

Arnold Irrigation District

Monthly Board Meeting

May 9, 2023

The meeting was called to order by Bob Schuur at 3:02 pm. Board members present were Bob Schuur, Walt Warchol, and Jon Smith. Roger Fadness and Rob Rastovich arrived at 3:13 pm. Office staff members present were Steve Johnson, Chris Webb, and Juanita Harvey. Also present were the District's attorney Mark Reinecke, patrons Jerry Rudloff, and Mike Penhollow, Todd Peplin from the DSWCD (Deschutes Soil and Water Conservation District) and Deb Rudloff via zoom.

1. APPROVAL OF APRIL BOARD MEETING MINUTES: Bob motioned, and Jon seconded his motion to approve the April 2023 board meeting 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: The snowpack is above average but not getting much of a natural flow kick up to last year. It is still too early to tell how the remainder of the irrigation season will play out.

We are in a drought but not as severe at D-2 vs D-4. It is still considered severe to moderate. NOAA indicates the next two months to probably be below average precipitation but slightly above average temperatures.

Ochoco – Prineville are in an emergency release mode. Crane Prairie is full and Wickiup is 20,000 AF higher from last year. Crescent is gaining but is less than ½ of what they had in May of 2021 and 2022. The Little Deschutes is over what it was last year, and Benham Fall is only at 94%.

We are delivering water at 4.5 gpm above last year with less water with the remnant parcels gone and repairs made in the system.

- ii. DBBC FORECAST TOOL UPDATE – DriFT DEMO: DRiFT is not yet fully accessible but will be once a couple more revisions are made which possibly could be at the end of May.

- b. FINANCIAL REPORT: Budget year to date is off by \$60,000 due to the timing of the payment for the insurance liability coverage premium and legal expenses associated with the Save Arnold Canal lawsuit. All other line items meet or are better than expected year to date.

The LGIP is paying interest at 4.05% which will gradually help our budget.

Steve and Candice have put together a method to track project costs in the chart of accounts. Steve will show the board members at another time the chart of accounts and how the project costs are being tracked.

c. MODERNIZATION PROJECT:

- i. MAIN CANAL PROJECT: A tour of the pipe manufacturing at KrahUSA will be scheduled with David Prull and Steve for early June. They will be inspecting the pipe while the board is on the facility tour.

Four change orders have been made to straighten out some of the sharp turns and broad sweeping curves in the canal. These changes will help with transporting the pipe into the construction site as well as bringing in the equipment.

- FUNDING UPDATE: The price adjustment for funding for Phase 2 has been approved.
- The District has applied for \$2.9 million from the OWRD grant program and \$250,000 from OWEB for Phase 2 match funding. A \$3 million request for Congressionally Directed Services through Senator Merkley's office was submitted.
- The District has requested \$390,000 of NRCS Technical Assistance funds for Combined Phases 3 & 4.
- The preliminary drawings for Phase 2 will be ready in about two weeks and will hopefully have approval by NRCS in the fall.

- ii. DIVERSION GATE AUTOMATION & WATER MEASUREMENT: NEPA work by the Bureau of Reclamation is now complete with their portion of approvals for the project. We are waiting on Reclamation to complete their portion. We are 45 days away from initiating work for automating the diversion gate.

- iii. TODD PEPLIN – LUNDY LATERAL: Todd was present to give an update on the Lundy lateral piping project. He stated that there is a possibility to receive funding from Reclamation for the Lundy project. The project has been

approved but the grant has to be approved before they can move forward and may take up to a year or more for final authorization from Reclamation.

- d. AVION WATER LLC – SOMERSET & ARROWHEAD SUBDIVISIONS + 6: A meeting has been scheduled for May 18, 2023, at Rob Rastovich's property for the patrons of the Somerset and Arrowhead subdivisions + 6 additional patrons with Avion and AID.

AID does not have an irrigation water delivery obligation for this year or into the foreseeable future to these patrons.

- e. ROATS WATER COMPANY – BILL ROATS:

- i. GROUNDWATER PATRON AGREEMENT: Steve, Gen, Bill, and Garrett Chroshtek from BLJ worked together on the groundwater patron agreement. Roats Water Company has a 347-acre quasi-municipal water right which is diverted from the river through AID's system to "Hole 10" and Roats pumps this water through their system and delivers the water to various subdivisions.

The groundwater patron agreement allows for stability of the water supply to these subdivisions, water will be conserved all the while being a cashless transaction. The conserved water is protected, and it is placed instream.

The Groundwater Patron Policy was approved by the board and a template agreement was drafted.

The 347 acres of quasi-municipal water is not mapped to any specific areas. It can be applied beneficially to any area with the quasi-municipal boundary.

Roats and AID will jointly apply for this transfer to the OWRD (Oregon Water Resources Department). This transfer converts surface water rights to ground water mitigation credits and once the permit is issued by the OWRD, mitigation credits will be issued by the State to Roats and AID.

Roats already holds a permit, and they require 594 mitigation credits to fulfill the permit. Any excess credits after the transfer will be held in reserve by Roats and AID 50/50.

Roats will pay the yearly assessment as in the past. AID will only receive increases in assessment when Roats receives PUC approved irrigation water rate increases, not when AID increases their assessments. Roats is regulated by the PUC and AID is regulated by the board and State statutes.

Rob motioned and Walt seconded his motion to approve the Groundwater Patron Agreement with Roats and that approval is given to the District Manager to sign this agreement on behalf of the District. The vote was unanimous in favor.

f. LEGISLATIVE UPDATE

- a. HB 3164 and HB 3365 are the primary bills of interest in the Oregon Legislature at this point pending any movement due to the Oregon Senate not able to convene.
 - i. HB 3164 provides for state wide water conservation and efficiency projects of \$70 million and other investments for water management. The State's revenue forecast for the biennium has come in slightly above projections so funding is looking favorable.
 - ii. HB 3365 provides for some flexibility on transferring water rights between irrigation districts in the Deschutes Basin only. There has been some friction with this bill but negotiations are ongoing and looking somewhat promising on getting consensus.

4. FIELD SUPERVISOR'S REPORT: There hasn't been much maintenance since the irrigation season started back up.

On March 23rd, the team began the prep for startup. Once the canals were dry, the canals were cleaned as best possible with 30 truck loads of debris removed.

The fish screens were serviced. All check boards in the canals were removed and the siphon screens were opened.

Start up was slow at 30 cfs and then increased to 40 cfs.

A safety meeting was held with the subject being back injury and property lifting techniques.

Last fall there were a couple of seeps in DRW, and along the Pape property from the Main canal. Those areas were shot-creted and they seem to be doing well.

Steve and Chris have been looking into various options to help with the modernization of the flume. Geo-Form has a product which can be used to seal the flume. Chris and Steve proposed lining a hard to access 1300-foot section of flume this coming winter. AID has received a quote for the material, a remote-control pull cart that is needed to move the material into the flume and an auto-welder and hand welder to be provided by the company.

Bureau of Reclamation has not yet issued a grant opportunity to pursue for this type of project and are recommending to proceed with the 1,300' this winter and apply for the grant for the remaining 6,000'.

The AID team can do the first part without any problem. Each year there is a large sum of money being spent on purchasing and replacing the sheet metal flume sections because of the corrosion issues with the galvanized metal. It is important that the District act on this project at their earliest convenience.

Walt Warchol expressed some concern on the amount of weight the auto-pull cart and rolls of material. Chris and Steve agreed to look at options to reduce the amount of weight for the process.

This discussion will be tabled until the June meeting at which time a request will be made to the board for approval to move forward with starting this project this winter.

5. OFFICE REPORT:

- a. ASSESSMENTS: To date we have received \$835,090.
- b. TRANSFERS: Juanita continues to work on the transfers with the hope to get most of them completed by the end of the year.
- c. REMNANT PARCELS: One patron quitclaimed their water back to the District (1.15 ac.). We received water back from two more remnant parcels amounting to 8.30 acres. We are waiting on three more from the North of Knott Rd group.
- d. EASEMENT RELEASES AND ENCROACHMENTS: There are 3 easement releases waiting to be completed and to receive payment for.
- e. EMERGENCY CALL FEE: A request was made to the board to add a \$75.00 emergency call fee to the fee schedule. This fee is referred to in the handbook but there is no fee noted in the fee schedule. This fee is to be applied to patron's accounts when they call after hours, and the call is truly not an emergency. The only thing that constitutes an emergency is "loss of life or damage or loss of property". Bob motioned and Rob seconded his motion to add the fee for emergency services to the fee schedule. The vote was unanimous in favor.
- f. AVION PATRON CONSENTS FOR JOINT MEETING: Juanita is working on completing the patrons consent affidavits for the patrons from the Arrowhead and Somerset subdivisions + 6.

6. OLD BUSINESS:

- a. STRATEGIC PLANNING DISCUSSION: The Strategic Committee has prepared an outline and will distribute to the board for discussion. This discussion could be a 2-to-3-hour special meeting or starting in June, the board and staff could gather 1 hour early before the regular meeting for possibly the next 3 meetings. The board felt it would be best to meet for 1 hour prior to the regular board meeting for as many meetings as necessary.

7. NEW BUISNESS:

- a. SDIS HEALTH BENEFITS RENEWAL PROPOSAL: Steve looked into the HSA option further and found that it isn't a viable solution for the District employees. Each employee would only be allowed to have one insurance provider.

The various options were discussed, and it was determined that the money the District saved on premiums by going with a higher deductible plan can be used to reimburse employees if they hit the deductible limit, as is current policy. Bob motioned, and Jon seconded his motion to go with the PPOVII plan with a \$2,500 deductible and increasing the reimbursable deductible threshold by the District to the employee to \$2,500/employee or \$5,000/employee & family. The vote was unanimous in favor.

- b. SCHEDULE TOUR OF KrahUSA FACILITY: Steve and David Prull will be visiting the site and whichever board members can attend on June 2, 2023.

8. OPEN FORUM: Jerry Rudloff inquired if there would be the same problems with the installation of the AID pipe as the problems which occurred at TID and is there anything that can be done to prevent that.

At this time all non-board members and non-staff left the meeting.

9. EXECUTIVE SESSION: At 5:48 pm, Bob called to suspend the regular meeting session and called to order the Executive Session pursuant to ORS 192.660(2)(h) to consult with your attorney regarding legal rights and duties in regard to current litigation that is more likely than not to be filed. At 6:17, pm, Bob the Executive Session was adjourned, and the regular meeting session was called back to order.

10. ADJOURNMENT: At 6:17 pm, the monthly meeting as adjourned.

