

Arnold Irrigation District
Monthly Board Meeting

November 14, 2023

The meeting was called to order by Bob Schuur at 3:04 pm. Board members present were Bob Schuur, Walt Warchol, Rob Rastovich, and Roger Fadness. Staff members present were Steve Johnson, Chris Webb, and Juanita Harvey. Also present were Steve Keffer, patron, and Mark Reinecke, the District's attorney.

1. APPROVAL OF OCTOBER BOARD MEETING & STRATEGIC PLANNING SESSION MINUTES: Roger motioned, and Bob seconded his motion to approve both the board meeting minutes and the strategic planning session minutes. The vote was unanimous in favor.

2. APPROVAL OF ACCOUNTS PAYABLE: Walt motioned, and Roger seconded his motion to approve the accounts payable. The vote was unanimous in favor.

3. MANAGER'S REPORT:

a. WATER REPORT:

i. DROUGHT & WATER SUPPLY: Right now, reports are showing that snow and precipitation are good, but things could change.

ii. USB R TEACUP DIAGRAM: Crane Prairie is where it should be and Wickiup is at 51,000 AF which is up substantially from last year same time

The DRIFT model is in development for V.2.0 with improvements for all Districts to use to manage water.

b. FINANCIAL REPORT:

i. MONTHLY FINANCIALS & YEAR END FINANCIAL FORECAST: Cash balances are forecast to be positive for the end of the year. With the flume lining being installed and the radial gate automation being completed, we received our reimbursements for these projects from our LGIP modernization account.

ii. FINAL 2024 BUDGET: All expenses and income are fairly predictable. Avion and City of Bend are looking to purchase 50 acres each of water rights from the District. This will not be as lump sums. Their plan is to exit after several years. An exit fee for 25 of the 100 acres is forecast as revenue this year.

There is no budget for Challenge to Modernization. The \$5.00/acre water protection fee in the assessment will be put towards the balance of expenditures from this past year that greatly exceed the \$20,000 collected for 2023.

For strategic planning sessions, Steve's manager's position will go down to 75% beginning in July. The savings from paying his full salary could go toward hiring an office staff person at \$20/hr for 25 hrs/week plus compensation and to Chris for additional responsibilities.

The board can meet with the DBBC board or sub-committee to discuss the manager's transition and the office manager's duties. Arnold should keep its district board and service area, but duties could possibly be handed over to

someone else. Steve will schedule a meeting in January for Bob and Rob as a succession planning committee.

- 2024 BUDGET – BOARD APPROVAL: Walt motioned, and Rob seconded his motion to approve the 2024 budget. The vote was unanimous in favor.

It is estimated the incoming assessments for 2024 will be approximately \$849,081.

- c. MODERNIZATION PROJECTS: The pipe for the main canal project is being laid in both directions at 1000 feet per week in both directions. The excavation, shaping, and bedding for the piping is nearly complete.

The Estes piping will be completed before year end and will be connected to the main canal pipe before spring 2024.

The diversion gate automation is complete, wired, and ready to test.

Rob asked about piping of other laterals. The strategic plan has seepage testing in 2024 to measure the Brandon, Sundance and Gosney in order to identify the primary areas to pipe or line in order to make cost effective. The lining or piping in identified areas can possibly be funded 50% thru Water Smart grants. Last year, the SWEG grant funded the radial gate. We have measurement of loss for these three laterals from the SIP in 2017 but not for incremental lengths.

If District funds are used for piping, the District has the option to retain the conserved water. If public funds are used, the District has to give up the conserved water.

Rob asked if we decided to pipe at least 500 feet a year, would that be possible. Steve replied that there are different programs that will help with funding, even State programs.

- d. WATER MARKETING: The OWRD has received the ROATS application, and several letters of support were received for this transfer.

Avion's draft agreement has not been finalized but it has been reviewed. Our agreement with Roats is that the costs are shared 50/50.

4. FIELD SUPERVISOR REPORT: 1,200 feet of the flume lining is complete. The District may possibly receive additional liner which can possibly be used to line parts of the Ropp/Billadeau lateral.

Flume repairs are also being made. 10 sections have been replaced and other areas treated for rust. Whatever areas are showing rust are being sealed and caulked for protection. It is the same treatment that is used to prevent rust on grain silos.

The Estes piping area has been grubbed and cleared through Gary English's property. Advanced Underground located all of Gary's pipes within the piping area. 40 to 50 yards of backfill were hauled in. More fill will be required. Three Sisters Irrigation is coming to do the pipe welding on the Estes. We are pushing to have the welding completed by Friday before the snow comes.

There are plans to remove some of the trees at the office. The District saved \$700 by using a tall ladder to clean out the office gutters instead of renting a genie boom.

This month's safety meeting was on winter driving.

5. OFFICE REPORT: Last month Juanita reported that there were 3 accounts which were delinquent. There are actually 4 accounts which remain delinquent for 2024 assessments totaling \$2,903.45. One of these accounts however is 2 years delinquent.

Juanita continues to work on transfers and the office operations manual.

There haven't been any further completions of remnant parcel water.

We had one patron quit claim their water back to the District which was 0.25 acres.

One easement encroachment agreement was recorded, and 1 easement was released and recorded.

6. OLD BUSINESS:

- a. STRATEGIC PLANNING: Bob asked that everyone review the strategic planning notes to date and discussions. Bob will prepare a PowerPoint presentation for the December discussion. Steve and Juanita's job descriptions will be discussed. From Bob's perspective, he feels that the planning should be based on the future as a guidebook for board members and staff members as they change, a road map of sorts.

7. NEW BUSINESS:

- a. REPLACE FRONT-END LOADER: Our front-end loader is a 1996. An oil puddle was found, and it was sent for a service, but it was found that the oil leak was from the hydraulic pump by-passing internally. The repair will cost \$10,000 to \$15,000. For this reason, we are looking into purchasing a new loader. For this reason, we have signed up with Source Well, which provides big savings on equipment purchases for special district entities.

- b. OWRC ANNUAL CONFERENCE NOV 27-28: We have booked an additional room for a board member who would like to attend the conference.

- c. OFFICE CHRISTMAS PARTY: The office Christmas party is scheduled for Thursday, December 14th.

8. OPEN FORUM: There were no new items brought up for discussion.

9. EXECUTIVE SESSION: At 5:00 pm, Bob called to suspend the regular session and called an executive session to order pursuant to ORS 192.660(2)(h) to consult with our attorney regarding our legal rights and duties in regard to current litigation or that is more likely than not to be filed.

10. ADJOURNMENT: At 5:46 pm, Bob called the regular session back to order and called to have the meeting adjourned.