



**BOARD MEETING MINUTES
WEDNESDAY, JANUARY 20, 2021**

The Board of Directors of the Farmers Irrigation District met on Wednesday, January 20, 2021, at the District office and via zoom under COVID guidelines for the purpose of conducting its annual meeting and monthly business. Those in attendance were directors Tim Annala, Don Chandler, Bill Munk, and Erick von Lubken; District Manager, Les Perkins; Watershed Project Manager, Megan Saunders; Attorney, Don Hull and Jeremy Hull; and Auditor, Ken Onstott.

ANNUAL BUSINESS:

Chairman Erick von Lubken called the Annual Meeting to order at 12:01 p.m.

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

Erick von Lubken opened the nominations for Chairman.

A motion was made by Don Chandler to retain the current slate of officers, Bill Munk seconded the motion. The motion included Erick von Lubken as Chairman, Pete Siragusa as Vice-Chairman, and Bill Munk as Secretary-Treasurer. The vote was unanimous in favor of the motion.

BUDGET COMMITTEE:

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

RESOLUTIONS:

The directors considered the four resolutions together: Depository of District Funds (Resolution 01-21), Schedule Monthly Board Meetings (Resolution 02-21), Schedule 2022 Annual Board Meeting (Resolution 03-21), and Billing and Collection of Charges (Resolution 04-21). A motion was made by Don Chandler to approve Resolutions 01-21, 02-21, 03-21, and 04-21, Bill Munk seconded the motion. The vote was unanimous in favor of the motion.

CONTRACTORS OF RECORD:

The directors considered the four contractors of record together: SDIS Registered Agent of Designation, Auditor of Record, Attorney of Record, and Engineer of Record. A motion was made by Don Chandler to approve Scott Reynier as SDIS Registered Agent of Designation, Ken Onstott as Auditor of Record, Don Hull as Attorney of Record, and Niklas Christensen as Engineer of Record; Bill Munk seconded the motion. The vote was unanimous in favor of the motion.

MONTHLY BUSINESS:

Chairman Erick von Lubken called the monthly regular meeting to order at 12:04 p.m.

The minutes of the December 16, 2020 Board meeting were presented and discussed. It was moved by Bill Munk and seconded by Don Chandler to approve the minutes as presented. The motion passed with all in favor.

The O&M bills for the month of January 2021 were presented and discussed. Don wanted it noted in the minutes that this is the final payment to John Lowe. It was moved by Don Chandler and seconded by Bill Munk to approve the bills in the amount of \$250,596.55. The motion passed with all in favor.

BUSINESS FROM THE FLOOR: Don Hull introduced his son Jeremy, who has joined the practice.

CORRESPONDENCE: None

AUDIT REPORT:

Ken presented the 2019 audit report. The auditors expressed an unmodified opinion. Ken noted that the statement of net position related to PERS unfunded liability is based on calculations done by the state, that fluctuate wildly year-to-year. The auditor's letter to management notes any deficiencies or corrections that need to be made, including social security and Medicare withholding on gross, not net, income. Bill asked why the letter states having a contractor, instead of in-house, do some accounting is noted as a deficiency, if the remedy is acceptable. Ken explained that it is defined as a significant deficiency, but is very normal for small organizations. Les noted that the social security and Medicare withholdings issue has been corrected with the District's payroll company.

MANAGER REPORT:

A/R report – Les reported that the District has received \$843,108.28 in payments representing 70% in accounts receivable vs 62% last year. End of month balance as of January 14th was \$1,491,575.68 (including reserves). The balance is expected to improve as hydro production increases.

Hydro report – Hydro production was 85% of projected for the month of December. It was projected at 2.8M kWh, with an actual production of 2,382,112kWh. Hydro revenue was projected at \$230,384.00 with actual revenue of \$198,800.18 (see attached). It was a tough December, with the District not able to reach full flow in Farmers due to sediment issues. The hydro projections for January are good. The sediment issues have been resolved and Farmers has been running at full flow. P2 and P3 were running at capacity except during the major rain event last week. Doug has been doing a deep clean of the canal while shutdown, which has made a big difference. Doug is cleaning the screen about once per week. Some material accumulated in the flume, but Doug was able to get it cleaned out yesterday.

Irrigation report – Precipitation is looking good with Green Point 110% and Mt. Hood 100% of average. Snowpack is not good with Green Point at 38% and Mt. Hood at 86% of average. There is time to catch up if storms occur. The sponge is full. The District is slowing storing water, adding about 10 acre-feet per day over the last month. Les plans to continue to store at that pace, which could result in ~600-700 acre-feet in the upper reservoir by the next Board meeting.

Projects – There is not much happening at the reservoir. Crestline did some erosion control repairs and improvements after the major rain event and they will continue to respond as needed. The final payment requests have been submitted to DEQ and OWRD for 2020 work, after working through things with Niklas and Crestline. Crestline is developing projections for 2021 and Les plans to bring final expected costs to the Board at the next meeting.

Vandalism – An air vent on the Stanley-Smith Pipeline was broken in mid-December. It would have taken some real work for someone to break off. The crew turned down flow, excavated, and ordered the special fitting. The system is okay to run at 10 cfs and hopefully will be fixed in the next couple weeks. The lock was cut at Forebay 3 and the chain/lock were removed from Kingsley. About three weeks ago, a few hundred roofing nails were thrown across the driveway. Les filed a report with the Sheriff.

Legislation – There are many water and energy bills coming up this session. One proposes an increase in hydro fees. The Association of Oregon Counties will oppose this bill. Les and Craig see no reason for fees to increase, as the state does not do anything with hydro projects except during relicensing. There is also a proposed increase in water right fees, but it is not unreasonable, and it is important for the water right division to continue to be responsive. OWRC is proposing a bill that would create a better market for power like FID's.

Staff reviews – Les will start staff reviews next week and hopes to be done the first week of February.

Specialized water law – Les has been communicating with Kate Moore at Dunn-Carney. She seems like a good fit and is less expensive than others. She found no conflicts and has drafted an engagement letter with a \$2,000 retainer. Les and Megan have a decent list of things to work through with a water rights lawyer, including urbanization, subdivision, forfeiture, and the new storage right. Don asked about her experience with power purchase agreements. There are no conflicts, but it is not her specialty. It was moved by Bill Munk and seconded by Tim Annala to approve engaging Kate Moore. The motion passed with all in favor.

Les mentioned that EFID and the County have run into an issue around dealing with stormwater when piping a canal. There are issues with returning water to the historic drainage. Les called Bob Wood, who was clear that a district would need a water right to take the stormwater. FID will run into similar issues when Farmers Canal is piped, so he will be following this process. Stormwater also opens other questions around water quality. Compounded by DEQ's increased assertions that irrigation canals are subject to the Clean Water Act. Les and Megan continue to follow DEQ's Integrated Report methodology process and are trying to push back on this.

The Water Management and Conservation Plan has been approved by the state.

DISTRICT MANAGER REVIEW:

Les reminded that board that it is time for his annual review. The directors recommended a process similar to last year's, where the District Manager provided a write-up of the year. Les will provide information on what was done, what needs to be worked on, etc. He would like feedback from all directors on his relationship with the board, the information provided, etc.

LEGAL: None

EXECUTIVE SESSION: None

OTHER BUSINESS: None

ADJOURNMENT:

There being no further business, Chairman Erick von Lubken adjourned at 12:40 p.m.

Signed: _____
Bill Munk, Secretary

Attest: _____
Erick von Lubken, Chairman