



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

**BOARD MEETING MINUTES
WEDNESDAY, JULY 15, 2015**

The Board of Directors of the Farmers Irrigation District met on Wednesday, July 15, 2015, at the district office for the purpose of conducting its regular monthly business. Those in attendance were directors Erick von Lubken, Tim Annala, Don Chandler, Bill Munk and Pete Siragusa; District Manager, Jer Camarata; Water Right Specialist, Rick Brock; Office Manager, June Brock; Attorney, Jeff Baker and Julie O'Shea of FCA.

Chairman Erick von Lubken called the meeting to order at 12:00 p.m.

MONTHLY BUSINESS:

The minutes of the May 20, 2015 and June 29, 2015 board meetings were presented. It was moved by Don Chandler and seconded by Pete Siragusa to approve the minutes as presented. The motion passed with all in favor.

The O&M bills for the month of July 2015 were presented. It was moved by Don Chandler and seconded by Bill Munk to approve the bills in the amount of \$131,080.15. The motion passed with all in favor.

BUSINESS FROM THE FLOOR:

FCA - Julie O'Shea was happy to announce that FCA is a flurry of activity; calls are coming in daily enquiring about their screens. Screens have been installed at Pebble Creek, ID 12 cfs; Cherry Creek, MT 6 cfs; Pine Creek # 1 and #2 (6 cfs each), OR. Projects pending for installation in 2015 are Mulherin Creek, MT; Shake Creek, ID; Horse Heaven Creek 1 & 2, OR. Projects with deposits paid or commitment are Three Mile Creek, Wamic; Gordon Butte, MT and Cherry Creek in Klamath Falls. FCA has also received funding from ETO to aid in developing a written policy for helping Oregon-based Irrigation Districts modernize their infrastructure. Two engineers were recently added to the FCA staff. The board thanked Julie for her report.

CORRESPONDENCE:

A Water Right Application was submitted by Maria Rangel (see attached). It was moved by Don Chandler and seconded by Bill Munk to approve the application as presented. The motion passed with all in favor.



REPORTS AND DISCUSSION:

a) A/R Report – Jer reported that the district has received \$986,147.77 to date representing 97% of total 2015 assessments charged. Two liens have been satisfied. Jer thanked June for all her hard work.

b) Hydro Production – June’s production was projected at 1,600,000 kWh. Actual production was a mere 419,457 kWh (see attached) due to extreme low drought flows, putting hydro production at 26.22% for the month and trending at 87.87% for the year. Hydro revenue for June was projected at \$109,200. Actual revenue was \$29,399.38. Much discussion ensued regarding the low flows and concern about the district being able to meet it’s PPA minimum production requirements. Jer said that he had studied this and that the likely scenario under PPA section 11.1.5 is that we would get a notice of default, whereby liquidated damages would need to be paid on the positive difference of subtracting the contract price from the current replacement market price for kWh below the minimum obligation (said another way, the shortfall volume for not meeting the minimum is multiplied by difference between the contract price and the market index. If market price is lower then there are no damages because the replacement power is cheaper.) Jer has also proactively discussed and procured written confirmation from the head of PacifiCorp contracting, Bruce Griswold that we would have one year to cure an under-delivery scenario such that we would need to make or exceed the annual minimum obligated kWh the year following the one where under delivered occurred. The minimum obligation is 16,883,000 kWh/year. Jer pointed out that we have 2,867,648 kWh to go. The loss of production equates to an estimated ~\$124k loss of revenues.

EOM balance for June, including reserves, as of July 7th was \$1,886,641.

c) Manager’s Report – Jer reported that as of July 14th, the upper reservoir was down 3.75’ and the lower reservoir was down 16.25’. Jer said that the rotation schedule implemented on July 5th is working very well and forebay levels have been stable and adequate. Jer provided the board with his reservoir burn rate graph (see attached) showing reservoir outflows being preserved as a result of the rotation. Jer said that the crew estimates that a 45% reduction in usage has been accomplished. If rotation patrons continue to comply at current usage levels the burn rate graph shows that we should have enough supplemental irrigation water in the reservoir to last ~60 days. This number does not reflect head loss, and so Jer estimates that we have approximately 50-55 days of supply remaining, which is still 2-3 weeks short of the irrigation season. It is expected that pears will be harvested at the beginning of August.

LEGAL: None



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OTHER BUSINESS:

Gilkes Turgo – Jer took the board members on a field tour of the ongoing Plant 2 construction. Jer reported that the tour lasted approximately 1 hour and that no other business was discussed except that regarding Turgo construction status.

ADJOURNMENT: The meeting and project tour was adjourned at 1:57 p.m.

Signed: _____ Bill Munk, Secretary

Attest: _____ Erick von Lubken, Chairman