



SWALLEY IRRIGATION DISTRICT BOARD MINUTES

June 17, 2020

The Board of Directors of the Swalley Irrigation District met on June 17, 2020 for the purpose of conducting its monthly business.

Call to Order

President McCarrel called the meeting to order at 9:00 am. Those in attendance were directors Steve McCarrel, Dennis Gant, Kelly Patrick, general manager Jer Camarata, and counsel Steve Shropshire. Calling in for a portion of the meeting was Deschutes Basin Board of Control (DBBC) Counsel David Filippi.

Prior Minutes

Minutes from the May 20, 2020 Board Meeting were reviewed and on motion made and seconded, unanimously approved.

Financial/Hydro Report

The Board reviewed the accounts payable list, financial reports, and hydro report as prepared. June hydro production is currently suffering from low downstream irrigation demand, a function of highly variable cool and wet weather. Several turn-off requests throughout the District have been received, and many turn-ons have been delayed at patron request. Full flows have not yet been achieved for the season. Discussion ensued. On motion made and seconded, the accounts payable list was unanimously approved.

Planned Business from the Floor

DBBC Counsel David Filippi called into the meeting and provided an overview of the Deschutes Basin Habitat Conservation Plan (HCP) and its status. Discussion ensued regarding a proposed Upper Deschutes Habitat Conservation Fund within the HCP and potential \$4,500/yr contributions from Swalley over the anticipated thirty-year term of the HCP. After Filippi left the meeting, the Board generally agreed that they would support contributions to the fund at or below the proposed level. Camarata will coordinate the request and discussion with the DBBC prior to agreements being presented to the Board.

Old Business

None

New Business

A Main Canal Piping Project – Phase #7 (MC-7) Engineering Design Estimate & Agreement was presented and briefly discussed. The topic was tabled until the District receives an FY-2020 Agreement for PL566 Funds for the project.

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Legal

1) The Board was provided a packet of paperwork from Mr. Dan Kiesow. The Board reviewed the materials along with other archived District emails. Discussion ensued. Regarding Mr. Kiesow's standing development inquiry and request for waiver of policy, the Board reiterated its previous position that Mr. Kiesow should follow the same rules as everyone else in the District, per the District's prior written position in counsel Shropshire's letter, along with other correspondence sent from staff. The Board asked that counsel write Mr. Kiesow another letter stating that the District had received his latest packet of information, its position is unchanged, and that the Board is still willing to work with him in reviewing his development proposal if he simply follows the rules and regulations of the District as previously advised.

2) The Final Trent Stacked Water Rights Agreement remains on the Trent's attorney's desk for signature.

Manager's Report

1) The District continues to work with the City of Bend on its North Sewer Interceptor Project and crossing of the Main Canal Pipeline and Right-of-Way Easement near Highway 97. The City has asked if the District has any flexibility in its crossing fee. Discussion ensued. The Final Draft Crossing Agreement remains on the City's desk for signature and the District's counsel, engineer, and manager will be discussing the agreement with the City at a scheduled meeting next week.

2) Powell Development continues to pursue canal realignment and piping of the District's Rogers Lateral through the Gumpert property. A Responsible Party Agreement (RPA) has still not been submitted to the District, but the City has approached the District regarding hypothetical maintenance liability concerns if the new pipeline were to be located underneath a new city road. High level conversations will continue until an RPA or equivalent is signed. At this time, and according to City officials, tentative construction on the property is anticipated for 2022 or 2023 and will hinge around anticipated ODOT construction of new roundabouts at Cooley and Robal Roads.

3) The District continues to explore alternative future hydro power sales agreement options through a newly formed Hydro Coalition with other irrigation districts and cities in the state.

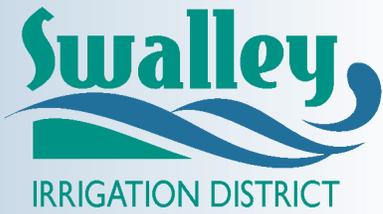
4) The District has applied to the Department of Energy for a hydropower incentive grant award.

5) The Butte Lateral Piping Project (BLPP) Loss Assessment will commence next week.

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6) Emergency repairs to the fish screen sweeper mechanism at the headworks commenced this last Sunday night. The work stretched into the early hours of Monday morning, and the repairs were fortunately completed without any water delivery or hydro production shutdowns. Camarata advised that due to several fluke emergency repairs and other unusual demands on field staff so far this season, the District's annual overtime pay sub-budget has been depleted and will be running in the red for the remainder of the year. Camarata will work towards balancing the payroll sub-budget out with other sub-budgets over time as practicable.

7) The Private Tower Box Ditch Conveyance Feasibility Study is nearly complete and estimated modernization/replacement costs for the aging line have been submitted to the Soil and Water Conservation District (SWCD). Todd Peplin, SWCD will be arranging a meeting to review the results with the landowners served off the private line and to discuss funding options for moving forward.

8) A Responsible Party Agreement (RPA) has been signed with LS Networks to explore the possibility of a new fiber optics crossing of the Kotzman Lateral Pipeline and easement near 18th Street and Sockeye Place.

Adjournment

Being no further business, the meeting was adjourned at 11:05 am.

Attest: _____ Director McCarrel

Attest: _____ Secretary Camarata