

January 11, 2022

Arnold Irrigation District

Annual Board Meeting  
Board of Equalization  
Monthly Board Meeting

The meeting was called to order by Steve Johnson, District Manager at 3:01 pm. Staff members present were Steve Johnson, Chris Webb, and Juanita Harvey. Board members present were Walt Warchol, Jon Smith, and Rob Rastovich. The fourth board member Bob Schuur and the District's attorney, Mark Reinecke were present via conference phone.

1. ANNUAL MEETING: The annual meeting was called to order by Steve.

A. BOARD ORGANIZATION: Referencing the minutes of the January 12, 2021, meeting as required under ORS 545.181, the Board of Directors agreed to meet this day.

i. As required under ORS 545.181(a), the board shall elect a president and vice-president from their number and appoint a secretary, who shall hold office during the pleasure of the board.

Rob motioned and Walt seconded his motion to elect Bob as president. The vote was unanimous in favor.

Rob motioned and Walt seconded his motion to elect Jon as vice-president. The vote was unanimous in favor.

Rob motioned and Jon seconded his motion to appoint Walt as secretary. The vote was unanimous in favor.

The board member for Zone 4 needed to be appointed. Jon motioned and Walt seconded his motion to appoint Rob for the board member position of Zone 4 to expire at the board meeting in January 2023. The vote was unanimous in favor.

ii. As required under ORS 545.181(b), the board shall establish the time for the regular monthly meetings of the board as required under ORS 545.185. The board agreed that the meetings would continue to be held on the 2<sup>nd</sup> Tuesday of each month at 3:00 pm.

- iii. As required under ORS 545.181©, the board shall establish, by resolution, the date of the next annual organizational meeting of the district. The board agreed that the next annual meeting will be held on January 10, 2023.
  - iv. Also as required under ORS 545.181(d), the board shall establish the date the board shall meet as a board of equalization under ORS 545.418. The board agreed that the next board of equalization will also be held on January 10, 2023.
2. BOARD OF EQUALIZATION AND MONTHLY BOARD MEETING: At this time, the annual meeting was adjourned, and the board of equalization was called to order. The board of equalization is scheduled so the board may hear from any patrons present to discuss the assessment roll. If no patrons are present for matters regarding the board of equalization, the monthly meeting will be called to order. The Board of Equalization and the monthly meeting will run concurrently. If any patrons arrive during the course of the monthly meeting, the president will suspend the monthly meeting, calling the Board of Equalization back in session to deal with matter regarding assessments prior to continuing with the monthly board meeting.

No patrons were present were present to discuss the assessment roll. At 3:14 pm, Bob left the meeting which he was attending via conference phone. Jon Smith, Vice-President will run the meeting from this point on for the remainder of the meeting.

3. APPROVAL OF DECEMBER 2021 BOARD MEETING MINUTES: Walt motioned, and Jon seconded his motion to approve the minutes. The vote was unanimous in favor.
4. APPROVAL OF ACCOUNTS PAYABLE: Before the meeting adjourned at the end of the evening, Walt motioned, and Jon seconded his motion to approve the accounts payable. The vote was unanimous in favor.
5. MANAGER REPORT:
- A. WATER REPORT/STORAGE: Wickiup is filled to 66,409 AF and is is filling concurrently with Crane Prairie which is at 43,717 AF. The maximum Crane Prairie can fill is 48,000 AF at which time the extra water will be spilled into Wickiup.
- The snow/water equivalent as of 1/10/2022 is at 126% of 30 year average
- B. FINANCIALS AND CASH BALANCES: The preliminary year-end Net Income is at \$71K vs a budgeted \$41K. Actual Year-End Financials will not be available until the February Board meeting so there could be some changes, but overall still expecting a favorable Profit figure to budget.

Part of the HCP (Habitat Conservation Plan) are the conservation measures which each district must contribute to. Our portion is \$5,331.

- C. SDAO INSURANCE RENEWAL: The District's property and liability insurance was renewed. We are receiving a longevity credit later in the year. The property coverage was increased from \$970,000 to \$1,125,000 to increase overall coverage for the office, the rental house, and garage due to valuation increase of building construction costs.
  
- D. OREGON LEGISLATURE – SPECIAL SESSION DROUGHT PACKAGE: The drought relief package will be voted on in the upcoming short-session for relief funds to go to bureau projects.
  
- E. MODERNIZATION PROJECTS:
  - i. GOAT FARM LATERAL: The District has their first meeting scheduled with the contractor on the 14<sup>th</sup> of January. They estimate the project to take about 2 weeks beginning at the end of January into the beginning of February.
  
  - ii. MAIN CANAL – FRAMEWORK, GRANT SOURCES AND STATUS: The preliminary draft of grant sources has been provided. Our match is currently estimated at \$7.8 million down from \$14 million.
  
  - iii. LUNDY LATERAL PROJECT: The Lundy lateral is a private ditch with high seepage loss. The DSWCD (Deschutes Soil Water Conservation District) completed the feasibility study for the piping project in coordination with the patrons and are interested in moving forward with the project. Evaluations of water loss and costs are still needed at this point.
  
- F. WATER BANK UPDATE: The proposed COID-NUID pilot water transfer was explained by Steve. Steve reported that it does not make sense for AID to participate because if NUID (North Unit Irrigation District) is short of water, AID will also be short, but is in favor of trying the pilot to potentially develop more mechanisms to move water in shortages and we can take a wait and see perspective.

Rob questioned whether AID could potentially participate in the same arrangement as NUID and COID where AID could purchase water from COID in the future. Steve will express that request thru the DBBC and obtain an update on the amount of COID acres volunteering to transfer. Steve noted that we are in other water bank type conversations with Avionand Roats, and likely with the City of Bend.

- G. OWRC BOARD: Steve informed the board that he is now a board member of the OWRC (Oregon Water Resources Congress) representing the Deschutes districts.

6. FIELD SUPERVISOR REPORT: Chris reported that there have been many snow days and much of the maintenance work could not be completed on those days, so the crew spent that time with snow removal.

A new large main canal delivery was completed. There is no guarantee it will work because the previous owners had the pipe installed before the sale of the property to the new owners and the crew was working to make the delivery match to the already installed pipe. Usually, we build the delivery and then the property owners install and connect the pipe after the delivery is complete. An invoice was mailed to the previous owners who had an agreement with the current owners that they would pay for the construction of the new delivery. They are not happy about the cost of the project but the District did not have a choice to invoice them as we did since the price of materials has gone up tremendously.

The crew has held two safety meetings. The first topic was winter driving, and the other was distracted driving.

The crew cleaned out the Avion pond weir basin, and the Rastovich lateral.

A weir on the Rickard pipe was replaced with a new one. The old weir was totally rusted and almost non-functioning. All the weirs on the Rickard Pipe are in the same condition and will eventually need replacing.

The transfer boxes on the roach were cleaned out.

The crew is running into easement encroachments on a regular basis. We will work with Garrett Chrostek at BLJ (Bryant, Lovlien & Jarvis) to prepare an easement encroachment template.

The buyers at the Horse Butte Equestrian Center will be working with AID and Black Rock Engineering to remove the existing bridge that crosses our Brandon Lateral on their property, and re-build the bridge to District specifications.

Walt had previously spoken with Chris and Steve to check the possibility of purchasing products that could be used as a sealant in the flume on the seams. Chris reported that he looked into various products, but all the products were found to be unsafe for the delivery of water and especially to animals. Chris and the crew have applied two different sealants and will monitor their performance during the March stock water run and thru the upcoming irrigation season.

7. OFFICE REPORT: Juanita reported that to date we have received \$102,838 in assessments.
  - A. RESOLUTION FOR 2022 CHARGES & COLLECTIONS POLICY: The budget was approved in November 2021 but the resolution for the charges and collections policy had not been approved. Rob motioned and Walt seconded his motion to approve the

policy for the 2022 year pending final review of the policy. The vote was unanimous in favor.

- B. PATRON SURVEY: We have been collaborating with Stingray Communications on preparing the survey through Survey Monkey. The survey was sent to the board for them to review prior to the meeting.

We would have the patrons rate the topics on the survey based on their level of interest and what they would like to hear more about from the staff and board. The topics we will list will be Modernization (e.g. piping), HCP, Easements for canals and maintenance, Water flows and management in the Deschutes Basin, Water Rights (transfers, purchase and selling water and beneficial use).

The board commented that they thought we could delete the Deschutes River flows, expand further on the description of "modernization," expand further on the HCP as to what is included in the HCP such as the OSF (Oregon Spotted Frog) and Bull Trout.

Jon noted that we should specify immediately at the beginning of the survey that it is a quick four question survey. He felt more people would be more likely to do the survey if they knew it was short.

We would put a deadline on the survey of January 21<sup>st</sup> and get result from Stingray the following Monday. We expect to have a report of all responses for the February Board meeting.

- C. TRANSFERS AND AUDIT: The transfers and audit are keeping Juanita busy as well.

8. OLD BUSINESS:

- A. REMNANT PARCEL ON THE NORTH LATERAL DRAFT NOTICE: There are eleven parcels on the North Lateral which are considered remnant parcels. It has been extremely difficult to deliver water to these patrons because of the increased amount of construction and growth within our District within the UGB. In this area of the North Lateral, it takes 196 acres of water to deliver 9.93 acres of water rights to these eleven patrons. Per the existing Remnant Parcel Policy, the District will buy the water rights, remove AID easements if applicable, and refund and 2022 assessments paid. Steve will prepare a letter summarizing the situation and mail out next week pending attorney review..

9. NEW BUSINESS: There were no items of new business items to discuss.

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

11. ADJOURNMENT: The meeting adjourned at 5:54 pm.

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