

Arnold Irrigation District

Monthly Board Meeting

February 14, 2023

The meeting was called to order by Bob Schuur at 3:00 pm. Board members present were Bob Schuur, Walt Warchol, and Jon Smith. Staff members present were Steve Johnson, Chris Webb, and Juanita Harvey. Also present were the District's attorney, Mark Reinecke, and AID patron Jerry Rudloff.

1. APPROVAL OF JANUARY 2023 BOARD MEETING MINUTES: Bob motioned, and Walt seconded his motion to approve January 2023 meeting minutes. 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:
 - i. DROUGHT & WATER SUPPLY: Wickiup is ahead by 30,000 AF with 6,000 to be released by US Fish & Wildlife Service for Oregon Spotted Frog habitat this spring. Crane Prairie will fill to 48,000 AF by April 1 and outflows are managed to leave some room for spring melt and inflow. The Little Deschutes has a healthy flow and Benham Falls during the month of January has the same flows as last year which were historically low. Crescent and Ochoco reservoirs are very low and do not have a large snow pack at this time to be optimistic on filling very much.
 - ii. DBBC FORECAST TOOL UPDATE: The DBBC is working with the Oregon Water Resources Department, Deschutes River Conservancy as a workgroup with US Bureau of Reclamation (USBR) funding to enhance the forecasting tool developed last year. The enhanced forecasting tool, called DRIFT, is being developed by a third-party consulting company involved with the HCP and will incorporate storage, live flow and water management factors and scenario methodology. DRIFT should be available before April 1 and the beginning of the irrigation season.
 - iii. STOCK RUN: The stock run which was attempted in January was unsuccessful. Another attempt will be made possibly in the 2nd or 3rd week in March. Weather and available river flows are the factors that need to be favorable. A minimum of 456 cfs needs to be available in order for the District to attempt a stock run.

b. FINANCIAL REPORT:

- i. MONTHLY FINANCIALS: Working with Local Ledgers to re-class the project expenses, the exit fees, and the truck purchase in preparation for the annual audit.
- ii. 2022 AUDITOR ENGAGEMENT LETTER: The audit will cost \$250.00 more than in 2022 for a total of \$7,500.00. All board members were in agreement to signing the audit engagement letter.
- iii. ACH STATE OF OREGON: The Direct Deposit Authorization Form was signed by two board members. This will accelerate the collection of state and federal grant funds for the main canal and automated diversion radial gate projects.

c. MODERNIZATION PROJECTS:

i. MAIN CANAL PROJECT:

- CONTRACTS AWARDED: The construction portion of the project was awarded to Taylor Northwest and the piping contract was awarded to KrahUSA. The workplan calls for the project area to be staked out and trees marked for cutting in the next few weeks. Individual landowner meetings continue as there are fences needing to be moved and some utility locate work done before excavation and piping begin in October.
- PROJECT SCHEDULE: The project schedule for Phase 1 remains in place with minimal changes, all match funding secured and initiating the surveying and design of Phase 2.
- FUNDING UPDATE: We have all the funding needed for Phase 1 with our match need at \$1.9 million. There will be approximately \$625,000 still available to apply to Phase 2. We have 4 grants and 1 potential loan. Steve is also working with Senator Merkley's office to secure 75% funding for Phases 3 and 4 in the 2023 appropriations. This will be coordinated with the DBBC, The Ferguson Group and FCA.

A check to pay BOLI fees associated with the construction contract for the project. Steve recommended the check for \$4,996 be funding from the modernization budget instead of the operating budget. The board agreed.

- o CWSRF RESOLUTION: This resolution #2023-01 states that the assessments must be sufficient to make loan payments with a 1.35% annual interest rate on a 30 year loan if needed for the project. A motion was made by Walt and seconded by Jon for the approval of this resolution.
 - LANDOWNER ON-SITE MEETINGS: Many landowner meetings were scheduled and most of the landowners were interested in the trees which may have to come out and how the water deliveries work with the pipe versus the traditional headgates and weir boxes.
 - ii. DIVERSION GATE AUTOMATION AND WATER MEASUREMENT: The stilling basin and motor for the radial gate (\$2,900) finally arrived. The work for the installation has begun and the remainder of the work can be completed while water is in the system. Substantive work can not begin until US Bureau of Reclamation provides the funding and completes its required NEPA and administrative steps.
 - d. ROATS WATER COMPANY: More time is needed for Roats to go over the agreement.
 - e. AVION WATER – SOMERSET & ARROWHEAD + 6: Avion is in the process of finishing up their upgrades to their system. They prepared a tariff with the PUC and AID hopefully will not have to deliver water to the Avion pond this year. Avion and AID will have another meeting with these residents this spring.
4. LOCAL CONTRACT REVIEW BOARD: Bob Schuur called the Local Contract Review Board to order. We are close to closing out the TA funding portion from the NRCS. There is a QAP for \$99,040. Black Rock's costs are estimated to be approximately \$119,000. In November, Steve submitted for an additional \$56,000 for additional project administration, engineering and QAP. Funds are available for Phase 2 for surveying, engineering, etc. and can be requested and utilized now.

The LCRB recommend AID to enter into a QAP amended agreement with Black Rock. Bob motioned to move forward and give Steve the authorization to sign. Jon seconded his motion.

The LCRB adjourned at 4:18 pm and the declared the regular session back in order.

5. FIELD SUPERVISOR'S REPORT:

- a.. ESTES LATERAL: The deal we thought we had for pipe is no longer available. We may possibly be able to get pipe from a different source or find assistance funding for the prospect of doing the project next winter.

b. CHECKWALL: The 2nd check wall on the Brandon was built for lower flows.

c. DIVERSION SAFETY RAILINGS: We received a Safety and Security grant for \$1,200 from SDAO for the safety railing at the headworks. The total cost of the project was \$2,600. Hopefully when the next SDAO grant opportunity comes, we will be able to complete 88 more feet of railing and install a ladder in the diversion structure.

d. FLUME TREATMENT & REPAIR: Steve, Walt Warchol and Chris visited Klamath Falls Irrigation District. They did a sealant process on their flume which is relatively inexpensive but labor intensive and has worked very well over the past five years. Total cost estimates for the AID Flume are at \$125,000 so USBR WaterSmart funds of approximately \$60,000 to 65,000 will be solicited to offset approximately 50% of the project costs. The WaterSmart process would take about 2 years and the District may decide to do a portion on its own next winter instead of continuing to replace the metal sheeting. The treatment is warranted for 10 years and will extend the life expectancy of the flume and eliminate a majority of the annual maintenance when completed.

6. OFFICE REPORT:

a. ASSESSMENTS: To date \$234,097.22 have been received in assessments.

b. TRANSFERS/LEASES/TEMPORARY TRANSFERS: Juanita is currently working through more transfers, leases, temporary transfers. Leases and temporary transfers need to be completed by April 1st.

c. APPROVAL OF UPDATED FEE SCHEDULE: Revisions to the fee schedule were presented to the board. Jon motioned to adopt the revised fee schedule. Walt seconded his motion.

d. APPROVAL OF UPDATED PERSONNEL POLICY MANUAL: Juanita presented the changes suggested for the Personnel Policy Manual which included adding the AAP (Affirmative Action Plan) and revision of vacation time carryover to indicate a maximum vacation carryover of 160 hours. AAP inclusion is required for any entity receiving federal funding for any projects.

Bob motioned to adopt Resolution #2023-02 Affirmative Action Plan, and Jon seconded his motion. The vote was unanimous in favor. Jon motioned and Walt seconded his motion to approve the changes to the Personnel Policy Manual. The vote was unanimous in favor.

7. OLD BUSINESS: There were no old items brought up for discussion.

8. NEW BUSINESS:

a. PERSONNEL COMPENSATION IN LIEU OF BENEFITS – BOARD DISCRETION: Steve presented a proposal to not take double coverage for his spouse but to take the

coverage and add it to the employee's compensation. This would be a net zero based on the budget since it was already budgeted for the this year. Bob and Jon motioned to approve this compensation change. Walt abstained and suggested we take this step from a more holistic policy perspective and to make sure current employees understand the potential change. He asked that this be tabled until the next board meeting. Steve will work with Walt and Bob on developing a more precise policy for the next board meeting.

9. OPEN FORUM: Jerry Rudloff asked if there were any benefits offered to people who owned land along the canal such as ponds or additional turnouts. Steve stated that the only real benefit given is for people who have 2 tax lots be given the option to have a headgate for each tax lot, or if they wanted to move their existing water delivery location.

At 5:39 pm, the zoom meeting was discontinued, Jerry Rudloff exited the meeting, and the executive session was called to order.

Executive session adjourned at 6:15 pm and the regular session called back to order. The meeting was adjourned at 6:16 pm.