



BOARD MEETING MINUTES

WEDNESDAY, OCTOBER 16, 2019

The Board of Directors of the Farmers Irrigation District met on Wednesday, October 16, 2019, at the district office for the purpose of conducting its regular monthly and annual budget committee 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; Watershed Manager, Megan Saunders and Attorney, Don Hull. Budget Committee members Kevin Asia, Bob Benton, and Randy Franz were also in attendance.

Chairman Erick von Lubken called the meeting to order at 11:00 a.m.

BUDGET COMMITTEE WORK SESSION

A budget committee work session took place from 11:00 a.m. until 11:35 a.m. At the commencement of the meeting Randy Franz was elected Budget Committee Chairman. Mr. Franz, Mr. Asai and the board thanked the District Manager, Les Perkins for the well written and extremely informative narrative that was provided with the budget spreadsheet. The board members and budget committee collectively reviewed the draft 2020 budget presented by Les, and discussed the facets of debt service, insurance, hydro-revenue, operational efficiencies, payroll, benefits, O&M rates, budget vs actual on income, overages on materials, etc. Mr. Benton raised the question of a separate charge for the reservoir project versus account fees and acreage. Much discussion ensued. There was general agreement that it would be wise to analyze the need for a special temporary charge to buy down debt prior to the expiration of the Power Purchase Agreement in 2025. There was general acceptance and praise of the proposed budget and planned pro-forma. It was moved by Kevin Asia and seconded by Bob Benton to recommend to the Farmers Irrigation District Board that the draft 2020 Budget be adopted as-presented. 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 11:53 a.m.

The board returned to regular board session. Attorney Hull arrived for the regular board meeting.

MONTHLY BUSINESS:



The minutes of the September 18, 2019 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 October 2019 were presented and discussed. It was moved by Pete Siragusa and seconded by Bill Munk to approve the bills in the amount of \$55,099.66. The motion passed with all in favor.

BUSINESS FROM THE FLOOR: None

CORRESPONDENCE: None

2020 BUDGET: It was moved by Tim Annala and seconded by Bill Munk to accept the budget committee's recommendation to adopt the draft 2020 budget as-presented by Mr. Perkins with the addition of an analysis of a special charge for either debt service or project costs. The motion passed with all in favor.

REPORTS AND DISCUSSION:

a) A/R Report – Les reported that the district has received \$1,072,059.17 to date representing 100% of total 2019 assessments vs 99.55% last year.

b) Hydro Production – September's production was projected at 1,200,000 kWh. Actual production was 1,207,444 kWh. Hydro revenue for September was projected at \$94,260.00. Actual revenue was \$96,157.09. End of Month balance including reserves as of October 10th was \$1,531,280.16.

c) Manager's Report –

Fall Shutdown: Shutdown took place from October 1st - 15th. The shutdown included draining the #2 penstock, cleaning out of the tunnel (only 7 wheelbarrow loads), flume, and open ditch stretches of the Farmers Canal, fish screen inspections (no sediment due to the new drain valves), fish salvage, tree removal of downed trees from the 2012 storm, all necessary mechanical and electrical maintenance for Plant 2, Plant 3 and switchyard, the replacement of Plant 2's cooling fan and new hydraulics for the MIV. Forebay 2 was cleaned out by McCafferty NW Land Development. Forebay 3 was inspected but clean out was not necessary. A new tap was installed for Mr. Nance on Reed Road along with a new valve for the service for the Acree Drive users. Any additionally identified maintenance was addressed during this time. Future shutdown's will be much shorter as the new agreement for reduced flows will be scheduled for August instead of October due to MOA with ODF&W, DEQ and LIHI.

Irrigation System: Our GIS map was opened on the big screen to show the board the existing pressurized private Puccinelli line serving multiple customers on the south end of Tucker Road. Due to a power



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outage on September 24th the pump station went off line, as power was restored a surge in the pressurized line caused 3 blow outs in the Puccinelli line, the worst being at McCurdy's docking bay. The replacement of this line has been discussed in the past as this is not the first time this line has failed. A cost estimate of ~\$7,000 was provided for pipe and fittings. Irrigation Foreman, Salvador Velazquez met with the land owner Charlie Benton to ask if FID could run a new 6" line tapping into the existing gravity fed Orchard Road line, and run parallel with Tucker Road on their properties. Mr. Benton was in agreement with the proposal. Easements would be required for this project. It was noted that Bob Benton also owned a portion of this parcel on Orchard Road. It was moved by Don Chandler and seconded by Tim Annala to approve the replacement of the Puccinelli line. The motion passed with all in favor. This project will proceed either this fall or early spring before irrigation season.

Hydro: Energy Trust of Oregon is looking into the feasibility of Solar plus storage at Plant 3.

Reservoir Enhancement: On October 14th Les and Megan marked and recorded (GIS) the new property lines around the reservoir. The trees on the east and south sides will be logged, sorted and put up for bid. A timber sale will take place for the trees on the west side. Attorney, Don Hull has prepared a draft timber sale agreement. It was moved by Tim Annala and seconded by Pete Siragusa to advance with the Timber Sale. The motion passed with all in favor.

Permitting: As to date we have not received the final permits from the Army Corp of Engineers. When all permitting is in place we can pay Crestline Construction for work done (material stock piles). At this juncture it looks like the reservoir enhancement project will not commence until spring of 2020.

Telemetry/SCADA – Sierra Controls were on site to work on programming and configuring communications for the Headgate/Fish Screen sites, and future Farmer's Canal sites and provide links for the new 50' Texas Tower at the Headgate, it is hoped that the tower can be in place before the snow flies. The district is moving back to a more reliable radio path system, which will be favorable for the district's more remote sites and will be less costly.

LEGAL:

Election 2019 - Division 1 – Bill Munk and Division 4 – Tim Annala submitted valid petitions for the position of Director for Division 1 and Division 4. No other petitions were received.

EXECUTIVE SESSION: None

OTHER BUSINESS: None

ADJOURNMENT: There being no other business, the meeting was adjourned at 12:35 p.m.



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Signed: _____ Bill Munk, Secretary

Attest: _____ Erick von Lubken, Chairman