

Arnold Irrigation District  
Monthly Board Meeting

September 13, 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 Roger Fadness. Staff members present were Steve Johnson, Chris Webb, and Juanita Harvey. Also present was the District's attorney Mark Reinecke, patrons Jerry Rudloff & Bob Byrtus, Kevin Crew of Black Rock Engineering, and Todd Peplin from the Deschutes Soil and Water Conservation District.

1. APPROVAL OF AUGUST BOARD MEETING MINUTES: Jon motioned and Roger seconded his motion to approve the August 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. SDAO BOARD MEMBER & MANAGEMENT TRAINING PROGRAM: Walt, Steve, and Roger attended and Walt presented the topics that were discussed at the seminar. The topics were public contract and procurement, public records law and board mission, vision, and values. Steve used the template provided by Eileen Eakins to prepare the District's public contract and procurement policy. Walt and Jon volunteered to work on and review the public records policy and Bob and Roger have volunteered to work on the board mission, vision & values.
4. MANAGER'S REPORT:
  - a. WATER REPORT/STORAGE: The Wickiup readings are managed better by all Districts involved.
    - i. RESTART OF IRRIGATION SEASON – SEPTEMBER 16 – OCTOBER 16, 2022: Tumalo Irrigation is shutting off on the 23<sup>rd</sup> and we will start up again on the 16<sup>th</sup> of September at approximately 3:00 am. The early start is to get the debris moving and out of the ditch. We were left with 2 to 3 days storage when we shut off in July.

There is a variance with the daily tracker which the Districts have been using vs. the old tracker which was underestimating natural flow between 8 to 15%.
  - b. FINANCIALS & CASH BALANCES: Steve has prepared a new format to present the financials. The budget is shown per month instead of the 12 month platform with a 6 month actual and a 6 month forecast. The budget we have been using doesn't take

into account fixed assets and payments on the building. The new budget will show current actual budget and forecast for end of year.

Chris and Steve's time and stakeholder expenses are being reimbursed for the piping project.

c. MODERNIZATION:

i. MAIN CANAL PROJECT: The Watershed Plan and the FONSI which was signed in 2020 was resubmitted with to take into account the price changes that have occurred over the past two years. A request was submitted for more funds for Phase 1 to match what will actually be required for that phase.

- PROJECT SCHEDULE: Contact has been made with vendors who may be bidding on our project.
- Authorization should come out of D.C. from the NRCS within 30 days. NRCS will be at the District next week to tour the project area.
- We have November 1<sup>st</sup> starting date for the project but that is not realistic because of planning requirements.
- We cannot go out to bid until the plans are approved.
- The bid documents are then prepared. Kevin Crew will be preparing the docs for bid and the District will be the procurer. The bid package is tentatively being prepared for mid-October at the time the approval is anticipated.
- November 1<sup>st</sup> the grubbing and cleaning of the piping area will begin.
- Once approval is received, bids will be accepted and reviewed all within a 10 day period and then awarded. There will be a 1 week protest period.
- Following this schedule, the project should begin on December 1<sup>st</sup> with the first pipe in the ground by the 15<sup>th</sup> with a April 1<sup>st</sup> completion date.
- September 26<sup>th</sup>, the local contract review board will meet.
- Instead of the 3 miles originally anticipated to be completed in the first year which is not realistic because of the lag time required for approval and authorization, the project will most likely be 2 miles instead of 3 during this first year.

ii. BEST VALUE CONTRACTING – KEVIN CREW: Per Kevin we will be obligated to pay the contractor with 60 days terms. In our contract we could include that we will pay with NRCS pays.

The Drought Grant has to be signed by June and with the CWSRF, they need assurances that we can pay back the debt.

Each phase we will have a public contracting process which would possibly get us a different contractor for the next part of Phase 1. We want to use the Best Value bidding process.

A draft resolution was prepared by Steve for the Contract Review Board. The District BOD (Board of Directors) is the LCRB (Local Contract Review Board). The LCRB can evaluate and recommend to the BOD. The LCRB makes the determination to use the Best Value bidding process and anything contract related. The LCRB will meet on September 26<sup>th</sup> at 4:00 pm at the District office.

Jon stated he would not be present for that meeting.

Kevin Crew left the meeting at 4:40 pm.

iii. PATRON COMMUNICATION:

- SPECIFIC LANDOWNER COMMUNICATION ON PROJECT PROCESS AND IMPACT: As we move forward we will work with affected landowners in Phase 1 regarding special issue such as bridges, roads, power, etc.

High level plans for Phase 1 will be published on the website.

d. WATER MARKETING:

- i. ROATS WATER COMPANY: Surface water to ground water swap; quasi-municipal water right.  
Steve met with Bill, Michelle, and Casey from Roats Water Company to discuss the agreement. The cost of the application will be split 50/50. Any remaining credits will be in the ownership of AID and Steve will recommend that we sell those credits to City of Bend or Avion. The DRC (Deschutes River Conservancy) will assist with the application to OWRD (Oregon Water Resources Department).
- ii. AVION PILOT PROJECT UPDATE: Bob Byrtus, Arnold/Avion patron stated that the pressure is definitely less. He said that to switch from the current set-up he has on his property to make allowances for the future water delivery will be very costly for him to make that change. Chris will talk further with Avion about the pressure issues.

Bob asked that we educate the patrons on mitigation credits. Also, how is Avion obligated to deliver water if water right is not appurtenant to the land

but the permit will now be held by Avion. Is it ever a possibility that Avion could quite delivering water?

Steve stated that the mitigation credits will be assigned to ground water source, not the land. It is helpful, that Avion is PUC regulated.

- SEPTEMBER 22<sup>ND</sup> ON-SITE PATRON MEETING: Steve will be working with Jason Wick from Avion regarding the meeting and the announcement which will come out.

Bob Byrtus left the meeting at 5:27 pm.

- iii. TODD PEPLIN – DESCHUTES SOIL AND WATER CONSERVATION: Todd announced that they have moved the IWM (Irrigation Water Management) Workshop from Sept 23 – 25 to Oct 6<sup>th</sup>. It will be held with the OSU Extension office at the fair grounds in Redmond.

They would like to hear from patrons what adjustments they made this year with their irrigation and what worked or didn't work.

Todd asked if we could put out an email blast to our patrons regarding the workshop.

Todd then briefly discussed the Lundy lateral. They are working with the DRC and the DSWCB and have put together a grant proposal for the Bureau of Reclamation. It will be 6 months or more before they hear anything.

Todd Peplin left the meeting at 5:35 pm.

#### 5. FIELD SUPERVISOR REPORT:

- a. MAIN CANAL REPAIR: The crew have been busy working on a large sinkhole near the Pape property where the shot crete has failed.

- b. MAINTENANCE PROJECTS:

- The crew has repaired many flume sections and replaced 12 sections to date while the water was off.
- Some of the Estes headgates were missing. New headgates were installed and all were resealed.
- In the Main Canal in Deschutes River Woods, a temporary shot crete patch was sprayed in. Only ½ of the original intended area was able to be completed. The shot crete was cracking and Chris was

informed that immediately after shot crete, it should be sealed and cured.

- 10 sink holes were patched in the Main Canal.
- Replaced 1 headgate.

- c. SAFETY MEETING: This month's training was on Fire & Explosion Hazards.
- d. OSHA: The District is developing a relationship with OSHA. SDAO is coming to the District office to do a walk through and give us feedback on anything we need to address. Once everything has been addressed, we will contact OSHA to do an inspection. It is the goal of the District to be OSHA compliant District-wide.

Jerry Rudloff left the meeting at 6:03 pm.

6. OFFICE REPORT:

- a. ASSESSMENTS: There are 5 patrons who are still delinquent on their accounts for a total of \$2,944.09. That is 2 down from last month. One of the properties is going on the market, so hopefully that one will be paid in escrow.
- b. EASEMENT ENCROACHMENTS: All of the team together are smoothing out the process from start to finish. It has been a procedural learning process but it is working much smoother and encroachment documents are being signed and the fees are being paid.
- c. REVIEW OF THE PUBLIC RECORDS POLICY: We do have a public records policy but need to go through the process to ensure the process is correct per the ORS.

7. OLD BUSINESS:

- a. FIRST INTERSTATE LINE OF CREDIT: The line of credit has been approved with a \$350 origination fee. If we draw on the line, the balance has to be set back to zero for at least 60 days. We won't borrow against it unless it is absolutely necessary. For example, we should have funds but we are borrowing from our reserves to pay invoices at the end of the year before assessments start coming in. If there were an emergency, such as a sink hole, we would have immediate funds available for the repair. The bank will need a copy of the minutes with board approval for this line of credit. Walt motioned to approve the line of credit with First Interstate Bank. Jon seconded his motion. The vote was unanimous in favor.
- b. REMNANT PARCEL POLICY – REMAINING NORTH LATERAL PATRON LETTER: There are 13 patrons remaining who haven't contacted the district or come in to sign their Bargain and Sale Deeds and pick up their checks for the purchase of their water

rights. If they do not follow through with this process they will continue to receive assessments and will also be on the clock for non-use.

8. NEW BUSINESS:

- a. REMNANT PARCEL POLICY – NORTH LADERA PARCELS: Steve stated that the board will need to declare the North Ladera parcels as remnant and we will send out a letter to them that they need to complete the quit claim process of their water rights to the District by November 8, 2022 in order not to receive a 2023 assessment. They will be paid \$750/acre for their water rights. Jon motioned and Walt seconded his motion to declare these 5 parcels remnant parcels. The vote was unanimous in favor.
- b. REMNANT PARCEL POLICY – AMENDED RESOLUTION 2022-04: The board was given a copy of the amended remnant parcel policy. The existing remnant parcel policy refers to parcels within the UGB (Urban Growth Boundary). This policy needs to be amended to include not only parcels within the UGB but also out of the UGB. It is a more refined policy. Jon motioned and Walt seconded his motion to approve the amended policy. The vote was unanimous in favor.

A side note from Juanita is that there are patrons who receive their water from the Bend Golf and Country Club who will no longer be receiving their water right and they are returning their water to the District.

9. OPEN FORUM: Steve noted that the employee reviews will be completed after the irrigation season. Steve will complete his review and then submit it to the board to review.
10. EXECUTIVE SESSION: At 6:51 pm, the board will suspended the regular session and called to order an Executive Session pursuant to ORS 192.660 Executive sessions permitted on certain matter; procedures; news media representatives' attendance; limits; advisory opinions. (1) ORS 192.610 to 192.690 do not prevent the governing body of a public body from holding executive session during a regular, special or emergency meeting, after the presiding officer has identified the authorization under ORS 192.610 to 192.690 for holding the executive session. (2) The governing body of a public body may hold an executive session: (f) To consider information or records that are exempt by law from public inspection. At 7:24 pm, the executive session adjourned and the regular session was called back to order.
11. ADJOURNMENT: The meeting adjourned at 7:25 pm.