



## **BOARD MEETING MINUTES**

**WEDNESDAY, DECEMBER 16, 2015**

The Board of Directors of the Farmers Irrigation District met on Wednesday, December 16, 2015, at the district office for the purpose of conducting its regular monthly business. Those in attendance were directors Erick von Lubken, Don Chandler, Tim Annala, Bill Munk, and Pete Siragusa; District Managers, Jer Camarata and Les Perkins; Office Manager, June Brock, Attorney; Jeff Baker. Also in attendance was Julie Hammond, Insurance Broker.

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

### **MONTHLY BUSINESS:**

The minutes of the November 18, 2015 board meeting were presented and discussed. It was moved by Pete Siragusa 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 December 2015 were presented and discussed. It was moved by Don Chandler and seconded by Bill Munk to approve the bills in the amount of \$249,946.74. The motion passed with all in favor.

### **BUSINESS FROM THE FLOOR:**

2016 Insurance Renewal – Insurance Broker, Julie Hammond of Brown and Brown presented the board with coverage options for 2016 (see attached). Much discussion ensued regarding deductibles, premiums, exclusions, and business interruption. Julie informed the board that Special Districts Insurance Services (SDIS) covers the District's property and auto coverage and their rates were ~ \$4,000 less than anticipated and budgeted for. Julie also provided the board with comparisons and variables of insurance between G-Cube and Starr for coverage of the District's hydro plants, hydro-related business interruption, earthquake, and flood coverage. After much discussion and questions it was moved by Pete Siragusa and seconded by Tim Annala to go with Starr Insurance with a deductible of \$100,000. The motion passed with all in favor. The Board thanked Julie for her presentation and on-going support.

**CORRESPONDENCE:** None



**REPORTS AND DISCUSSION:**

**a) A/R Report** – To date, the district has received \$252,049.28 in payments towards the 2016 irrigation season = 25% of collections. I lien has been satisfied.

**b) Hydro Production** – November’s production was projected at 2,950,000 kWh. Actual production was 2,073,260 kWh (see attached). Hydro revenue for November was projected at \$202,134. Actual revenue was \$140,812.43. The District’s trending percentage of actual to projected kWh for the year currently sits at 93.82%. Minimum kWh production was met as per our Power Purchase Agreement.

**c) Manager’s Report** – Jer reported that both Plant 2 and Plant 3 have been down intermittently due to spiked river flows, debris and the canal cleanout. Les reported that due to extensive rainfall and flooding the westward run of the dual 54” pipe from Plant 3 going north to Hays drive began to float. Crestline Construction is currently repairing this damaged area.

At the beginning of December a logging company working for Weyerhaeuser caused extensive damage ~2,500 feet to the Low Line Pipe. The logging company walked a D7 down the pipeline and then back out, causing damage to the pipeline as well as the easement. Jer and Les both met with the Weyerhaeuser representative and the logging foreman prior to the logging operation and explicitly informed them “Do Not Drive on the Pipeline as it will cause damage to the pipeline and you will be responsible for repairs as well as lost hydro revenue”. Crestline is currently working to assess the total damage. It will require internal inspection of the entire 2,500 feet of pipeline that could be affected. Les has been working with Weyerhaeuser and Wayne Stone (owner of the logging company) and they are both aware of the issue and have been to the site. Les and the crew have been documenting the damage and tracking the staff time and lost hydro revenue. It was moved by Tim Annala and seconded by Pete Siragusa to move into Contract Review Board session. The motion passed with all in favor.

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**CONTRACT REVIEW BOARD**

Emergency Resolution 10-15, a Resolution requesting **JOINT RESOLUTION OF THE BOARD OF DIRECTORS AND LOCAL PUBLIC CONTRACT REVIEW BOARD DECLARING AN EMERGENCY AND DETAILING AN EXEMPTION FROM COMPETITIVE BIDDING REQUIREMENTS OF ORS CHAPTERS 279B AND 279C.** Crestline Construction is to repair and install pipe on Low Line without delay.



It was moved by Tim Annala and seconded by Bill Munk to recommend that the FID Board accept Resolution 10-15 as presented. The motion passed with all in favor.

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

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It was moved by Tim Annala and seconded by Don Chandler to accept the Contract Review Board recommendations. The motion passed with all in favor.

Crestline Construction has already began inspection of the damaged pipeline as per management’s request.

Water Rights – Water Rights Specialist; Rick Brock has worked extensively reviewing the Upper District Water Rights Waiting List, mainly the priority dates of applications by Brad Fowler and Don Hoffman. This issue is still under review.

FCA – Patent Attorney; Doug Hancock informed FCA/FID that there was a possible trademark registration conflict with a German company named “Farmer Automatic”. The German company has since reconsidered and is now willing to enter into a Trademark Consent Agreement. The gist of the agreement is that we agree not to put our Farmers Screen trademark on anything to do with Poultry production and they agree not to put their Farmer Automatic trademark on anything to do with fish screens. This company deals with chickens, not fish. Doug Hancock is handling the trademark and will notify us when it is complete.

Les informed the Board that FCA has been approached to build a 120 cfs Farmers Screen in Australia, this led into the discussion of International Trademarking. A decision on international trademarking was previously put off until a later date when FID knew more about the market. The question at hand is who will pay for and own the trademark, FID or FCA. It was moved by Bill Munk and seconded by Pete Siragusa that FID cover the cost (\$1,500) to apply for and own an International Trademark license for the Farmers Screen. The motion passed with all in favor. Legal Counsel informed the board that there may need to be some amendments to the FCA/FID License Agreement.

**LEGAL:** None

**EXECUTIVE SESSION:** None

**OTHER BUSINESS:**



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This was the last board meeting for Jer Camarata. Jer has taken a managerial position in Central Oregon. The board thanked Jer for his accomplishments during his tenure in the District and wished him well and all the best in his new position.

**ADJOURNMENT:** There being no other business, the meeting was adjourned at 1:25 p.m.

Signed: \_\_\_\_\_ Bill Munk, Secretary

Attest: \_\_\_\_\_ Erick von Lubken, Chairman