THREE SISTERS IRRIGATION DISTRICT
BOARD OF DIRECTORS MEETING — MINUTES

Date: July 14, 2026
Meeting Begins: 10:00 AM
Location: District Office, 68000 Highway West, Bend, Oregon 97703

Remote attendance available via the meeting notice on the District's website.

CALL TO ORDER: 10:02 AM by Joe Elwing

IN ATTENDANCE:

Joe Elwing, President; Marc Thalacker(remotely by teams), Vice President; Emilia Ellington, District Manager; Jim Williams, Hydro Operations Manager

Mark Koos, Secretary/Treasurer — absent at call to order; joined during the meeting.

At 9:38am Director Koos notified the District by email of his intent to participate remotely and requested the appropriate call-in information. At the scheduled meeting time, Director Koos made multiple attempts to join the meeting using the telephone number previously provided for remote participation, but his calls were unanswered. Director Koos subsequently joined the meeting remotely after a patron attending the meeting assisted in participating remotely.

ALSO IN ATTENDANCE:

Jackie Elwing, Sara Goodwin, Sharie Forde, Nicole Sandkulla, Ted Netter, Tracey Karshner, Bruce Rognlien

Announcements:

At the end of today's agenda, we will take public comments. Each person is limited to three minutes. We ask that everyone keep their comments civil and focused on District business. However, if members of the public disregard this direction, we will adjourn the meeting.

ACTION ITEMS

1. Discussion and Possible Action to Set Date for Rules, Regulations, and Bylaws Committee Review (draft included in packet).

Discussion / Notes:

Committee review set for August 11, 2026, following the regular Board of Directors meeting.

Motion: None needed

Second: —

Vote: —

2. Discussion and Possible Action to Transfer $170,000 from First Interstate Bank – Main Canal Project Account (1140) to the Local Government Investment Pool (1250) to Satisfy Reserve Requirements and Obtain a More Favorable Interest Rate.

Discussion / Notes:

None.

Motion: Elwing

Second: Thalacker

Vote: Majority — Koos absent

3. Discussion and Possible Action Regarding Replacement of Blown Tire on Cat Wagon, Including Whether to Replace 1, 2, or None. Authorization of Expenditure (estimated $3,000–$6,000 installed for a mid-range replacement; used tires available at lower cost).

Discussion / Notes:

Replace 2 front with used drive tires. Get quotes for both new and used

Motion: ______________________________

Second: ______________________________

Vote: ______________________________

4. Discussion and Possible Action to Accept the Global Network Support (GNS) Phase 1 Cybersecurity Proposal — including replacement of end-of-life firewall with SonicWall next-generation firewall with Advanced Gateway Security, managed network switch, wireless access point with network segmentation, endpoint detection and response, password management with multi-factor authentication, Microsoft 365 security hardening, and resolution of the board email distribution failure — and to Authorize One-Time Costs Not to Exceed $5,300 (labor billed at actual) and a Monthly Service Cost of $289 [or $319 including Microsoft 365 Compliance Archiving] on a 24-Month Agreement, Offset by the SDAO Safety & Security Grant of $2,500 with Equal District Match (three written bids obtained; comparison in packet).

Discussion / Notes:

Initially Board directed staff to find more quotes. Later returned to agenda item and made Motion to approve pending terms meeting, if conversation satisfies concerns.

Motion: Elwing

Second: Thalacker

Vote: Unanimous

5. Discussion and Possible Action to Adopt Policy No. 2026-1: Director Requests for District Records — establishing written submission, logging, Board-directed priority of staff time, routing of specialized requests, and designation of the Board President as escalation point (policy and District Manager report on records request status included in packet).

Discussion / Notes:

Have legal counsel (Steve Shropshire) review the policy; to be considered for adoption at the next Board meeting.

Motion: None — tabled to next meeting

Second: —

Vote: —

A. Minutes

• Consideration of Regular Board of Directors Meeting Minutes – May 12, 2026

Motion: Thalacker

Second: Koos

Vote: Unanimous

• Consideration of Regular Board of Directors Meeting Minutes – June 9, 2026

Motion: Thalacker

Second: Koos

Vote: Unanimous

B. Monthly Review of Financial Transactions

a. Previous Month's Transaction Reports

i. Transactions to be Approved — Period: June 1 – June 30, 2026

Motion: Elwing

Second: Thalacker

Vote: Approved — Koos: No

b. Checks to be Approved — Period: June 1 – June 30, 2026

i. First Interstate Bank – Operating Account (1110)

Motion: Elwing

Second: Thalacker

Vote: Approved — Koos: No

ii. First Interstate Bank – Main Canal Project Account (1140)

Motion: Elwing

Second: Thalacker

Vote: Approved — Koos: No

iii. Local Government Investment Pool (1250) – Review Only

Discussion / Notes:

None.

c. Reconciled Statements to be Approved — Period: May 1 – May 31, 2026

i. Capital One – Visa (2310)

ii. First Interstate Bank – Master Card (2320)

iii. First Interstate Bank – Operating Account (1110)

iv. First Interstate Bank – Main Canal Project Account (1140)

v. U.S. Bank – North Hurtley Electric Account (1190)

Motion: Elwing

Second: Thalacker

Vote: Unanimous

C. Financial Report

- Operating Budget Report
- Capital Budget Report

Discussion / Notes:

None.

D. Water and Hydro Report

- Meter Repairs – ongoing
- Operations & Maintenance – Watson Hydro screen still not repaired; need log of all machines
- Operational Technology – Nline work ongoing
- McKenzie Hydro – bearing repair

Discussion / Notes:

McKenzie Hydro — discussed revenue and whether selling was an option; bearings are being fixed every 2–3 years. Thalacker said money was held back from the installer to be used for bearings, as this was a known issue.

E. Updates

- DRC Instream Update
- Board Expansion (ORS 545.199) – division map in progress, expected next month; no board action taken to date.
- HCP – FCA completed the Whychus Creek diversion and fish screen assessment (field evaluation April 27; final report June 2026). All inspected facilities in satisfactory condition. Under this year's reduced flows, water depths and sweeping velocities fell below current NMFS criteria at some measurement points (approach velocities passed at all flows); FCA notes the screen predates those criteria and recommends continued coordination with NMFS, ODFW, and USFWS on a long-term operational approach.
- Solar – no new developments
- Health Insurance – renewal complete; premium decreased from $1,047.75 to $1,017.33 with same carrier and plan; out-of-pocket maximum increased
- Wells – GSI completed the permit application; TSID to send a check for $4,605 to OWRD for the application fee
- Surplus Property (Resolution No. 2026-10, as amended) – Cat D8T sold for $320,000; 16-foot scraper sold for $4,000; backhoe sold for $3,000; remaining items still listed. Items of little to no value available to anyone interested, kept at District office.
- Operational Technology – forecasting dashboard using existing software by District Manager ongoing

• 2025 audit completed pending final adjustments and Secretary/Treasurer call. Dougal Conradie handling removal of bad entries for clean QuickBooks Online migration data. Revisit next month.

• Workers' Compensation – SAIF policy renewed July 1, 2026 – July 1, 2027; estimated annual premium $18,731.85 on estimated payroll of $534,216, payable in four quarterly installments of ~$4,683 (first due July 25, 2026). Coverage and employer's liability limits ($1M) unchanged.

• Second quarter taxes completed

• RCPP reporting completed for 2023–2025

Discussion / Notes:

Elwing asked Netter if he had updates regarding the 3- vs. 5-member Board (expansion). Thalacker wants the map.

F. Letters to the Board

Discussion / Notes:

Tim Rajeff request — Board said yes; during a fire, that is a Fire Exempted Beneficial Use.

G. Water User's Comments and Concerns

Discussion / Notes:

Bruce Rognlien — says the three bids for the IT engagement are enough; asked whether there is a process to remove a board member.

Nicole Sandkulla — approve the IT issue; don't wait until it breaks. Whole audience asked for a decision to be made.

Ted Netter — feels the Board listens but doesn't hear; recommends finding a way to have a conversation to hash out issues so the District can focus on water.

H. Board Member Comments

Discussion / Notes:

Thalacker — look up drought letter information from 2021 / drought meeting; see 2005, 2015, and 2021 for letters.

ADJOURN: 11:51 AM
Motion: Elwing

Second: Thalacker

Vote: Unanimous

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Joe Elwing, President **DATE**

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Marc Thalacker, Vice President **DATE**

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Mark Koos, Secretary/Treasurer **DATE**

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