

August 10, 2021

Arnold Irrigation District
Monthly Board Meeting

The meeting was called to order by Bob Schuur at 3:05 pm. Board members present were Bob Schuur, Walt Warchol, and Rob Rastovich. Office staff members present were Colin Wills, Matt Maurer, and Juanita Harvey. Also present was the district's attorney, Mark Reinecke, Gen Hubert from the DRC (Deschutes River Conservancy), Casey Roats from Roats Water Company, Adam Jackson from Avion Water Company, Steve Johnson and Raija Bushnell and Margie Hoffmann both from the FCA (Farmer's Conservation Alliance) via Zoom. Several patrons and non-patrons were also present.

1. FCA (FARMER'S CONSERVATION ALLIANCE): Raija spoke about the timeline which was passed out to all present. We are in Stage 6 of the plan where public comments are addressed. Comments submitted are helpful to shape the plan and all comments will be included in the final EA (Environmental Assessment).

A FONSI (Finding of No Significant Impact) will be issued for another public review period. (A FONSI is a document that explains the reasons why an action will not have a significant effect on the human environment.)

Mark Elling patron in Zone 2 spoke. He felt the 1st time comments were submitted; they weren't taken seriously. He asked when the final EA would be available and published and asked if comments and responses would be included.

Raija answered that the NRCS (Natural Resources Conservation Service) will make the determination when the final EA will be released.

Mark felt that the function of the board was to consider an alternative action other than piping.

Rob Rastovich answered Mark's statement saying that the district has been trying to find viable options for the last 100 years. All options/costs are being considered.

Mark stated that in the draft EA canal lining was listed as double the cost of what it really was. He believes there are other ways other than pipe. He feels that some areas of the lined canal are in good shape but are not being considered. He also stated that he felt the plan was not being honest about lining and shot-crete.

Colin answered to his comment about the lining experimental project which was conducted many years ago.

Mark stated once again that he felt that in the first round of comments which were submitted, his comments were not considered, and he believes that it is happening again. He would like the board to stop the plan in it's tracks and consider other options before we move ahead with piping.

Mark also felt that increasing assessments was a good idea to cover legal expenses which may arise.

Rob answered to Mark's statement that whether the district did or did not pipe, there will always be a need for defense and legal fees.

Rob then invited everyone to attend the "Support Central Oregon Agriculture" meeting on Tuesday, August 17, 2021, at the Deschutes County Fairgrounds. Patrons from North Unit, Arnold and Tumalo will be in attendance to discuss and gather information to discuss change in legislation considering water problem issues which have arisen in the basin.

Jerry Rudloff inquired if an engineer has been chosen for the project. Colin noted that an engineer has not been chosen because the plan has not yet been approved.

Geoff Reynolds inquired about the cost benefit ratio. What other funding was going to be used to fund the piping project. This topic will be responded to in the EA.

Colin responded that we can apply for and stack grants to get full match funding and these funds can come from entities such as OWEB (Oregon Watershed Enhancement Board) and OWRD (Oregon Water Resources Department). Our plan was made to work to allow us to get the funding we needed. That is why the project was changed from 6 phases to 5 phases.

Mark Elling then asked how the FCA was being paid for their work. Raija answered that they were being paid through the NRCS.

At this time, the portion of the meeting with FCA was concluded and Raija Bushnell and Margie Hoffmann left the zoom meeting.

2. JASON WICK (AVION WATER COMPANY), CASEY ROATS (ROATS WATER COMPANY), AND GEN HUBERT (DESCHUTES RIVER CONSERVANCY): Jason Wick could not be in attendance, but Adam Jackson was present on his behalf.

Casey Roats spoke on behalf of Avion and Roats indicating that they wanted to begin conversation with Arnold because of problems which have arisen with the significant demand on their water delivery systems when Arnold does not have water to deliver to their patrons. Avion and Roats face major capital improvement challenges to help with the delivery of water to their patrons during these low irrigation water periods.

Adam stated that the water delivery valves in the Avion system range in sizes and they are not adequate to deliver domestic water for irrigation.

Colin noted that with what they were looking to do, we would have to look at mitigation credits, an exit plan and possible pumping (from well to the pond) which would require mitigation credits. The DRC is very helpful with mitigation issues, and we would need to have the involvement of the OWRD.

Rob spoke and felt this issue was important but would be best if these discussions were scheduled for a special meeting.

At the end of this discussion at 3:56 pm, Casey Roats and Adam Jackson left along with some other patrons.

3. APPROVAL OF JULY MEETING MINUTES: Walt motioned, and Rob seconded his motion to approve the minutes. The vote was unanimous in favor.
4. APPROVAL OF ACCOUNTS PAYABLE: Walt motioned, and Rob seconded his motion to approve the accounts payable. The vote was unanimous in favor.
5. REPORTS:
 - a. MANAGER'S REPORT:
 - i. WATER REPORT: Colin reported on the water flows and the levels of the reservoirs.

Based on the water being pulled right now, we most likely will not be able to turn on September 15th but we could possibly turn on October 1st and might be able to run until the end of October.

Steve Johnson asked how much water was needed to deliver water to all our patrons. Colin answered that we would need 700 cfs at Benham Falls of natural flow if all our patrons wanted their water at 5.5 gpm.
 - ii. FINANCIALS: Colin reported that we had \$56,495 in our FIB (First Interstate Bank checking, \$261,266 in the LGIP Operations account which feeds the checking account, \$411,429 in the Piping fund, and \$273,664 in the Reserves account.
 - b. FIELD SUPERVISOR'S REPORT: Matt reported that the rotation went very well considering we had a skeleton crew. Since the water went off, the crew has been working on making repairs.

Next month there will be changes made with employees transitioning to their new roles and new employees coming in. Matt is working on an SOP (Standard Operating Procedure) manual for the crew.

Maintenance projects has been extended due to the water being off early allowing for some of the maintenance projects to be completed earlier than expected.

One of the big projects that will be completed before the end of season will be to replace damaged flume sections.

(This item was listed as 6.a. under New Business but was discussed at this time instead). Matt reported that we hired a new ditch rider and that Matt's field supervisor position was given to Chris Webb, the previous ditch rider once Matt leaves in October. Chris has a great skill set and is very dedicated.

The only issue right now is that we do not have anyone on staff with a CDL to move equipment as needed. The cost to send our employees to training is \$3,000 to \$5,000. Another option would be to purchase a heavy-duty trailer to hook up to our maintenance truck. This option would allow any of the field crew to move equipment and a CDL wouldn't be required. The board agreed the 2nd option would be best. Matt and Chris have an appointment tomorrow to look at a trailer.

- c. OFFICE MANAGER'S REPORT: There currently are only 4 patrons who are delinquent for 2021 assessment payments. The total amount owing for 2021 is \$3,442.73. One of these accounts is with our attorney's office as they are in foreclosure status.

(This item was listed as 6.b. under New Business but was discussed at this time instead). We need to appoint one of the current board members to Board President since Bren Hirschberg has now left the board. The board agreed they would wait until Jonathan Smith; our 4th board member was present and board positions would be appointed at that time.

Juanita reported that on September 10th most of the board positions will need to be announced. If needed, the district's election date is scheduled for November 9th. Prior to this date, the board will need to also adopt a resolution regarding mail in voting.

Zone 1 – Walt Warchol is in this district and his term isn't over until the end of year 2022.

Zone 2 – Is a currently vacant position. This zone's term ends end of year 2022. If a patron was interested in the position until the end of this year, they would complete an application and present it to the board to be appointed until the end of year 2021. Anyone interested in the position until the end of the term 2022, would have to submit a nomination petition to complete the last year of this term.

Zone 3 – This position is currently filled but was appointed until the end of year 2021. This term ends at the end of this year.

Zone 4 – This position is currently filled until the end of this year. The term ends end of year 2023.

Zone 5 – This position is currently filled, and the term ends at the end of this year.

6. NEW BUSINESS: Both items listed in this portion of the agenda were discussed earlier in 5.b. and 5.c.
7. OPEN FORUM: Since there was an executive session scheduled for "Old Business", the Open Forum portion was moved ahead of it at this time.

Mark Elling brought up the properties that were owned by Arnold Irrigation District by the flume. He stated that the district was intentionally keeping the ownership of these properties quiet and that he felt it was the intention of the district to use these properties somehow for our gain and interest. Colin and Juanita both stated that these properties were listed in Deschutes County Dial and that the district had no plans for those properties. The properties at the river were purchased as a package deal when the lava flow land was purchased. The intention years ago was to build our office on the lava flow property but that did not happen because there was much backlash.

Mark then brought up the water that was sent to the Taninger pond. He questioned why when we are in a drought did we send water to them. Colin indicated that it wasn't the patron's water. It was a municipal water right that we deliver to Roats that was delivered via Tumalo Irrigation District. It only took 7 to 8 days to fill and conveniently it was during the time we found the very large sink hole in our main canal, and we were shut off for the repair. The water was going past our diversion at the time because we were shut off. It was, however, a municipal water right and the process was approved by the OWRD (Oregon Water Resources Department), and Arnold wasn't involved in the process.

Debra Rudloff made a comment that she felt it was a coincidence that the water was sent to them at the same time we had a sink hole. Colin noted that it was exactly that, a coincidence.

Rob then asked if the people present from Tumalo were here to discuss the water that went to the Taninger pond. They stated they were but wanted to see how other districts ran their meetings. One of the gentlemen stated he was very impressed with the way we ran our board meetings and how things were explained in great depth.

Rob thanked everyone for coming and stated it was important to educate patrons and that they need to stay involved.

At this time, 5:08 pm all patrons and non-patrons left the meeting. Steve Johnson was asked to remain for the executive session.

8. OLD BUSINESS:

- a. The regular meeting session was suspended by Bob at 5:08 pm to call an executive session to order pursuant to ORS 192.660(2)(a) to consider the employment of an officer, employee, staff member or agent.

Steve left the meeting at 5:22 pm.

At 6:33 pm, Bob called to adjourn the executive session and called the regular meeting back to order.

The board agreed that we needed to change the name of the line item in our budget and the name of the LGIP account from "Piping Fund" to "System Improvement".

9. ADJOURNMENT: The meeting adjourned at 6:34 pm.

ARNOLD IRRIGATION DISTRICT

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