



BOARD MEETING MINUTES

WEDNESDAY, FEBRUARY 17, 2016

The Board of Directors of the Farmers Irrigation District met on Wednesday, February 17, 2016, 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, Les Perkins; Office Manager, June Brock and Attorney, Jeff Baker.

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

MONTHLY BUSINESS:

The minutes of the January 20, 2016 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 2016 were presented and discussed. It was moved by Bill Munk and seconded by Tim Annala to approve the bills in the amount of \$230,092.72. The motion passed with all in favor.

BUSINESS FROM THE FLOOR: None

CORRESPONDENCE: None

REPORTS AND DISCUSSION:

a) A/R Report – Les reported that the district has received \$658,853.18 representing 65% of total 2016 assessments charged. Balance, including reserves as of February 10, 2016 was \$2, 072, 707. 44 (see attached).

b) Hydro Production – January’s production was projected at 3,000,000 kWh. Actual production was 2,241,758 kWh (see attached). Hydro revenue for January was projected at \$205,560. Actual revenue was \$155,175.55. Actual trending kWh for the year is at 74.73%.

c) Manager’s Report – Les reported that the snow water equivalent (SWE) at Greenpoint is 15.7” with an average of 13.02’. The Mt. Hood SWE is at 35.4” with an average of 37.5”.

Lowline Repair – Crestline Construction has been working diligently on the pipeline installation, a few snags arose due to elbow joints (the manufacturer will be on-site for inspection) and the use of more bedding materials than expected. It is hoped that the project will be wrapped up and Lowline can be charged on or around February 25th. Les has been in touch weekly via conference calls with the insurance



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adjusters as there is some dispute regarding the last 800' of pipe. The forensic engineers noted pipe distortion and a height differential of 1.5" at the joints in the last 50 feet of pipe so Les feels we're on solid ground in the long run. If need be water trucks will be available for those requesting spray water. Once Lowline is fully charged, the district is looking to close the reservoir valves around the first week of March.

Computational Fluid Dynamics of the Farmers Screen and Gilkes – Gilkes has presented a modeling proposal to the District in the amount of \$14,000 (cost share). The board discussed the need for a "Letter of Intent", much discussion ensued. The board had previously assigned in October of 2015 (not-to-exceed) \$15K towards the CFD study by Gilkes with oversight by Jerry Bryan and FCA engineers. Les informed the board that he, Jerry Bryan and Julie O'Shea met with PNW National Laboratory in Richland, WA. The PNW National labs have been studying water/stream/river velocity with sensor fish and are requesting to do further data analysis in the Hood River basin at Dead Point Creek, Camp Creek and Coe Creek where Farmers Screens are currently installed. This sensor fish data could be used in conjunction with the CFD modeling and could make the modeling results more meaningful.

Trademark – The US trademark application has been submitted for the Farmers Screen. The Australian trademark application has also been submitted (with a ~ 5 month turn around).

Hydro Policy and PURPA – Les has been working the CREA in writing letters of support for HB 4335 which would make the RPS suggested 8% small renewable generation a mandate. Ultimately this would create more value for the power FID produces, coinciding nicely with the beginning of contract negotiations in 6 or 7 years.

The de-commissioned Francis Units were sold for \$15,000, if they go into service within two years of the signed contract the district may receive an additional \$35,000.

Plant 3 Controls Upgrade – Les received a quote for upgrading the Plant 3 controls. The original quote from Alstom was \$452,950.00 (this did not include switchyard upgrades). The quote from Northwest Engineering Services (Waylon Bowers) came in at \$296,638 this included switchyard upgrading, Scada alarms, meter testing and the cooling unit for Plant 2 bearing water and Hage Electric providing the construction work for \$180,000, both Hage Electric and Northwest Engineering erred on the side of caution with high dollar quotes. A motion was made by Don Chandler and seconded by Bill Munk to allow the District to enter into a DEQ loan (not-to-exceed) \$500,000 for the Plant 3 Controls upgrade. The motion passed with all in favor.

Much discussion ensued regarding the district's "Capital Reserves". The board directed Les to check in with other irrigation districts and enquire as to their capital reserve amounts. The Board is potentially



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interested in eliminating higher interest debt instead of holding higher reserves. Les is to look into how this might play out with current debt and project scenarios.

Telemetry – The telemetry sites at Dead Point and North Green Point have been upgraded with assistance from ACS.

LEGAL: Attorney, Jeff Baker informed the board that Mr. Tim Heltzel is still reviewing the legal documents regarding water rights request, land acquisition transfer and easements in and around the Davenport screen and his adjoining properties.

EXECUTIVE SESSION: At 12:55 the board moved into Executive Session.

OTHER BUSINESS: None

ADJOURNMENT: There being no other business, the meeting was adjourned at 1:15 p.m.

Signed: _____ Erick von Lubken, Chairman

Attest: _____ Bill Munk, Secretary