
The regular meeting of the Board of Directors of the Central Oregon Irrigation District (COID) was called to order by Paul Kasberger, Vice President, at 8:59 AM on February 9, 2016 in the District office.

Directors present were Tom Burke, Terry Blackwell, Robert Borlen, and Paul Kasberger. Also attending were Craig Horrell, Secretary-Manager; Danee Phillips, Assistant Secretary; Larry Roofener, Operations Manager; Cary Penhollow, Water Master; Leslie Clark, Water Rights Manager; Joshua Peed, Hydro Manager; Shon Rae, Communications Manager; Jenny Hartzell-Hill, Administrative Assistant; Matt Singer, Legal Counsel. Also in attendance as visitors see Exhibit "A":

1. OPEN FORUM:

Leslie Clark informed the Board that Todd Taylor contacted the District and explained that he has a temporary ground water permit. He would like to get this changed to a permanent ground water permit. He has asked COID to sell him water 35.1 mitigation credits which equals 19.51 acres of water. Board discussion followed. Board consensus was to not make any decisions until the System Improvement Plan is complete and have a better understanding what we can do in the future.

John Schimmoller, representing Richard Scorza came before the Board. He explained that the Scorzas own property located at 2251 SW Yew Ave, Redmond along the Pilot Butte Canal on the south end of Redmond. They would like to connect into the City of Redmond Sewer system and this would require a pipe being installed along the edge of the District owned property to the east and north of the said property along the canal. He pointed out that sewer runs along the other side of the canal. Staff informed him that a portion of the house is outside of their property line and is on COID property. It was suggested that COID and current owner first resolve the encroachment issue before other proposals are presented for consideration. The Board proposed that this matter be tabled until the March Board meeting to allow for further information to be collected and have a plan. PBC Sewer Line Proposal Map is attached as Exhibit "B".

Kathi Miller, a COID Patron came to the Board with her concerns regarding the frog lawsuits. As well as questions regarding the planned lunch for the City Club regarding the Australian Drought. Craig Horrell acknowledged that her concerns are shared with many COID Patrons and he informed her that the District is diligently working towards a solution and resolution with the organizations involved and that it is a high priority for the District. She was also invited to call her area Board Member or District Staff to discuss her concerns and questions in the future.

2. MINUTES:

A motion to approve the minutes for the January 12, 2016 Regular Session Board Meeting was made by Terry Blackwell. Following a second by Robert Borlen the motion passed unanimously.

3. TRANSFERS / INCLUSIONS:

Leslie Clark reviewed the list of transfers. A water management report was provided to the Board prior to the meeting, Exhibit "C". Terry Blackwell made a motion to approve the transfers as presented. Following a second by Robert Borlen the motion passed unanimously.

4. REPORTS:

- A. Watermaster Report –
A written report (Exhibit "D") was provided to the Board. Cary Penhollow provided an update as to how the reservoirs are filling.
- B. Operations and Maintenance Report –
A written report (Exhibit "E") was mailed to the Board prior to the meeting.
- C. Hydro Report -
A written report (Exhibit "F") was mailed to the Board prior to the meeting. Joshua Peed updated the Board and requested the Board approve the purchase of system to allow for a live feed and recording at the Juniper Ridge Hydroelectric Facility. It is \$4,000 for the installation and \$100 per month for the internet. This will provide a security benefit and operationally it will allow for off-site monitoring. Robert Borlen made a motion to approve the request for the installation and monthly fee as requested. Following a second by Terry Blackwell the motion passed unanimously.
- D. Public Relations/Communications-
A written report (Exhibit "G") was mailed to the Board prior to the meeting. Shon Rae updated the Board on the Trade Show Booth. The DBBC will do a cost share for the cost of the construction of the booth. The booth should be ready by the LOAFA seminar on March 12, 2016. The branding campaign is moving to the next step and are working on a new commercial focusing on restoration.
- E. Finance Report-
A written report (Exhibit "H") was mailed to the Board prior to the meeting. Danee Phillips reported that a Union negotiation meeting has been scheduled for March 9th at 2:00 p.m. Robert Borlen and Terry Blackwell will represent the Board of Directors for this meeting.
The Collections Status Report (Exhibit "I") was provided to the Board by mail prior to the meeting.
- F. Manager Report-
Craig Horrell updated the Board regarding HCP and the measures that have been taken with USFWS. He explained that a 7I Letter has been proposed and accepted by USFWS. The measurements and steps within the 7I Letter will be implemented immediately. Craig provided the update on the Historical Nomination: National Parks Service made the decision to list the section of the Pilot Butte Canal District. COID will continue on with the Programmatic Agreement with Bureau of Reclamation and SHPO and the historical nominations of two COID sites. We will also continue on with the System Improvement Plan.

5. **BILLINGS & PAYROLL:**
Terry Blackwell made a motion to accept the payroll registers and billings as presented. The motion was seconded by Robert Borlen and passed unanimously.
6. **OLD BUSINESS:**
- **System Improvement Plan (SIP) Status**
Craig Horrell updated the Board and explained that the draft models are expected to be completed by March with the finals by June. FCA, through the Basis Study, has started their analysis and the end result is expected to have a complete plan that all agree on. February 17, 2016 the Deschutes River Conservancy and COID staff will be meeting to discuss a plan.
 - **North Canal Dam Update**
Craig Horrell updated the Board and explained that the fish ladder construction is expected to begin the fall of 2016.
 - **J-3 Seepage Matter/Jeb Abbas**
Larry Roofener informed the Board that the ditch is being piped.
 - **Resolution 2016-4: Patron Limited License Water Use Requirements & Permit Process**
Paul Kasberger read the resolution. Robert Borlen made a motion to approved the Resolution as presented. Following a second by Terry Blackwell the motion passed unanimously (Exhibit "J").
 - **Verizon Lease**
Danee Phillips informed the Board that payment has been received.
 - **Willard Road Property Inquiry**
Larry Roofener informed the Board that the appraisal is complete. The Greens are offering to pay the appraised price and all costs associated. The appraisal is \$27,000 plus additional closing and the lot line adjustment costs. Robert Borlen made a motion to accept the Green's offer. Following a second by Tom Burke the motion passed unanimously.
7. **NEW BUSINESS:**
- **HCP Video Presentation**
The Board was pleased with the final product.
 - **Sewer Line Proposal**
Board discussion regarding the proposal presented in Open Forum. The system improvement plan will provide information that will be helpful in making a decision on this ask. The encroachment issue will also be researched and a letter will be sent to the current owner regarding the encroachment issue.

8. BOARD COMMENTS:

Terry Blackwell commented regarding the proposal presented by staff at the January meeting regarding one-acre minimums on transfers to new properties. This topic will be placed on the agenda and discussed in Old Business in March.

At 10:06 AM the Board recessed the General Session and moved into Executive Session per:

- ORS 192.660(2)(e) to conduct deliberations with persons designated by the governing body to negotiate real property transactions.
- ORS 192.660(2)(h) to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

Following the Executive Session, the Regular Session of the COID Board was reconvened at 11:07 A.M.

Robert Borlen moved to have attorney Matt Singer do legal analysis per executive session discussions. Following a second by Terry Blackwell the motion passed unanimously.

Robert Borlen made a motion to direct Craig Horrell to write a letter to the City of Bend in response to the Brooks Resources letter and present the draft to Mike Hollern prior to submittal.

The meeting was adjourned at 11:09 a.m. following a motion by Terry Blackwell that was seconded by Tom Burke.

ATTEST: CENTRAL OREGON IRRIGATION DISTRICT

Craig Horrell, Secretary-Manager

Carroll Penhollow, President

Terry Blackwell, Treasurer

Robert Borlen

Thomas Burke

Paul Kasberger, Vice-President