

Arnold Irrigation District
Monthly Board Meeting
August 11th, 2026

The meeting was called to order at 1:06 pm by Jon Smith. Board members present were Jon Smith, Michael Woll and Walt Warchol. Staff members present were Chris Webb, Ashley Buckner, Cole Nashem, and Juanita Harvey (via zoom). Also present was the District's attorney Garrett Chrostek, patrons Erik and Jennifer Sandhu. Grant Traynor from Deschutes River Conservancy and Seth Flanders from the Deschutes Soil and Water Conservation District were also present. Also via zoom was Michael Miller.

1. APPROVAL OF JULY BOARD MEETING MINUTES: Mike motioned, and Walt seconded his motion to approve the July board meeting minutes. The vote was unanimous in favor with Jon voting in favor.

2. MANAGER REPORT:

a. Financial Report: The July checking account ended with \$6,888.49, ending balance for Modernization fund was \$326,454.14, Operations at \$213,720.07, and Reserves at \$185,505.99.

Admin accounting expenses were high at 81.04% due to the cost of the audit. Insurance is at 49.89%, ending our total Admin expenses at 52.34%.

Canal systems expenses were at 69.31%, Employee expenses at 59.49%, and Operating expenses were at 53%. These numbers represent January through July of 2026.

b. July Storage Report: The July 15th through 31st storage report showed that natural flow had dropped to 1057 cfs, that means that Arnold Irrigation's diversion was getting 78% of its diverted water from natural flow. The remaining 22% of diverted flow was coming out of 1250 ac ft of stored water in Wickiup. The next storage report will determine if the District needs to shut off or can continue.

Wickiup as of August 9th, 2026, was 29% full and Crane Prairie was at 73% full.

3. OPERATIONS REPORT:

a. Just before we shut off water in July, we noticed the Goat Farm lateral meter was unable to flow the correct amount needed. Before restarting water, we investigated

and found tree roots had grown inside the pipe. We were able to remove all the vegetation, and the pipe is back to flowing at the correct rate.

b. We opened our headgate on Saturday, July 18th at 4:00am. Currently everyone that has requested water delivery is receiving their water.

c. On July 21st and 22nd the inmate crew assisted us again with cleaning vegetation under and around the flume. With limited resources from ongoing startup operations, we were still able to haul out more than 5 yards of debris from the flume road. We have scheduled an additional day, August 13th, to finish the removal of debris on the flume road.

d. On July 24th, the Deschutes County Road Department repaved Horse Butte Road and installed a guard rail near our culvert, the installation went well and none of our equipment was damaged.

e. Recently, a few of the meters on the main pipe have been displaying low battery readings, the most inexpensive replacement batteries are \$131.98 per meter (2 batteries), We ordered 6 batteries for the meters that are fully inoperable. Fortunately, we were able to source the parts to assemble the batteries with the connectors ourselves for \$35.98. We are going to exercise all options before paying full price for batteries, as it could result in a 400% increase in costs.

4. OFFICE REPORT: In July we collected a total of \$20,189.29, with \$12,594.00 being direct deposits. We received a check from Bend Parks and Rec for \$7,312.19 and collected an online payment from TDS for a Utility Crossing Fee of \$5,000.

We have three unpaid assessments totaling \$3,570.78. Ashley will send out a notice of legal action with the statements at the end of this month.

Ashley started a self-study course on Water rights Transfers. The resources come from the Oregon Water Resource Department and the Legislative Policy and Research Office to help understand the fundamentals of transfers.

Changes were made to the District webpage. A Canal Safety tab was added under the Resources tab. The Canal Safety section helps explain the importance of safety on the canals. We also included the current status of the Main Canal Piping Project located on our homepage.

We have an update on quotes for a new Database. Juanita received a quote from GreyOps for \$70,000. Stormwater was unable to fulfil our database needs, and we are still waiting for a quote from WaterMaster.

Jon requested that after we receive all of the quotes, Juanita prepare a document which shows costs and what each vendor can offer and the prices for each additional option, and also what they cannot offer or what is not available yet and may be in the future. A review team will go over the District's options before deciding on the vendor we will use.

5. OLD BUSINESS:

a. Employee Telework Agreement: The agreement was signed by Juanita and emailed to Chris. Juanita mailed the original agreement which Chris will sign once it is received at the office. A copy will be placed in Juanita's personnel file.

b. Ongoing Federal Funding Update: AID's Phase 2 and Ochoco's project were funded under the same NRCS agreement. AID and Ochoco submitted reimbursement invoices at the same time and NRCS inadvertently applied AID's reimbursement funds to Ochoco. This left AID with a zero-balance for reimbursements. NRCS and FCA are working together to rectify this error so AID's reimbursements will be processed.

Dating back to the previous District Manager, Juanita found \$78,000 in invoices which were paid by AID out-of-pocket to Black Rock but were never submitted to NRCS for reimbursement. We are currently working with FCA and NRCS to get these invoices reimbursed through the project because AID's piping project all fell under Project Group 1 and was not separated by phases which should allow these invoices to be paid under the current project funds available.

Juanita is currently working with Kevin Crew at Black Rock to get more detail on these \$78,000 in invoices. NRCS guidelines have changed since this invoiced work was completed. The NRCS now requires more in-depth detail of work on invoices that are being submitted for reimbursement. Juanita will re-submit these invoices for reimbursement as soon as she receives the updated information from Black Rock.

Chris is currently working with FCA to move forward the process to receive the \$2 million in Stag funds the District was awarded from Senator Merkly's office.

Chris and the FCA are also working together to receive the \$2.8 million awarded to the District from OWRD (Oregon Water Resources Department).

Funding is currently back on track for FY27, and the District anticipates being fully funded for fall of 2027.

6. NEW BUSINESS:

a. Invasive Vegetation Control: AID does not hold a license to conduct spraying and will utilize the County Road Department for this work. An agreement will be developed to provide property owners with the option to have their road areas sprayed. AID is required to spray the gravel road once each year, with spraying generally occurring in the fall. Spraying may also be conducted at other times of the year as needed to maintain clean and accessible gravel roads. It was noted that AID has fully seeded the area with natural pollinators.

Garrett stated that the District will need to develop a formal policy regarding road spraying and add it to the District handbook.

The Board discussed the County Weed Department's role in spraying and noted that the department is experienced in this work and will take appropriate precautions to avoid damage to private property.

b. New Ditch Rider pickup: The Board discussed purchasing two new pickup trucks for the ditch riders and financing the purchases.

The quoted price for the Ford pickup was \$46,150.79, and the quoted price for the Chevrolet pickup was \$43,231.76. The purchases will be made through a government contract to obtain the best available price.

The proposed purchase would include a \$25,000 down payment on both trucks, with the District using the Kelly Blue Book values of two existing trucks as part of the transaction. The 2026 budget included \$35,000 for new trucks.

Jon recommended selling the two existing trucks and applying the proceeds toward the purchase of the two new pickups.

Mike motioned to approve the financing of two new pickups, not to exceed a total of \$90,000 for both vehicles with a \$25,000 down payment over the period of 60 months. Walt seconded the motion and the vote was unanimous in favor with Jon voting in favor.

7. OPEN FORUM: Erik Sandhu expressed his appreciation to the District. He stated the staff have been extremely helpful with the coordination of getting their system moving forward in the right direction.

Grant Traynor mentioned they are still waiting for an update for OWEB funding the District received.

Shortly there will be applications available for a Water Acquisitions grant. Grant will send over more details once they become available.

AID has added the Lundy Project to our homepage. The project can be found under the Operations tab, then under the Projects tab. This explains the completed project and the benefits it has provided.

Seth Flanders explained that the Deschutes Water and Soil Conservancy has set money aside for three programs they are getting ready to launch, the NRCS cost share, Private Lateral Funding, and Conservation.

8. APPROVAL OF ACCOUNT PAYABLE: Mike motioned, and Walt seconded his motion to approve the accounts payable. The vote was unanimous in favor with Jon voting in favor.

9. EXECUTIVE SESSION: An executive session was not required at this meeting.

The meeting was adjourned at 2:25pm