

Arnold Irrigation District  
Monthly Board Meeting  
October 8, 2019

The meeting was called to order by Matt Steele at 3:05 pm. Board members present were Matt Steele, Walt Warchol and Bren Hirschberg. Office staff members present were Colin Wills and Juanita Harvey. Also present were Wes Price & Connor Price of Price/Fronk, Mark Reinecke, the District's attorney and patrons Steve Keffer and Dave Dunscombe.

1. APPROVAL OF THE SEPTEMBER BOARD MEETING MINUTES: Bren motioned and Walt seconded his motion to approve the minutes with the changes as noted by Colin & Bren. The vote was unanimous in favor.
2. PRICE/FRONK&CO.: Wes Price & Connor Price were in attendance to present the 2018 audit. Wes noted that even with the issues which occurred this year, there were no consequences to the net financial statement.

The District as with other small districts opted not to have an actuarial study completed regarding other post-employment benefits. Per the audit, "the District should determine how ORS 243.303 applies to it since its retirement plan is not PERS and does not have a set retirement age or date when benefits must begin that is prior to Medicare age."

It was stated that there has been a cumulative effect of the adjusting entries not being made at the end of each year per the auditor's suggestion each year. Wes stated it is the responsibility of the Board to make sure the journal entries are posted at the end of each year.

It was stated that major canal repairs should be capitalized. The repairs should be identified as canal systems expense and they should be shown on the balance sheet.

There was a large jump in the "General Construction" portion of the budget.

The Arnold piping fund was accounted for twice in the revenue of the District.

As stated each year there is a limited segregation of accounting duties. The Board is a piece of the answer to this problem. The Board needs to understand the practices of activities relating to accounting within the office and the outside accounting office and be more involved.

The Certified Fraud Examiner (CFE) report stated management over-ride of controls as per the letter to the Secretary of State.

It was stated that a good accounting relationship with the accountant and the auditor was key.

Colin informed Wes that he would be calling their office in the next few days to schedule an appointment with them to go over various things mentioned in the audit and presentation which would help the office and board understand what needs to be done by the District in order for accounting and auditing to clearly show the operations of the district on the financial side. Wes and Conner left the meeting at 3:32 pm

Bren felt it would be good to know what changes will the adjusting journal entries make on our accounting after our accountant makes them. Colin will ask when he meets with them later this month.

3. REPORTS:

- a. Manager/Field Supervisor Reports: Colin reported that at Bob Schuur's suggestion a new Profit and Loss statement was created and it will be used from this point forward. This new format better depicts the District's financial status in a better format and it is easier to understand and follow.
- b. Colin noted that attached copy of the transfer from the LGIP account to the checking account needed to cover the payroll and accounts payables.

As of today, Wickiup is at 22,500 AF. At this time last year, it was much lower. On September 9, 2019, with the assistance of the local OWRD staff, a loss study was done on the first section of the canal phased for piping. The results were very similar to the results which were derived from the study performed by Kevin Crew.

A solar gate is being installed at the river for added security.

The current scheduled shut off date for irrigation season is Friday, October 18, 2019.

Colin noted that the 2 COID canals and North Unit are shutting off and will all be off by Thursday, the 10<sup>th</sup>. The result of these districts shutting off will be the river flows dropping dramatically which may cause AID to shut off earlier than the 18<sup>th</sup>.

The river levels are expected to be so low that the yearly fish rescue is being scheduled for this Friday (11<sup>th</sup>) or Saturday (12<sup>th</sup>).

Based on this information, Matt motioned to shut off a week earlier than scheduled on Friday, October 11<sup>th</sup> due to river flows. Bren seconded his motion and the vote was unanimous in favor.

At this time 3:50 pm, Kyle Gorman and Jeremy Giffin from the local OWRD office arrived. Matt informed David Dunscombe and Steve Keffer that the regular meeting was going to be suspended and that he was calling to order an executive session pursuant to ORS 192.660(2)(e) to conduct deliberations with persons we have designated to negotiate real property transactions, (f) to consider information or

records that are exempt from disclosure by law, including written advise from our attorney and (h) to consult with our attorney regarding our legal rights and duties in regard to current litigation or litigation that is more likely than not to be filed.

David Dunscombe and Steve Keffer left at this time.

Kyle Gorman and Jeremy Giffin left the meeting after discussions in executive session pursuant to ORS 192.660(2)(f) and (h).

The regular session of the board meeting was called back to order at 5:20 pm.

Referring back to #2 above, Bren motioned and Walt seconded his motion to keep the same auditors and the same accountants on for another year in hope that the auditors, accountants and district can work together as a team to improve the operations of the district from a financial aspect. At the same time, Bren motioned and Walt seconded his motion to accept the audit as presented. The vote was unanimous in favor.

4. APPROVAL OF ACCOUNTS PAYABLE: Walt motioned and Bren seconded his motion to approve the accounts payable. The vote was unanimous in favor.

5. NEW BUSINESS:

a. CONSERVED WATER POLICY: Matt questioned if Arnold could keep the water saved from the conserved water projects and use it to deliver water to new District patrons or to allow current patrons to purchase additional water rights. . Mark and Colin didn't seem to think that this would be a problem. In fact, it would be a great idea. There is plenty of time to review and make updates to the policy. In the meantime though, in order to apply for funding, the District does need this policy in place and approved. Bren motioned and Walt seconded his motion to adopt the conserved water policy. The vote was unanimous in favor.

b. PUBLIC CONTRACTING POLICY/RESOLUTION: In review of the rules and procedures and the items highlighted, the board agreed to change the following:

Exhibit A, #2 to read, "Unless expressly limited by the LCRB or these Rules, all powers and duties given or assigned to contract agencies by the Code, including the authority to enter into emergency contracts pursuant to ORS 279B.080 and 279C.320, may be exercised or performed by the Manager or **Board Chair**.

In review of the rules and procedures, the board agreed to change Exhibit A, #3 to read, "All public contracts estimated to cost **\$50,000** or more must be approved by the Board of Directors. All public contracts estimated to cost less than **\$50,000** may be entered into by the Manager without Board approval.

A motion was made by Walt and seconded by Bren to adopt Resolution 2019-02 Public Contracting Rules and Procedures as revised above. The vote was unanimous in favor.

- c. SURPLUS PROPERTY POLICY: Bren motioned and Walt seconded his motion to approve the Disposal of Surplus Property Policy. The vote was unanimous in favor. The board acknowledged the disposal of the motorcycle dolly through Craigslist or some means similar to that.
- d. FACILITY USE AGREEMENT: The board approved the facility use agreement to be signed by parties wishing to use the District board room as long as the staff was in control of who we allowed to use the room.

Using the board room during business hours would not be a problem since someone is always here. If the board room is used after hours, since Colin is salary, he will be the one to stay during the course of any meetings.

Bren motioned and Walt seconded his motion to approve the Facility Use Agreement. The vote was unanimous in favor.

- 6. OPEN FORUM: There weren't any items brought up for discussion.
- 7. ADJOURNMENT: The meeting adjourned at 6:05 pm.

Walt Warden  
Robert A. Schum

ARNOLD IRRIGATION DISTRICT

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**Arnold Irrigation District**  
**Check Detail**  
October 7, 2019



Num	Date	Name	Original Amount
34000	10/07/2019	Special Districts Association of Oregon	\$ 7,863.44
34001	10/07/2019	7 Peaks Paving	\$ 203.12
34002	10/07/2019	Avion Water Co, Inc.	\$ 98.52
34003	10/07/2019	Battery Systems - CODE	\$ 98.28
34004	10/07/2019	Baxter Auto Parts 17	\$ 15.86
34005	10/07/2019	Bend Broadband	\$ 187.71
34006	10/07/2019	Bend Lock & Safe, Inc	\$ 221.00
34007	10/07/2019	bend Rigging Supply, LLC	\$ 59.12
34008	10/07/2019	Bryant, Lovlien & Jarvis, PC CODE	\$ 7,737.50
34009	10/07/2019	Cascade Natural Gas Corporation	\$ 14.17
34010	10/07/2019	Central Oregon Garage Door, Inc.	\$ 93.00
34011	10/07/2019	Deschutes Basin Board of Control	\$ 4,400.13
34012	10/07/2019	Deschutes Recycling	\$ 16.00
34013	10/07/2019	ESRI Inc	\$ 1,250.00
34014	10/07/2019	Ferguson Enterprises, Inc.	\$ 11.71
34015	10/07/2019	JACK ROBINSON AND SONS	\$ 786.84
34016	10/07/2019	L & D of Oregon, Inc.	\$ 23.00
34017	10/07/2019	Legacy Window Cleaning, Inc.	\$ 110.00
34018	10/07/2019	Local Ledgers Acct'g Solutions, LLC	\$ 690.00
34019	10/07/2019	Mac's Radiator Repair, Inc.	\$ 405.63
34020	10/07/2019	Marc Nelson Oil Products	\$ 1,670.62
34021	10/07/2019	Mid Oregon Personnel	\$ 3,104.50
34022	10/07/2019	MIDSTATE POWER PRODUCTS	\$ 321.19
34023	10/07/2019	Mr. Rooter Plumbing	\$ 745.84
34024	10/07/2019	Norco Inc.	\$ 16.90
34025	10/07/2019	One Call Concepts, Inc.	\$ 44.10
34026	10/07/2019	Oregon Water Resources Congress	\$ 220.00
34027	10/07/2019	Pacific Power	\$ 161.88
34028	10/07/2019	Parr Lumber	\$ 20.18
34029	10/07/2019	Pierce Plumbing	\$ 101.00
34030	10/07/2019	Price & Co/Fronk	\$ 3,012.80
34031	10/07/2019	Shevlin Sand and Gravel, LLC	\$ 518.17
34032	10/07/2019	Special Districts Association of Oregon	\$ 412.36
34033	10/07/2019	Watchdog Security	\$ 210.00
34034	10/07/2019	Wilco	\$ 21.96
34035	10/07/2019	Cascade Disposal	\$ 92.12
34036	10/07/2019	First Interstate Bank	\$ 403.03
Auto		Valic	\$ 3,450.47
		<b>Total</b>	<b>\$ 38,812.07</b>
		<b>Total Payroll</b>	<b>\$ 33,730.91</b>

Walt Washel  
 Matt Stute  
 B. Hirsch

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