



**BOARD MEETING MINUTES
WEDNESDAY, JANUARY 20, 2016**

The Board of Directors of the Farmers Irrigation District met on Wednesday, January 20, 2016, at the District office for the purpose of conducting its annual meeting and monthly business. Those in attendance were directors Don Chandler, Bill Munk, Pete Siragusa and Erick von Lubken; District Manager, Les Perkins; Office Manager, June Brock and Attorney, Jeff Baker.

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

ANNUAL BUSINESS:

Directors Don Chandler, Bill Munk, Pete Siragusa and Erick von Lubken took official oaths of office.

Don Chandler opened the nominations for Chairman.

A motion was made by Don Chandler to nominate Erick von Lubken for Chairman, Bill Munk seconded the motion. It was moved by Don Chandler and seconded by Bill Munk to close the nominations and cast a unanimous ballot for Erick von Lubken as Chairman. The unanimous ballot was cast with Bill Munk, Pete Siragusa and Don Chandler voting aye.

Chairman Erick von Lubken opened the nominations for Vice-Chairman.

A motion was made by Don Chandler to nominate Pete Siragusa for Vice-Chairman, Bill Munk seconded the motion. It was moved by Don Chandler and seconded by Bill Munk to close the nominations and cast a unanimous ballot for Pete Siragusa as Vice-Chairman. The unanimous ballot was cast with Don Chandler, Bill Munk and Erick von Lubken voting aye.

Chairman Erick von Lubken opened the nomination for Secretary.

A motion was made by Don Chandler to nominate Bill Munk for Secretary-Treasurer, Pete Siragusa seconded the motion. It was moved by Don Chandler and seconded by Pete Siragusa to close the nominations and cast a unanimous ballot for Bill Munk as Secretary-Treasurer. The unanimous ballot was cast with Don Chandler, Pete Siragusa and Erick von Lubken voting aye.

BUDGET COMMITTEE:

The directors announced that the budget committee members will remain the same as last year.

DEPOSIT OF FUNDS:

A motion was made by Bill Munk and seconded by Don Chandler to adopt Resolution 01-16 appointing Columbia State Bank as the District's depository for 2016 with additional funds to be held at Oregon State Treasury -- Local Government Investment Pool. The Board of Directors, General Manager, and Water Rights Specialist are authorized to sign on the accounts with two signatures required, one of which must be from a director. Office Manager, June Brock has been instructed and authorized by the General Manager, Les Perkins to serve as Custodian of Records and will make Local Government Pool account transactions per newly revised guidelines and protocols. The motion passed with Don Chandler, Bill Munk, Pete Siragusa and Erick von Lubken in favor.

REGULAR MEETING DATES:

A motion was made by Bill Munk and seconded by Don Chandler to adopt Resolution 02-16 setting the regular meeting days for 2016 on the third Wednesday of each month according to the following schedule:

January through December—12:00 p.m.

Any necessary changes to the schedule will be posted via public notice.

All meetings will be held at the District office located at 1985 Country Club Road, Hood River, Oregon. The motion passed with Don Chandler, Bill Munk, Pete Siragusa and Erick von Lubken in favor.

ANNUAL BOARD MEETING DATE:

A motion was made by Bill Munk and seconded by Don Chandler to adopt Resolution 03-16 establishing January 18, 2017, at 12:00 p.m. as the date of the Year 2017 Annual Board Meeting. The meeting will be held at the District office located at 1985 Country Club Road, Hood River, Oregon. The motion passed with Don Chandler, Bill Munk, Pete Siragusa and Erick von Lubken in favor.

BILLING AND COLLECTION OF CHARGES:

It was moved by Bill Munk and seconded by Don Chandler to adopt Resolution 04-16 citing the specific manners in which the District will charge for required funds. The motion passed with Don Chandler, Bill Munk, Pete Siragusa and Erick von Lubken in favor.

AGENT OF RECORD:

It was moved by Don Chandler and seconded by Bill Munk to designate Julie Hammond of Brown & Brown as Agent of Record for the District's General Liability Coverage. Special Districts Insurance Services (SDIS) will remain the primary insurer for the District's health, vehicle and property coverage. The motion passed with Don Chandler, Bill Munk, Pete Siragusa and Erick von Lubken in favor.

ATTORNEY OF RECORD:

It was moved by Don Chandler and seconded by Pete Siragua to designate Jeff Baker of Annala, Carey and Baker as Attorney of Record for the District. The motion passed with Don Chandler, Bill Munk, Pete Siragusa and Erick von Lubken in favor.

AUDITOR OF RECORD:

It was moved by Pete Siragusa and seconded by Bill Munk to designate Barnett and Associates as the Auditor of Record for the District. The motion passed with Don Chandler, Bill Munk, Pete Siragusa and Erick von Lubken in favor.

ENGINEER OF RECORD:

It was moved by Don Chandler and seconded by Pete Siragusa to designate Niklas Christensen, P.E. as Engineer of Record for the District. The motion passed with Don Chandler, Bill Munk, Pete Siragusa and Erick von Lubken in favor.

MONTHLY BUSINESS:

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

The minutes of the December 16, 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 January 2016 were presented and discussed. It was moved by Pete Siragusa and seconded by Bill Munk to approve the bills in the amount of \$112,254.34. The motion passed with all in favor.

BUSINESS FROM THE FLOOR: None

CORRESPONDENCE: None

MANAGER REPORTS AND DISCUSSION:

A/R report – Les reported that the District has received \$642,899.81 in payments since the December Board meeting representing ~63% in accounts receivable. 1 lien has been satisfied. End of Year 2015 Profit and Loss sheet as well as a January 19th current Cash Flow sheet in the amount of \$1,857,718.69 (including reserves) were also provided to the board.

Hydro report – Hydro production for the month of December was projected at 3M kWh, with an actual production of 1,866,179 kWh. Hydro revenue was projected at \$205,560 with actual revenue of \$129,766.53. Hydro production for the month of December closed at 62.21% leaving our 2015 total production at 89.54% of projected for the year (see attached).

The Snotel report for North Green Point as of today reports 16.3” snow water equivalent (SWE).

Les reported that Farmers Canal is currently flowing 99.8 cfs and missing ~10-20 cfs from the Lowline Pipe due to December’s damage of the pipe. The dual 54” overflow pipe has been repaired at Hayes Drive this included new drainage for that location.

A clean-out of the headgates was necessary due to several boulders restricting flow at the intake.

Hard-drives have been replaced at both Plant 2 and plant 3, controllers have been replaced at Plant 3 and a CT transformer replacement is scheduled for August in the switchyard.

The staff have been working diligently on “off-season” chores throughout the district including various PRV upgrades and maintenance, meter installations, Plant 3 pump re-builds, (to name a few) and the repair of the North Green Point pipe. Jeff Cook has been working on telemetry upgrades throughout the district and the District purchased a pipe camera for inspection of problematic pipelines.

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

ORS 279C.355 Turgo – Evaluation of Large Pipe Facilities Project – Turbine Generator Phase (TGP) Request for Proposal (RFP) Process Report. The board of directors were provided with a copy of the attached report which included project metrics and narrative assessment. It was moved by Don Chandler and seconded by Bill Munk to recommend that the FID Board accept ORS279C.355 as presented. The motion passed with all in favor.

Also, pursuant to Resolution 10-15, regarding the emergency declaration for the Lowline pipe damage and the emergency procurement of pipe as per ORS 192.660(2)(n) and consultation with legal counsel regarding this matter. It was moved by Don Chandler and seconded by Pete Siragusa to accept the pipe bid (HD Fowler) presented by Crestline Construction which meets the hydraulic specifications, the construction timeline, as well as lowest cost. The motion passed with all in favor.

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

It was moved by Pete Siragusa and seconded by Bill Munk to accept the Contract Review Board’s recommendations and clarifications. The motion passed with all in favor.

Les informed the board that he has submitted SB839 Kingsley Reservoir Expansion Feasibility Study to the Oregon Water Resources Department. Much discussion ensued regarding land trade and water right transfers, etc. Les will also be submitting an OWEB grant this Spring for additional funding of the reservoir project.

Lowline – Crestline Construction has been stockpiling pipe and materials for the repair of the Lowline Pipe. Road improvements are underway for easier accessibility. On January 12, Les met with Crestline Construction staff Yani Vaivoda and John Moran, Wayne Stone, Jill Smouse of Weyerhaeuser on site for inspection of the Lowline pipe damage. Engineering firm Anderson Perry provided the district with a hydraulic analysis of the Lowline pipeline. Much discussion ensued regarding insurance, deductibles, business interruption etc.

The previously de-commissioned Francis Units from Plant 2 have been sold.

The 2014 audit has not been submitted as of yet.

Les informed the Board that the Energy Trust incentive payment of \$450,000.00 is dependent upon getting the Lowline Pipe back up and running. If the construction delay continues, it may cause the loss of the \$450,000.00 payment.

Les submitted an annual report of the Water Management Conservation Plan to Oregon Water Resources Department as per their request.

LEGAL:

Attorney, Jeff Baker informed the board that in December all necessary paperwork regarding the major partition was sent to Mr. Tim Heltzel for his review.

EXECUTIVE SESSION: None

OTHER BUSINESS: None

ADJOURNMENT:

There being no further business, Chairman Erick von Lubken adjourned at 1:06 p.m.

Signed: _____
Bill Munk, Secretary

Attest: _____
Erick von Lubken, Chairman