



SWALLEY IRRIGATION DISTRICT BOARD MINUTES

May 20, 2020

The Board of Directors of the Swalley Irrigation District met remotely on May 20, 2020 via conference call for the purpose of conducting its monthly business.

Call to Order

President McCarrel called the meeting to order at precisely 9:00 am. Those in attendance were directors Steve McCarrel, Dennis Gant, Kelly Patrick, general manager Jer Camarata, and office manager Kathy Ferguson. Also in attendance for portions of the meeting were Mr. and Mrs. Dan Kiesow, Engineer Kevin Crew, and Counsel Steve Shropshire.

Prior Minutes

Minutes from the Regular April 15, 2020 Board Meeting and Special Executive Session April 28, 2020 Board Meetings were reviewed, and on motion made and seconded, unanimously approved.

-Mr. Kiesow entered the meeting at ~9:06am

Financial/Hydro Report

The Board reviewed the accounts payable list, financial reports, and hydro report as prepared. Discussion ensued. May hydro production is thus far lacking from exceptionally low downstream irrigation demand, a function of cool and very wet weather. Also, a large exhaust fan motor on the hydro broke two weeks ago and caused some electrical damage and a short 4-hour shut down. The plant's generation-side was able to be stabilized and run during the 4-day repair job, which Camarata expects will end up costing around \$4,000 in time and materials. The damage and repair work have been rectified. On motion made and seconded, the accounts payable list was unanimously approved.

Old Business

- None

New Business

- The District's ~26-year-old office heat pump system broke down approximately four weeks ago. Recent repairs have failed, and the system now needs to be replaced as soon as possible. The District received four quotes from reputable contractors to replace the heat pump system. After reviewing the quotes and brief discussion, a motion was made, seconded, and unanimously approved to authorize the Office Manager to approve the apparent low-bid Quote #1 from Quality Heating, Option #3: Trane XR 16 unit install with a 4" media filter add-on. The unbudgeted expense is anticipated to be approximately \$12,000 including all permits. Mrs. Ferguson will see that the work commences accordingly.

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Planned Business from the Floor

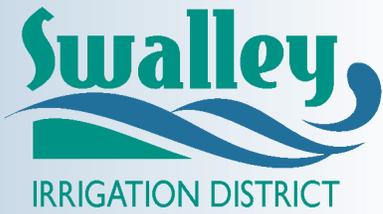
-Engineer Kevin Crew entered the meeting at ~9:14 am. Mr. Crew and manager Camarata gave an overview of recent budgetary and hydraulic constraints that the District is running into with the Elder Lateral Pipeline Project (ELPP). Camarata and Crew both advised not taking the ELPP to bid as originally planned this spring and summer due to those constraints. A revised working-draft Capital Improvement & Project Phasing Plan showing recommendations for revised project sequencing was distributed within the May Board Packet. That revised plan was discussed and considered within the scope of the conversation to delay going to bid on the ELPP. Camarata announced that NRCS and OWEB funders have agreed to ELPP contract extensions until 12/31/2024 and that funding for the District's Main Canal Piping Project – Phase #7 (MC-7) had already been applied to NRCS for construction within the winter 2023-2024 work window, but that surveying and design engineering had not yet occurred. Camarata and Crew advised that design budget estimates for the MC-7 should now be pursued and discussed with the Board sometime within the next few months for consideration in deciding how to proceed with future pipeline projects based on available funding and timing with other District projects and contractual obligations, including but not limited to the hydro facility's Power Purchase Agreement with PacificCorp. Generally, it was decided that the ELPP should not proceed to bidding at this time due to substantial estimated budgetary constraints of ~\$500,000, and that the District's Main Canal Piping Project – Phase #7, should now be seriously looked at as the District's next in-line piping project -- with future discussion to determine precise direction and possible coordination with the ELPP. Brief discussion ensued regarding Hunnell Rd and Tumalo Rd improvement coordination with Deschutes County. Mr. Crew thanked the Board and left the meeting.

- Counsel Steve Shropshire entered the meeting at ~10:00 am. McCarrel asked if Mr. Kiesow was on the call. The answer was in the affirmative and Mr. Kiesow stated that his wife was also on the call. McCarrel stated that the District had received Mr. Kiesow's prior letter and that Counsel had responded to the letter based on the Board's position regarding its various policies and easement rights. McCarrel stated that the Board's position was clearly articulated in the letter from Shropshire, but that it was still willing to hear any new information that Mr. Kiesow had to offer. After approximately fifteen minutes of verbal presentation from Mr. Kiesow, McCarrel and Shropshire announced that they felt that no new information was being introduced. McCarrel advised that the District's position on its easement and development policies stood, and that Mr. Kiesow should follow the same rules as everyone else in the District, per the District's prior written position in Shropshire's letter, along with other correspondence from staff. McCarrel further stated that he hoped Mr. Kiesow would consider that the District is still willing to work with him in reviewing his development proposal if he simply followed the rules and regulations of the District as previously advised.

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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 Design work is now complete, and a final draft Crossing Agreement remains on the City’s desk for signature.

2) Powell Development continues to pursue canal realignment and piping of the District’s Rogers Lateral through the Gumpert property. The development proposal remains in the City’s Transportation Amendment Phase of its master planning process. A Responsible Party Agreement (RPA) has still not been submitted to the District, but both the City and the Developer understand (in writing) that canal-to-pipeline design coordination and crossing rights need to be formally agreed upon by the District with regards to any modifications to the canal and its easement.

3) The District has started exploring alternative future hydro power sales agreement options through a newly formed Hydro Coalition with other irrigation districts.

Adjournment

At 10:40am McCarrel announced that if there was no further business, he would be adjourning the meeting. Director Gant announced that he had a couple of residual questions about the Dan Kiesow matter and was wondering if the Board should enter Executive Session to discuss. Counsel Shropshire advised in the affirmative. Mr. Kiesow interjected and said that he had some new information to provide based on past correspondence with a previous District Manager, Jan Lee. McCarrel asked Mr. Kiesow to submit that information to the office for the Board to review. The meeting was then adjourned, and the call was disconnected at ~10:45 am.

Attest: _____ Director McCarrel

Attest: _____ Secretary Camarata