



BOARD MEETING MINUTES

TUESDAY, OCTOBER 20, 2015

The Board of Directors of the Farmers Irrigation District met on Tuesday, October 20, 2015, at the district office for the purpose of conducting its regular monthly and budget committee business. Those in attendance were directors Erick von Lubken, Don Chandler, Tim Annala, Bill Munk, Pete Siragusa and; District Manager, Jer Camarata; and Office Manager, June Brock. Budget Committee members Bob Benton, Art Carroll, Randy Franz, and Andy von Flotow were also in attendance.

Chairman Erick von Lubken called the meeting to order at 11:10 a.m.

BUDGET COMMITTEE WORK SESSION

A budget committee work session took place from 11:10 a.m. until 12:03 p.m. At the commencement of the meeting it was moved by Randy Franz and seconded by Bob Benton to elect Andy von Flotow as Budget Committee Chairman. The motion passed with all in favor. Mr. von Flotow asked that District Manager, Jer Camarata lead the budget committee through a detailed line-by-line summary of the draft 2016 budget. The board members and budget committee collectively reviewed the draft 2016 budget presented by Jer, and discussed the facets of debt service, insurance, hydro-revenue, operational efficiencies, payroll, benefits, and O&M rates. Much discussion ensued and there was general acceptance and praise of the proposed budget and planned pro-forma. It was moved by Randy Franz and seconded by Bob Benton to recommend to the Farmers Irrigation District Board that the draft 2016 Budget be adopted as-presented and that Jer be given something in appreciation of a job well done. The committee and board expressed thanks to Mr. Camarata and asked questions about his departure. Jer told a story about his coming to Hood River 7 years ago and said that he was honored to serve. The motion on the floor passed with all in favor and the budget committee work-session was adjourned.

Chairman Erick von Lubken called the regular meeting of the board back to order at 12:12 p.m.

The board returned to regular board session. A discussion regarding Computational Fluid Dynamic (CFD) analysis of the Farmers Screen was initiated. Conversation ensued regarding CFD potential and European Union relationships and opportunities. Don Chandler moved, and Tim Annala seconded a



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motion to fund up to \$15,000 for CFD analysis through the Gilkes, with oversight from Jer and Jerry, with the expectation that FCA engineers would be able to assist. The motion passed with all in favor.

Some questions arose regarding trademarking. The board discussed and reiterated a September decision to table the discussion of international trademarking of the Farmers Screen until Les Perkins returned from Australia with a formal assessment and opinion. The ongoing international trademarking discussion has been tabled until November.

A short discussion about insurance ensued. Jer said that he was meeting later this week with Chubb Insurance underwriters in an attempt to see if we could get a better rate on Business Interruption insurance for the plants/hydro production. Jer recommended not approving the 2016 budget until a more refined insurance number was presented by Julie Hammond in November. It was moved by Don Chandler and seconded by Tim Annala to table the adoption of the 2016 budget until November. The motion passed with all in favor.

MONTHLY BUSINESS:

The minutes of the September 16, 2015 board meeting were presented and discussed. 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 October 2015 were presented and discussed. It was moved by Don Chandler and seconded by Bill Munk to approve the bills in the amount of \$108,222.93. The motion passed with all in favor.

BUSINESS FROM THE FLOOR: None

CORRESPONDENCE: None

REPORTS AND DISCUSSION:

a) A/R Report – Jer reported that the district has received \$994,836.46 to date representing 98% of total 2015 assessments charged. 2 liens have been satisfied. Jer thanked June for her diligence.

b) Hydro Production – September’s production was projected at zero kWh. Actual production was 260,992 kWh. Hydro revenue for September was projected at \$0. Actual revenue was \$18,130.19. End of Month balance including reserves as of October 12, was \$1,319,697.50. Jer said that the district “would be receiving incentive payment #1 for the Turgo project in the amount \$450k, sometime this week, possibly later today at the ribbon cutting ceremony.”



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c) Manager's Report – Turgo Project – The Turgo project is now complete with an official commissioning date of September 21, 2015. Original Turgo project estimate was \$6,802,000, with an actual project cost of ~\$4,960,000 (some final residual bills in limbo as of this writing). The Large Pipe Facilities Project original loan procurement was for \$15 million, with an authorization from the board to spend up to \$12.5 million of that amount. Jer reported, that as it stands today, the district appears to be coming in slightly under budget on the entirety of the 3-year, 3-phase LPPF project with a total cost of ~\$11.96 million. Jer said that he has run an amortization schedule of an assumed borrowing of \$12m for the 2016 forward debt service assumptions.

June reported that Mr. Bob Anderson of Reed Road called in to thank the district for repairing and re-grading his driveway.

Jer reported that the district's crew was actively working on winterization tasks.

Jer reported that Mr. Les Perkins will start shadowing Jer as the new district manager starting November 2nd, essentially job sharing with Jer until taking the full management reigns on January 1st, 2016. Jer announced that he will be using all his paid vacation and backlogged holidays surrounding the week of Thanksgiving and during the final two weeks of December.

LEGAL: Election 2015: Division 2 – Erick von Lubken submitted a valid petition for the position of Director for Division 2. No other petitions were received.

EXECUTIVE SESSION: None

OTHER BUSINESS: None

ADJOURNMENT: There being no other business, the meeting was adjourned at 12:39 p.m.

POST-ADJOURNMENT: The entire board and some budget committee members attended the district's Turgo ribbon cutting ceremony with approximately 60 guests, including many members of the media and the public. The well-advertised, celebratory event was recorded and captured on film and is available upon request. No board decisions were made.

Signed: _____ Bill Munk, Secretary

Attest: _____ Erick von Lubken, Chairman