

April 12, 2022

Arnold Irrigation District
Monthly Board Meeting

The meeting was called to order by Bob Schuur at 3:02 pm. Board members present were Bob Schuur, Walt Warchol, and Jon Smith. Staff members present were Steve Johnson, Chris Webb, and Juanita Harvey. The District's attorney, Mark Reinecke was also present along with District patrons Steve Keffer, Mark Elling, Mike Penhollow, Randy Fenimore, Gary Bishop, Vern Bishop, Chuck Fisher, and Mike Pati via conference phone on behalf of Pape Properties, and non-patron Geoff Reynolds.

1. APPROVAL OF MARCH 8 AND MARCH 29, 2022, MEETING MINUTES: Jon motioned, and Bob seconded his motion to approve minutes from both meetings. The vote was unanimous in favor.
2. APPROVAL OF ACCOUNTS PAYABLE: Walt motioned, and Bob seconded his motion to approve the accounts payable. The vote was unanimous in favor.
3. MANAGER'S REPORT:

- A. WATER REPORT/STORAGE: Arnold began the irrigation season on April 3, which is two weeks earlier than normal to capture available natural flow and charge the system.

Based on the water report of the last 30 days, water levels are at 12 to 15% below last year. Crane Prairie Reservoir is at 47,000 AF. Crescent is extremely low. The water levels at Crane Prairie have to be maintained near 48,000 AF until July 15th. Water flow conditions are below normal.

Steve Keffer asked if we could forecast beyond July. Steve Johnson said we could not. Reporting of water flows and storage is updated and improved with the DBBC putting together a forecast tool to daily monitor natural flow availability to all Districts diverting off the Deschutes. In addition, the storage reports will be ready every 2 weeks rather than once per month. This will provide better data for planning purposes and projecting Arnold's available supply of water. Current forecast for the irrigation season is end of June.

- B. FINANCIALS & CASH BALANCES: The preliminary financials are within budget through March 2022 at 24.61% of the budget. The Board would still like to work with Local Ledgers on a monthly budget year to date. The funds borrowed from the LGIP Operations for the Goat Farm laterals were put back into the LGIP Operating account and it is back up to its previous balance.

C. MODERNIZATION PROJECTS:

- i. DIVERSION AUTOMATION: Steve is working on a BOR (Bureau of Reclamation) Water Smart Grant for remote operations of the main head gate at the river. It is especially difficult to adjust the gate especially with weather conditions and the time lapse. There is always a concern of where the water is going to go and how fast. Having remote gate access would improve the safety factor. The drawings are already complete, and a portion of the work has already been completed. We will determine what we can do for in-kind for our portion of the grant funding.

- ii. MAIN CANAL PROJECT: All the public comments have been addressed. FCA (Farmer's Conservation Alliance) has been working closely with the District on the project. They have compiled all of the comments with maintaining an open canal and tree death the most frequently expressed concerns. The package is being prepared to be sent to the NRCS (Natural Resources Conservation Service) in D.C. for their review and approval. We are expecting NRCS approval and a FONSI (Finding of No Significant Impact) in the September/October timeframe.

The survey is complete on Phase 1. The staff and engineers walked the entire Phase 1 and confirmed identification of all crossings, power lines, bridges, and large trees in the canal road.

We are currently in the process of applying for non-federal matching funds.

Bob Schuur and Steve Johnson met with patron, Mark Elling and representatives for the Pape Properties, Chuck Fisher, and Mike Pati.

The board asked Mike Pati to state his concerns. Mike stated that they understood the problems the district is facing. They felt that now was the time to discuss their concerns and come to a solution that would be different from piping. Their ask is that they believe there is something different that could be done. For example, water storage and lining vs. piping. They are requesting a formal working session. There were no additional comments from any of the other attendees.

Jon asked what the driving force for each property owner's desire for one type of canal vs. another. Jon felt that their points were non-specific and asked what Pape's concerns were in particular.

Mike Pati stated that they felt that the property owners are being overlooked and feels that they are not contributing to the process. They do not feel that FCA and the NRCS have responded and allowed them to engage. They are

asking for a new process, and they believe there is still time to make a change to the plan. They believe there needs to be dialogue with the property owners.

Chuck Fisher asked what is the plan past piping but have no water and no reservoir. He felt we needed storage such as a new reservoir. Chuck emphasis was that we did not have storage.

Mark Elling stated that he did not believe that the savings of water from piping was going to benefit Arnold but instead would benefit NUID (North Unit Irrigation District). Steve responded that Arnold benefits first by conserving water and being able to operate with less water diverted from the river, and then the amount of conserved water Arnold saves and no longer needs is then provided to NUID with subsequent benefit to increased winter releases from Wickiup Reservoir.

Bob called an end to the conversation and stated the board would think over and digest their comments. Mike Pati exited the meeting at 4:30 pm.

Vern Bishop stated that people with wells who live along the canal have no relevance or are not pertinent to the District's piping.

D. STAFF REVIEWS UPDATE: The staff reviews have all been completed so based on the checklist from SDAO (Special Districts Association of Oregon), we will receive a green check for that area of our review. The District Manager and the Office Manager will receive reviews once a year and the Field Supervisor and the Ditch Riders will receive reviews two times a year.

4. FIELD SUPERVISOR'S REPORT:

A. MAINTENANCE PROJECTS: Chris reported that gates and fences which were built along our easements and excess foliage were removed. This made more of our ditches drivable particularly on the Rastovich.

A re-occurring sink hole was repaired by adding four yards of compactable material and was compacted in layers. A large tree fell into the main canal and delayed ramping up water supply for two days was removed. A culvert on the Sundance was repaired, and office yard maintenance was completed. At the Horse Butte Farms property two bridges were removed off the Brandon Lateral, and a piped crossing was installed per District standards at the owner's expense.

B. GOAT FARM LATERAL PIPING PROJECT: The Goat Farm lateral piping project was completed, and they found that during the stock run the District was saving 50% of what the District was sending previously down that lateral.

C. MARCH STOCK RUN: The stock run went well. There was much debris to be removed and flows in the river were extremely low, but the goal was to get ponds filled.

5. OFFICE REPORT:

A. ASSESSMENTS RECEIVED: Most assessments have been received. At the end of April interest will be added to unpaid balances on patron's accounts and statements will go out in the mail.

B. HEALTH BENEFITS RENEWAL: Steve went over the health insurance renewal rates. Medical & Prescription is being increased by 4.9%, Dental is going up 4.5% with no increase to Accidental Death & Dismemberment coverage. The total coverage will go up from \$104,000 to \$109,000 with no changes to our policy. If we modify the deductible from \$1,000 to \$2,000 per covered individual the District can save \$9,000 on the renewal. Arnold currently reimburses the deductible to its employees so Steve recommended that we increase the health reimbursement deductible from \$1,000 to \$2,000. There was further discussion of the amount of reimbursement.

A motion was made by Walt to approve the change the previous health reimbursement resolution from \$1,000 to \$2,000 per individual and \$4,000 deductible reimbursement per family and to change the statute stated in the previous resolution to the correct statute for irrigation districts. Jon seconded Walt's motion. The vote was unanimous in favor. Resolution #2022-003 will be corrected and submitted to Bob Schuur for signature.

Mike Penhollow asked about the Penhollow water delivery which is 1500 feet further down from the Ropp/Billadeau lateral headgate. He wanted to make sure the ditch riders checked the Penhollow headgate.

Gary Bishop, Vern Bishop, and Mike Penhollow left the meeting at 5:00 pm.

6. OLD BUSINESS:

A. REMNANT PARCELS – NORTH LATERAL: Five of twelve quitclaims have been completed. Seven are still outstanding and will be sent letters to reiterate we will not be delivering water to them and are no longer patrons of the District.

The entire North lateral has a significant loss problem. The SIP (System Improvement Plan) showed the North lateral to have a 72% rate of water loss. Delivering the water for Tillicum Village via Roats Water on the main canal removed over 100 acres of water from the North Lateral and identified that over 7 cfs would be

needed to deliver to the approximately 30 remaining acres of water remaining. 7 cfs of water is equivalent to delivering 630 acres of water. This is a tremendous waste of water and far beyond the normally expected rate of seepage loss and the District can no longer service those deliveries. All of these deliveries are inside the UGB and surrounded by development. It is not practical or affordable to pipe the North Lateral as an alternative. The Board felt that the sooner we take care of these issues the better because we cannot deliver the water. These deliveries were declared Remnant Parcels.

Per the Remnant Parcel policy, the District will purchase patron's water back at \$750 per whole acre and return their paid 2022 assessments. The District will also waive the document preparation and recording fee.

Walt motioned and Jon seconded his motion to declare everyone on the North Lateral to include Mayfield's and north as remnant parcels. The vote was unanimous in favor.

7. NEW BUSINESS:

A. EASEMENT VALUATION FORMULA AND PROCESS: The current easement abandonment fee we have in place on the fee schedule is \$500.00 per parcel if below an acre in size, and \$4 per linear foot of easement for parcels in excess of one whole acre. Steve recommended to change the fee to one based on the easement's total square footage on a parcel and the fee based on the higher of the Deschutes County's DIAL Real Market Value, or latest recorded property purchase price plus \$325.00 for the document and recording. Steve also recommended changing the document title from "Easement Abandonment" to "Easement Release." Bob agreed that the fee changes should be adopted. Jon motioned to adopt the fee changes and Walt seconded his motion. The vote was unanimous in favor.

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

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

ARNOLD IRRIGATION DISTRICT
