

Arnold Irrigation District  
Monthly Board Meeting

December 13, 2022

The meeting was called to order by Bob Schuur at 3:02 pm. Board members present were Bob Schuur, Walt Warchol, Jon Smith, and Roger Fadness. Staff members present were Steve Johnson, Chris Webb, Jaiden Giffin, and Juanita Harvey. Also present was the District's attorneys Mark Reinecke and Brooke Olsen. Patrons present were Jerry Rudloff, and Vern Bishop. No one was present via conference phone as it would not work.

1. APPROVAL OF NOVEMBER 2022 MEETING MINUTES AND THE NOVEMBER 14<sup>th</sup> SPECIAL MEETING MINUTES: Roger motioned and Walt seconded his motion to approve both sets of minutes. The vote was unanimous in favor.
2. APPROVAL OF ACCOUNTS PAYABLE: Walt motioned and Jon seconded his motion to approve the accounts payable. The vote was unanimous in favor.
3. MANAGER REPORT:
  - a. WATER STORAGE REPORT: Crescent Lake is at the level it was in 2021 at this same time of the year. Crane Prairie is 5000 AF higher than this time last year. Wickiup is 13,000 AF higher than this time last year.
  - b. HCP UPDATE: A plan for the removal of the bull frog in the Deschutes River is in progress. The 2022 end of the year HCP coordination of operations reporting on conservation measures will be issued in January 2023.
  - c. FINANCIALS AND CASH BALANCES: The budget is positive on a cash flow and budgetary basis when compared to last year's positions. This is due to expense reductions in several categories coupled with revenue increases from fees collected for easement encroachments and releases and exit agreement with Avion Water Co.

All the LGIP accounts are earning at a 3.1% interest rate.

We shouldn't have to use any of the Modernization funds with all the monies that are coming in and we have collected.

\$6,959/yr. out of the \$139,199 collected exit fee will be moved into the operating fund on an annual basis for the next 20 years. This is money from Avion for exiting their water rights out of the District and subsequently applying their water rights towards ground water mitigation.

d. MODERNIZATION PROJECTS:

i. MAIN CANAL PROJECT:

- PROJECT SCHEDULE: On December 6, 2022, written authorization was received from the NRCS. A press release was sent out to all of the local media.

Requests for bid went out in the DJC (Daily Journal of Commerce) on December 12, 2022. These bid requests were for pipe procurement and construction.

The current project forecast is to have all of the clearing and grubbing completed over the remainder of this winter with the actual pipeline construction to begin in mid-October of 2023.

The award for pipe procurement is January 19, 2023 and the award for construction will be given January 31, 2023. Jon, Steve, Chris and BlackRock will make up the bid review committee.

A pre-bid meeting will be held on December 12, 2022 at the District office and at least one board member needs to be present. Jon Smith volunteered to be in attendance.

Once construction begins, the goal is to complete the entire phase 1 with an option to lay an additional 5,000 feet (part of Phase 2) which would take us past the gas pipelines and past the shot-crete areas which were recently seeping.

The design for Phase 2 will begin this winter. Match funding applications spring 2023 all aiming to award bids for Phase 2 in August.

A landowner letter with FAQ's and a map will be sent out this Friday to all landowners along Phase 1.

On-site landowner meetings with Steve will be scheduled between January 3<sup>rd</sup> and 31<sup>st</sup>, 2023.

- FUNDING STATUS UPDATE: The DBBC has approximately \$1.2 million remaining from lottery bond funding and will be made available to Arnold for Phase 1.

In total, the District will receive \$200,000 from OWEB, \$750,000 for OWEB, and \$1,183,517 from DBBC lottery bond funds. As soon as agreements are signed, the funds will be requested for release. This totals \$2,133,517 to date.

There is an additional \$392K remaining in OWEB's irrigation district drought relief budget and Arnold will be applying for these funds in early January 2023.

State funds will be applied to pipe procurement first, with all OWEB funds requiring expenditure before June 30, 2023. .

If necessary, CWSRF funds will be available but appear to not be necessary at this time as adequate non-federal match is in-hand pending results of the construction and pipe procurement bids.

The AID Modernization fund will be at \$705,000 after 2023 assessments have been received.

- ii. APPROVAL NUID-ARNOLD ID CONSERVED WATER AGREEMENT:  
Related to funding of Phase 1 is the AID-NUID conserved water agreement. The board is requested to approve the agreement with the Board President and Board Secretary signing the document. This agreement was put together by attorney David Filippi of Stoel Rives, LLC on behalf of the DBBC. A motion was made by Bob to approve the AID-NUID Conserved Water Agreement with the President and Secretary signing the agreement. Jon seconded his motion. The vote was unanimous in favor.
  
- e. WATER MARKETING:
  - i. ROATS WATER COMPANY: We are in communication with Roats for finalization of the groundwater patron agreement. We will move forward with the application after agreement is signed.
  
  - ii. AVION WATER COMPANY: We will need to wait to finalize the agreement and application with Avion. The agreement with Avion will have the same language as with Roats. Avion is working on finishing improvements to their infrastructure in the Somerset-Arrowhead area. An updated letter will be going out to the Avion patrons in January. In the spring, Arnold will no longer be delivering water to the Arrowhead & Somerset subdivision patrons along with 6 other Arnold patrons who received their water in the same area. The water will be delivered by Avion wells.

- f. LEGISLATIVE REPORT: Representatives Helm and Owens are chair and co-chair of the agriculture land use and water committee. They are pushing the consensus of collaborative water issues in the legislature and have been meeting with the DBBC and OWRC irrigation district members.
- g. FAMILY FARM ALLIANCE: The Family Farm Alliance (FFA) is a group worth being involved with. They are the best water lobbying group at the federal level and are very active. Dues for annual membership are \$500.00. The board approved joining FFA for 2023.

4. FIELD SUPERVISOR REPORT:

- a. A portion of the Rickard Pipe has been exposed in a landowner's pasture. The section that is exposed is about 8 feet long. The pipe has areas approximately 175 feet in length that are only 3 inches below the surface.
- b. One of three check walls have been completed.
- c. A shot crete patch repair will be required for one of the areas that had failed. That area was the reason we had to shut off early in the fall. It is an expensive fix but the only thing that can be done for this repair. The repair will cost approximately \$9,000.
- d. This month's safety meeting was on eye and face protection in the workplace.

5. OFFICE REPORT:

- a. OWRC Annual Conference: Walt shared that it was valuable experience and encouraged other board members to attend.
  - i. There is grant funding available for an EV side by side with a blade. These can be used for many reasons when the crew is working on the canal.
  - ii. There was a very informative presentation on cloud seeding and snowpack was a major topic.
- b. PAID LEAVE OREGON: Since Arnold employs less than 25 employees, there is no required employer contribution. All employees will bear a 0.6% of gross wage cost for this state program. This cost begins January 1, 2023.
- c. ASSESSMENTS: The 2023 assessments have been mailed out. There are only 2 people that owe assessments for 2022. BLJ has filed liens against those two property owners.

- d. 2023 CHARGES AND COLLECTIONS RESOLUTION: The board approved the 2023 budget at the November board meeting. The resolution which needs to be signed every year is to have approval of our charges for the year and the collection method we have in place. Jon motioned to approve the charges and collections resolution for 2023. Walt seconded his motion. The vote was unanimous in favor. Bob then signed the resolution.
6. OLD BUSINESS: There were not items of old business to be discussed.
7. NEW BUSINESS:
  - a. The District pushes four times the amount of the water to the parcels just North of Knott Rd based on the remaining number of irrigated acres. Under the Remnant Parcel Policy, these parcels are identified as remnant. The water has to be pushed down a long open ditch, through a siphon and across Knott Rd. Steve will communicate with these patrons before the end of next week. All these parcels have access to Roats, Avion or the City of Bend to receive water. Jon motioned to declare these parcels remnant parcels. Bob seconded his motion. The vote was unanimous in favor.
8. OPEN FORUM: Jerry Rudloff said he had questions about the meetings with the landowners along Phase 1 of the piping project, but he said his questions were answered in Steve's report.
9. EXECUTIVE SESSION: At 4:52 pm, Bob called to suspend the regular meeting session and called an executive session to order pursuant to ORS 192.660(2)(h) To consult with your attorney regarding your legal rights and duties in regard to current litigation that is more likely than not to be filed.

At 6:01 pm, Bob called to adjourn the executive session and called the regular meeting back in session.

Steve requested that the January 13<sup>th</sup> board meeting be moved from the 3:00 pm up to the morning since he has to catch a flight to Phoenix for a meeting at noon.

The board agreed that the meeting could be moved to 8:30 am on January 13<sup>th</sup>. The Executive Session will be conducted at the beginning of the meeting.

10. ADJOURNMENT: The meeting adjourned at 6:06 pm.