

THREE SISTERS IRRIGATION DISTRICT
BOARD OF DIRECTORS MEETING
MINUTES
JANUARY 23, 2018

CALL TO ORDER: 12:05 PM BY DON BOYER

IN ATTENDANCE:

Don Boyer, President; Pattie Apregan, Vice President; Thayne Dutson, Secretary/Treasurer; Marc Thalacker; District Manager; Linda Thompson, Office Administrator

ALSO IN ATTENDANCE: William St. Clair, Jacquie Gibbs, Karl Nulton, Shad Sitz, Reece Richardson, Lorene Richardson

ANNOUNCEMENTS: SDIS Board Member Training January 30th. Don will attend.

BOARD BUSINESS ACTION ITEMS:

A Consideration of minutes of previous meeting(s)

1 Regular BOD 12/12/2017

Board reviewed the minutes, there were no questions.

Motion: Approve the minutes as written.

Motion: Pattie Apregan Second: Don Boyer Vote: Unanimous

2 Special BOD Meeting 01/12/2018

Board reviewed the minutes, there were no questions.

Motion: Approve the minutes as written.

Motion: Don Boyer Second: Pattie Apregan Vote: Unanimous

3 Local Contract Review Board Meeting 01/12/2018

Board reviewed the minutes, there was one discrepancy which was amended.

Motion: Approve the minutes as amended.

Motion: Pattie Apregan Second: Don Boyer Vote: Unanimous

B Consideration of financial reports

Prior to the meeting, the board was provided with the following financial reports for review:

Transaction Detail Report; Checks to be Approved Reports for 1110, 1140, and 1150; Bank Account Balances; Void Check Report; Journal Entries Report; Operating Budget Report; Reimbursement Activity Report; Hydro Operations Report; Capital Budget Report; Construction in Progress Reports Watson McKenzie Main Canal, Watson Micro Hydro, and McKenzie Reservoir Hydro; DEQ Loans and Required Cash Flow; AR Aging Summary; Balance Sheet; Reconciliation Reports for 1110, 1140, 1150, and Capital One.

1 Previous month's transaction report

Discussion: Don asked about a payment to the Forest Service for \$220. Marc explained this was for two permits we have with them.

Motion: Approve the transaction report.

Motion: Don Boyer Second: Pattie Apregan Vote: Unanimous

2 Checks to be Approved 12/01/2017-12/31/2017

a FIB Checking Acct 1110

The board reviewed the Checks to be Approved Report. There were not questions.

A Motion was made to approve 16 E-Pays, checks 8709-8743 and one void 8710.

Motion: Pattie Apregan Second: Thayne Dutson Vote: Unanimous

b FIB Main Canal 1140

The board reviewed the Checks to be Approved Report. There were no questions.
A Motion was made to approve checks 4499-4519.

Motion: Don Boyer Second: Thayne Dutson Vote: Unanimous

c FIB Capital Reserve 1150

The board reviewed the Checks to be Approved Report. There were no questions.
A Motion was made to approve 1 e-pay and checks 1004-1005.

Motion: Thayne Dutson Second: Pattie Apregan Vote: Unanimous

Budget Overview

The board reviewed the financial reports at the annual meeting held just prior to this regular meeting.

X. Approve 2018 Budgets

This agenda item was added. The board reviewed the Operation, Capital, and Watson Hydro Operating Budgets for 2018. Marc explained the changes and requested that two line items be added to the operating budget: One Call Center for utility marking and Board/Staff Training. The board discussed the budgets and a motion was made to approve the 2018 budgets as presented.

Motion: Thayne Dutson Second: Pattie Apregan Vote: Unanimous

C Approve 2018 List of Charges

There was a change to the Water Rights Transfer fees due to changes by OWRD. Don questioned the hourly wages for TSID on farm labor.

A motion was made to approve the 2018 List of Charges

Motion: Don Boyer Second: Thayne Dutson Vote: Unanimous

D Brown Ditch Members

This item was tabled as the members were not present. However, before the end of the meeting they arrived so the item was discussed out of order. It should be noted that because of the annual meeting, there wasn't a specific time set for the regular meeting. The Brown Ditch Members had concerns about the costs associated with their 2017 piping project. They provided the board with a letter itemizing the concerns. Marc and the board members addressed the concerns and resolved the matter. The main concern was the misunderstanding between what NRCS funds were supposed to pay for and the subsequent billings they received. Marc explained that NRCS has funds for the pipe that is used in the piping projects. If the pipe costs less than the amount allotted, then the additional funds can be used to pay for labor and installation.

E Approve 2018 Deschutes River Conservancy Conserved Water Agreement

The agreement was not in the packet. The draft was approved at the January 12 Special Meeting. The agreement is still pending with DRC awaiting the budget. Marc reviewed the grant funding we will be getting, just over \$1,000,000 for Phase 9. Marc will get the revised budget and agreement, and will get board member signatures.

F 2016 Financial Audit

The auditors submitted the final Financial Report for 2016 to the Secretary of State. No significant changes were made since the board approved the report in December. The board requested that the management letter be tabled for now and reviewed at the February meeting.

A motion was made to approve the 2016 Financial Audit Report prepared by Pauly Rogers, LLC as written.

Motion: Pattie Apregan Second: Don Boyer Vote: Unanimous

G Review SDIS Property/Casualty Insurance Renewal Packet

The only change noted was the addition of Physical Damage Coverage for Drones.

A motion was made to approve the 2016 Financial Audit Report prepared by Pauly Rogers, LLC as written.

Motion: Pattie Apregan Second: Don Boyer Vote: Unanimous

H Appoint new legal counsel

Based on a review of potential attorneys, Marc recommended the board appoint Attorney Steven Shropshire as the district’s counsel of record.

A motion was made instructing Marc to secure Mr. Shropshire as the district’s attorney of record.

Motion: Pattie Apregan Second: Don Boyer Vote: Unanimous

I 2018 Personnel Policy Update

The item was tabled. The policy is being updated using SDAO’s current personnel policy document.

Will be reviewed and approved at the February meeting.

OLD BUSINESS & MANAGERS REPORT

- **Signing of Documents:** BOD signed previous meeting minutes.
- **Watson Hydro:** Routine maintenance has been completed.
- **McKenzie Hydro:** A fence and berm are in place for security and dust/sound impact reduction. Still waiting on the WaterSMART agreement.
- **Net Metering Project:** Deschutes County Land Use Permit is nearing the end of the comment period. BPA will let us install our own meters, which will be an \$80,000 cost savings. We will reuse the PGE application for the power purchase agreement.
- **Watson-McKenzie Pipeline:** One piece of equipment is being repaired, the crew will get back to digging the canal.
- **OnFarm Projects:** 2018 projects include Hurtlely Mid/South, Barclay, and the Maxwell.
- **Operational Technology:** Hoping to have scada and telemetry installed this winter so we can adjust the water levels electronically.
- **Anadromous Reintroduction & HCP:** Nothing new to report.
- **Operations & Maintenance:** Guys are working on minor projects.
- **Committee Reports:** Budget committee met and reviewed the 2018 proposed budget.

NEW BUSINESS: NA

LETTERS TO THE BOARD: NA

ADJOURN: 1:24 PM - DON

Don Boyer, President

Pattie Apregan, Vice President

Thayne Dutson, Secretary/Treasurer