

Arnold Irrigation District
Monthly Board Meeting

August 9, 2022

The meeting was called to order by Bob Schuur at 3:00 pm. Board members present were Bob Schuur, Walt Warchol, Jon Smith, and Rob Rastovich. Staff members present were Steve Johnson, Chris Webb, and Juanita Harvey. Also present was the District's attorney Mark Reinecke, patrons Scott Nyden, Mike Callon, and Jerry Rudloff via conference phone, and non-patron Geoff Reynolds.

1. APPROVAL OF JULY BOARD MEETING MINUTES: Jon motioned, and Rob seconded his motion to approve the July meeting 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'S REPORT:

A. WATER REPORT/STORAGE: Crane Prairie is at 37,870 AF and is maintaining since July 15th per the HCP. AID has a starting storage account of 5,000 acre feet but nets to approximately 3,750 AF at the diversion point.

Wickiup releases have been managed better this year. Districts are coordinating daily and meet bi-weekly in discussions regarding water management for the remaining portion of the irrigation season.

There has been no precipitation for the last month until today.

There is more natural flow than last year but senior Districts are diverting 11% more this year. There is a high likelihood there may be available natural flow to restart the season before October 1.

B. FINANCIALS AND CASH REPORT: The financials are accounting statements and do not reflect exact cash balances so additional items need to be added to reflect actual cashflow. The financials will have an additional section to reflect cash basis. There was discussion over setting an operating reserve and District capacity to provide.

Steve looked into a \$100,000 line of credit at First Interstate Bank (FIB) to have available in case of an emergency so we wouldn't be caught by surprise without any funding if we needed it. Our numbers are fairly predictable but changes such as the additional \$10,000 needed to purchase a new truck is something we did not budget for. We did save money on the purchase of the flume parts so that helped.

Jon asked if we were in a position to put money away into a savings account. Steve replied that was a good idea and that is something we should look into for the beginning of the year.

There was discussion on using some of the modernization fund as a reserve and it was confirmed those funds can only be used for modernization activity. If the Board would want to change that would have to be going forward with notice to patrons in the upcoming assessment for 2023.

A motion would be required to approve the line of credit and the Budget Committee will be meeting to go over the 2022 yearend and will discuss in further detail. The board decided to wait one more month for a decision.

A. MODERNIZATION PROJECTS:

i. MAIN CANAL PROJECT:

- UPDATE ON WATERSHED PLAN – EA: The FONSI was issued by the NRCS on August 8th. A press release has been prepared by FCA and NRCS and will be sent out. The Watershed Plan agreement between NRCS, AID and DBBC was signed this morning. The Final Plan EA is being sent to D.C. this afternoon. NRCS must wait 30 days from the FONSI release before proceeding to authorization which is anticipated to become final in 30-45 days. No construction can commence and no NRCS construction funds are available for use until the authorization is finalized.
- FUNDING UPDATE: October 9th would be 60 days and hopefully we will have approval by then and can go out for bids. The matching funds are pretty much in place.

OWEB announced a drought grant program for irrigation districts with an application deadline of September 29. There is \$1.55 million in funding available with a \$750,000 cap for a project. These funds are required to be spent before June 2023 so a project has to be shovel ready in order to qualify. The District will be applying.

The OWRD grant was not granted since the WMCP (Water Management Conservation Plan) had expired and needed to be updated. The WMCP has since been updated and final ordered in July. There are funds available which haven't been allocated to any entities. Steve has written a letter to the Oregon Water Resources

Commission requesting an opportunity for a 2nd submittal of a grant application.

- ii. PATRON COMMUNICATION: Steve has been working with Stingray Marketing to get information ready for our patrons. They have prepared a flyer, and FAQ's and these will be posted to the website and handed out to patrons as part of the modernization update.

Items that will be posted are the press release, a graphic about the project, FAQ's about the modernization project.

Jon gave a special thanks for the materials provided stating that they were prepared and made available at the perfect time.

B. WATER MARKETING:

- i. ROATS WATER COMPANY: Steve will be working with Casey and Michelle on the next step. Steve will send a copy of the groundwater patron policy and ground water patron agreement to them. Once the agreement has been finalized an application to OWRD will be submitted. Generally approvals will take 6-9 months before ordered. This will be a surface water swap for ground water and as such will have a small deduction to the District water rights certificate.
- ii. AVION PILOT PROJECT UPDATE: Steve gave a brief update of where Avion was with the pilot project.

Mike Callon asked if their water (Avion patrons) was going to be converted to groundwater instead of river water. It was explained that the water would no longer be appurtenant to the land and converted to ground water credits in exchange for water to be delivered by Avion and not subject to river flows and turn off as with surface water.

Scott Nyden and Mike Callon voiced their concerns about the pilot project and how this project was being handled. They had many questions and felt as they were being abandoned by Arnold. They also asked what the ultimate benefit to Arnold would be.

Chris stated that there is water loss in the canal, particularly so because of the length of the ditch to get water to the Avion pond. In addition, the pond is not lined and losses water. These are big problems that will be alleviated with water being delivered through Avion.

Steve felt that it was in the best interest of the Avion patrons to wait a little longer until all patrons have been connected to the new system and it has been running for awhile in that manner to make any further judgements.

Rob offered to meet with the Avion Arrowhead/Somerset subdivision patrons sometime in September. He would like to hear everyone's concerns, communicate with them and get some factual information to them regarding mitigation and the promise of water delivery.

Scott and Mike left the meeting at 5:13 pm.

C. AUGUST 8, 2022 – KLAMATH OSU EXTENSION SERVICES SESSIONS: There will be an on-farm session which 20 people have signed up for and an in-office session which 14 people have signed up for. They will go over drought crops and irrigation management. After the session, the materials provided will be posted to the website.

4. FIELD SUPERVISOR'S REPORT:

A. MAIN CANAL REPAIRS:

- The inmate crew worked on the driveable parts of the canal clearing out brush and on the footings of the flume. They dug out all the dirt from around the footings and cleared a significant amount of brush and undergrowth to reduce fire risk.
- There is an active seepage thru the Main Canal bank impacting a few back yards with standing water. It was and is being documented. A fix was implemented a few years ago but there now seems to be a larger problem. Water is seeping under a property owner's porch and deck. The crew is monitoring the situation but shotcrete will be sprayed in that area of the main canal.

B. MAINTENANCE PROJECTS:

- The crew is experimenting with various sealants on the metal sheets of the flume to reduce rusting and avoid failure and cost of replacement. We have to keep the condition of the flume up as best we can for the time being.
- The July safety meeting was regarding heat safety.
- At the headworks there is no railing. SDAO has opened a safety grant opportunity and the District has applied.

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5. OFFICE REPORT:

- A. ASSESSMENT COLLECTION STATUS: There are still 7 patrons delinquent on their assessments.
- B. REMAINING NORTH LATERAL REMNANT PARCELS: Two more patrons have completed the remnant parcel process. The Rains requested that their own attorney draw up a Bargain and Sale Deed for the return of their water right to the District and also the Release of Easement on their property. They will be paying for the Release of Easement to the District.
- C. EASEMENT RELEASES: Two people have requested and complete the easement release process.
- D. EASEMENT ENCROACHMENTS: Juanita is currently working on 3 easement encroachment agreement documents.
- E. WATER RIGHT TRANSFERS: One set of water transfers is almost complete. There are probably going to be 3 or 4 more transfers before they are all complete and submitted.

6. OLD BUSINESS:

- A. GROUND WATER PATRON POLICY – AMENDED RESOLUTION 2022-01: The policy with changes made by Garrett Chrostek from BLJ which was provided to the board and signed by Bob Schuur at the meeting. The approval for the amended policy was made at the July board meeting.
- B. GROUND WATER PATRON AGREEMENT: The agreement states that patron, C.O.B., Avion, Roats, would swapping surface water for ground water mitigation credits and the conditions.

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

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

9. ADJOURNMENT: The meeting adjourned at 6:18 pm.