



**THREE SISTERS IRRIGATION DISTRICT
BOARD OF DIRECTORS MEETING**

Date: May 12, 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.

Microsoft Teams [Join the meeting now](#)

Meeting ID: 219 321 656 736 8 Passcode: Zi3Dw7PZ

CALL TO ORDER: Joe Elwing 10:02am

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.

IN ATTENDANCE: Joe Elwing, President; Marc Thalacker Vice President; Mark Koos, Secretary/Treasurer (by phone); Emilia Ellington, District Manager; Jim Williams, Hydro Operations Manager

ALSO IN ATTENDANCE: Jackie Elwing, Sharie Forde, Sara Goodwin, Ted Netter, Keith Cyrus, Nicole Sandkulla, Bill St Clair, Catherine St Clair, Dave Gray, Jessie Isaksen, Russ Luloff, Tracey Karshner

Action Items:

1. Discussion and Possible Action to Accept the 2024 Audited Financial Report
Discussion / Notes: Koos has questions regarding variable hydro revenue in previous years and states 2024 appears accurate.

Motion: Thalacker

Second: Elwing

Vote: Unanimous

2. Discussion and Possible Action to Approve Audit Engagement Letter for 2025 Financial Audit.

Motion: Thalacker

Second: Elwing

Vote: Unanimous

3. Discussion and Possible Action to Adopt Resolution No. 2026-12 Authorizing Execution of a DEQ Loan Agreement to Preserve Funding Eligibility (No Funds Authorized for Expenditure)

Discussion / Notes: Director Koos requested that Resolution No. 2026-12 be read aloud before consideration. President Elwing read the resolution, including the provision stating that execution of the loan agreement would be subject to final review of terms and conditions and, if necessary, legal review.

Director Koos questioned whether the resolution constituted approval of a loan, noting that the resolution expressly authorized the District to enter into a loan agreement for an amount not to exceed \$7,000,000 and authorized repayment of that loan.

District Manager Ellington stated that DEQ required the resolution to authorize execution of the loan documents in order to preserve eligibility for principal forgiveness and that time was of the essence because the amount of principal forgiveness could be reduced if the loan agreement was not executed before the applicable DEQ deadline.

President Elwing repeatedly stated that the Board was not committing to the loan and characterized the resolution as authorizing further investigation rather than a final commitment.

Vice President Thalacker stated that the purpose of the resolution was to preserve the District's eligibility for principal forgiveness, described it as a formality, and represented that the proposal would ultimately be presented to the District's patrons for a vote before moving forward. He further stated that the Board would review and approve the final loan documents following legal review.

Director Koos expressed concern that the language of the resolution authorized execution of the loan agreement, delegated broad authority to the District Manager, and did not expressly require the matter to return to the Board for final approval before execution. Vice President Thalacker responded that the District is represented by its Board of Directors and stated that the Board would approve the final loan documents.

President Elwing reiterated that the Board was not committing to the loan and that additional review would occur before any final action.

Motion: Elwing

Second: Thalacker

Vote: Koos No - Majority passed

4. Discussion and Possible Action Regarding Oversight, Financial Review, and Public Input Related to the Proposed DEQ-Funded Floating Solar and Battery Project

Discussion / Notes: Koos against continuing to do research for solar project.

5. Discussion and Possible Action to Approve Engagement Letter for Special Legal Counsel to Provide Required Legal Opinion Letter for DEQ Loan (Administrative Requirement Only)

Discussion / Notes:

Motion: Elwing

Second: Thalacker

Vote: Koos No - Majority passed

6. Discussion and Possible Action to Amend Resolution No. 2026-10 to Add Vehicles to Surplus Property List

Discussion / Notes: Added scraper, sheepsfoot roller, and 2008 Cat D8 Dozer

Motion: Thalacker

Second: Elwing

Vote: Unanimous

7. Discussion and Possible Action to Amend the 2026 In-Stream Leasing Policy to Allow a 5-Year In-Stream Lease for the City of Sisters to Support Sisters School District Mitigation Requirements

Discussion / Notes: DRC was able to show calculations showing adding City of Sisters and some 1895 in stream leasing patrons would only backfill the 23cfs and not commit additional water in stream this season. It also help Sister School District with the needed mitigation credits to allow them to use their well water.

Motion: Thalacker

Second: Elwing

Vote: Unanimous

8. Discussion and Possible Action Regarding Water Shutoff for Non-Payment

Discussion / Notes: Elwing shows this is already in ORS statute and rules and regulations. Elwing asked manager sends letter to patrons letting them know this will be enforced starting 2027 and will include statute and rules and reg section.

Motion: None needed

9. Discussion and Possible Action to Establish Dates for Budget Committee Meetings and Rules, Regulations, and Bylaws Review

Discussion / Notes: Rules and Bylaws committee to set date after June once Manager has sent a draft to the committee members.

Budget committee to begin meeting after BOD monthly in September October and November. Send email to budget committee members with dates and times.

10. Discussion and Possible Action Regarding Legal Communication Procedures,
Including Appointment of District Manager as Point of Contact with Legal Counsel

Discussion / Notes: Elwing asked to make official the historical practice.

Motion: Elwing

Second: Thalacker

Vote: Koos No - Majority passed

11. Discussion and Possible Action to Formalize District Manager Control of Computer
Access and Passwords

Discussion / Notes: Elwing asked to make official the historical practice

Motion: Thalacker

Second: Elwing

Vote: Koos No - Majority passed

12. Discussion and Possible Action Regarding Equal Application of District Rules,
Regulations, and Requirements

13. Continued Discussion Regarding Potential Submission to District Electors of a
Proposal to Expand the Board from Three to Five Directors Pursuant to ORS 545.199

Discussion / Notes: The board has asked for an example of a 5 member board
district and will table the matter until it can be reviewed to help make an informed
decision.

A. Minutes

- Consideration of Regular Board of Directors Meeting Minutes – April 14, 2026

Motion: Thalacker
Second: Elwing
Vote: Unanimous

B. Monthly Review of Financial Transactions

a. Previous Month's Transaction Reports

i. Transactions to be Approved

- Period: April 1 – April 30, 2026

Motion: Thalacker
Second: Elwing
Vote: Koos No - Majority passed

b. Checks to be Approved

- Period: April 1 – April 30, 2026

i. First Interstate Bank – Operating Account (1110)

Motion: Thalacker
Second: Elwing
Vote: Koos No - Majority passed

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

Motion: Elwing
Second: Thalacker
Vote: Unanimous

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

c. Reconciled Statements to be Approved

- Period: March 1 – March 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 Hurlley Electric Account (1190)

Motion: Thalacker

Second: Elwing

Vote: Unanimous

C. Financial Report

- Operating Budget Report
- Capital Budget Report

Move wells from operation to capital report

D. Water and Hydro Report

- Meter Repairs – more meters have broken that are now being fixed, all previous meters have been fixed and reinstalled.
- Operations & Maintenance
- Operational Technology
- McKenzie Hydro

E. Updates

Requests have been received from Sarahlee Lawrence and Nicole Sandkulla to serve on the Budget Committee.

- **HCP** – annual inspection report provided
- **Solar** – data regarding roi scenarios provided
- **Wells**
- **Operational Technology**

F. Letters to the Board – Angela Sitz and Matt Cyrus sent letters

G. Water User's Comments and Concerns -

During public comment, a patron expressed concern regarding the District potentially borrowing up to \$7,000,000. In response, Vice President Thalacker stated that the proposal would receive legal review, return to the Board for final review and approval, and be submitted to the District's patrons for a vote before proceeding. Director Koos asked whether District legal counsel had reviewed Resolution No. 2026-12 prior to its adoption, and it was acknowledged that counsel had not reviewed the resolution before the Board vote.

Nicole Sandkulla wants board packets available to patrons, Ellington agreed packet can be posted online moving forward.

Matt Cyrus and Ted Netter also want board packets available.

H. Board Member Comments –

Koos asked about Cyrus well water being offered and is available to patrons to purchase. Keith Cyrus said he wants \$40 an acre from patrons, there is piping and work that needs to be completed first and is being discussed. Manager to provide an agreement soon.

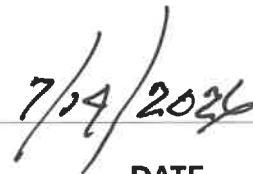
Koos sent multiple letters. He has asked to receive any legal communication that other board members have received that he did not.

ADJOURN 12:40 Elwing

Thalacker second, unanimous



Joe Elwing, President



DATE

Marc Thalacker, Vice President

DATE

Mark Koos, Secretary/Treasurer

DATE

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