to exempt the RFP—Turgo Phase from competitive bidding requirements. There was no discussion and no comment from the public. It was moved by Tim Annala and seconded by Pete Siragusa to recommend to the board that Resolution 06-15 be adopted as presented. The motion passed with all in favor.

It was moved by Don Chandler and seconded by Tim Annala to move out of Contract Review Board session. The motion passed with all in favor.

It was moved by Tim Annala and seconded by Don Chandler to accept the Contract Review Board findings and recommendations for Resolution 06-15 and adopt the resolution as presented. The motion passed with all in favor.

LEGAL: There were no legal matters to discuss.

OTHER BUSINESS: None

ADJOURNMENT: There being no further business, the meeting was adjourned at 2:00 p.m.

Signed: _____
Bill Munk, Secretary

Attest: _____
Erick von Lubken, Chairman