
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 9:01 AM on March 8, 2016 in the District office.

Directors present were Tom Burke, Terry Blackwell, Robert Borlen, Paul Kasberger, and Carroll Penhollow (arrived at 10:30 a.m.). Also attending were Craig Horrell, Secretary-Manager; Danee Phillips, Assistant Secretary; Larry Roofener, Operations Manager; Cary Penhollow, Water Master; Leslie Clark, Water Rights 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:

Steven Clemenson owns property at 25311 Dodds Rd, Bend. He is currently involved in a lawsuit regarding an easement and a canal crossing. He came before the Board to ask for clarification regarding the crossing policy on main canals. His request is for a decision as to whether or not a crossing on the main canal be allowed or denied. He provided a plat map to the Board, Exhibit "B". The Board will discuss this matter in Executive Session and staff will contact him with a decision.

John Schimmoller, representing Richard Scorza came before the Board regarding easement off of Yew Ave. Mr. Schimmoller addressed the Board at the February Board Meeting and is here to present additional information. He has done further research regarding an encroachment of the home onto COID property. He provided the Board with a copy of a survey from 1976, Exhibit "C". The current owners would like to work toward a solution to this matter. The current owner would prefer to not have to remove a portion of the home, they proposed instead possibly doing a lot line adjustment or explore further options. COID will continue to work through this issue.

Jason Wick and Rick Bailey, representing Avion Water, brought before the Board issues that affect Avion Water due to the A-1 remnant parcel decision made by the Board. The COID decision to declare the A-1 system a remnant parcel will severely impact Avions delivery to 90 homes. The delivery system to these homes was designed a very long time ago and the diameter of the pipes will not allow for Avion to deliver water to them without upgrading the pipe system. They are proposing a partnership with COID to remedy this problem by working with us to improve this delivery ditch. It was initially thought that Avion could change their delivery to these customers, but after analysis this is not a viable solution for the Avion. It was decided to have Avion and COID staff work together to come up with a plan and options to present to the Board.

Leslie Clark presented a letter from Steve Bradford as well as her email response, Exhibit "D". The Board supported Staff's response.

2. MINUTES:

A motion to approve the minutes for the February 9, 2016 Regular Session Board Meeting was made by Robert Borlen. Following a second by Tom Burke 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 "E". Leslie asked the Board to waive a transfer fee for Patron Keith Lee due to an oversight with the 3111 remapping. Robert Borlen made a motion to waive the transfer fee for Keith Lee. Following a second by Tom Burke the motion passed unanimously.

Terry Blackwell made a motion to approve the transfers as presented. Following a second by Tom Burke the motion passed unanimously.

4. REPORTS:

- A. Watermaster Report –
A written report (Exhibit "F") was provided to the Board. Cary Penhollow provided an update to the Board. The outlook is promising. The release for the Frog will begin around March 26, 2016.
- B. Operations and Maintenance Report –
A written report (Exhibit "G") was mailed to the Board prior to the meeting.
- C. Hydro Report -
A written report (Exhibit "H") was mailed to the Board prior to the meeting.
- D. Public Relations/Communications-
A written report (Exhibit "I") was mailed to the Board prior to the meeting.
- E. Finance Report-
A written report (Exhibit "J") was mailed to the Board prior to the meeting.
The Collections Status Report (Exhibit "K") was provided to the Board by mail prior to the meeting.
- F. Manager Report-
Will be presented in executive session.

5. BILLINGS & PAYROLL:

Robert Borlen made a motion to accept the payroll registers and billings as presented. The motion was seconded by Terry Blackwell and passed unanimously.

6. OLD BUSINESS:

- **Cline Falls Proposal – Ryan Houston, and Mathias Upper Deschutes Watershed Council**

Ryan Houston and Mathias Perle with Upper Deschutes Watershed Council presented to the Board their proposal for the Cline Falls Dam removal, Exhibit "L". If this proposal is approved, they will put together an RFP for the removal and then build a team that will do the work. Total amount for this proposal is \$12,324. Robert Borlen moved to accept

the proposal as presented for \$12,324 with a \$15,000 cap on the Phase 2-Dam Removal. Following a second by Terry Blackwell the motion was approved unanimously.

- **System Improvement Plan (SIP) Status**

Craig Horrell updated the Board and informed them that we are still on track for a model presentation by June. Funding packages have been discussed with congressional staff and headway is being made. There may be federal funding and Craig is planning to have a suite of options for funding. The Pilot Butte Canal may be completed first due to the fact that other districts receive water off of the Pilot Butte and funding may be more available.

- **North Canal Dam Update**

Ryan Houston, with Upper Deschutes Watershed Council explained their role with this project. They have received grant funds for the Fish Ladder construction and the total amount of the project is \$2,100,000. The project will go out to bid this Spring or Summer.

- **Fish Salvage**

ODFW has requested that COID spearhead the fish salvage at the end of irrigation season. Craig Horrell explained that COID should have a plan for this in the future. The fish salvage action would be taken on by DBBC under the direction of ODFW and under their permit. A motion was made by Robert Borlen to take on Fish salvage with DBBC. Following a second by Tom Burke the motion passed unanimously.

- **Setting One Acre Minimums on New Deliveries**

Leslie Clark explained this issue and asked the Board to consider how to approach new small delivery requests. Board discussion followed. Board consensus is that these requests continue to be considered on a case by case basis.

- **A-1 Remnant Parcel**

Larry Roofener updated the board on the status of the remnant parcel in addition to the Avion proposal. He explained that COID staff had been communicating with Avion regarding the issues presented for many months prior to the Board's decision to deem this delivery a Remnant Parcel. Avion was not really considering the idea of working with staff on this issue until the remnant parcel was decided by the Board. Larry also explained that COID patrons, the Merritts and Monroes, have been communicated with. The portion of the canal that delivers to these patrons is a problem with excess leaks and loss. Operationally, Avion is now willing to work with COID on improving this lateral. Board discussion follow regarding pausing the remnant parcel decision but making Avion responsible for the liability. It was recommended to have staff come up with a plan with Avion Water.

- **Willard Road Property Status**

The Board signed Resolution 2016-5 Finance: Property Disposition – Surplus Property, Exhibit “M”. The sale of this property is still in process. A Lot Line Adjustment will be filed by the Greene's. Tom Burke made a motion to grant signing permission to Craig Horrell on the Lot Line Application. Following a second by Robert Borlen the motion was approved unanimously.

- **COID Yew Avenue Canal Property (encroachment)**
Board discussion followed on options for solving this encroachment issue.

7. **NEW BUSINESS:**

- **Kutz vs. Lee, et al.**

Matt Singer updated the Board and informed them that the court granted our second motion to dismiss the lawsuit, this time with prejudice. The Kutz may appeal to the Oregon Court of Appeals.

- **COID Patron Survey**

Shon Rae provided details to the Board regarding an upcoming mailing and survey of the District's Patrons, Exhibit "N". Discussion followed and suggestions were made by the Board.

- **Development – Water Rights Issues**

Leslie Clark provided a memo to the Board prior to the Board meeting regarding development issues with water rights, Exhibit "O". Leslie explained that development is on the rise again and COID is faced with properties developing and water rights needing to be removed. Leslie asked the Board to determine a price for water on the Central Oregon Canal water rights. Robert Borlen made a motion to set the COID purchase price for the Central Oregon Canal water rights at \$1,000 per acre. Following a second by Terry Blackwell the motion passed unanimously.

The second issue with development is if water rights are being sold and transferred off of a piece of property and a portion of them cannot be sold or transferred due to non-use does COID charge the developer and/or property owner a cancellation fee. Board discussion followed and it was the consensus that it is the responsibility of the water rights holder and that they are responsible for the cancellation fee regardless of the amount of water.

8. **BOARD COMMENTS:**

COID is leasing property to Huddleston and the Board was asked if they have any objections to spreading extra strength waste (there is a DEQ Permit) from Deschutes Brewery on the property? The Board had no objections.

At 10:58 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 12:17 A.M.

Robert Borlen made a motion that COID will participate with NUID and the DBBC to achieve an initial minimum winter flow of 100 cfs in the Upper Deschutes. The long term solution to

restore more winter flows will be to continue with District piping projects. Following a second by Carroll Penhollow the motion passed unanimously.

The meeting was adjourned at 12:23 a.m. following a motion by Terry Blackwell that was seconded by Robert Borlen.

ATTEST: CENTRAL OREGON IRRIGATION DISTRICT

Craig Horrell, Secretary-Manager

Carroll Penhollow, President

Terry Blackwell, Treasurer

Robert Borlen

Thomas Burke

Paul Kasberger, Vice-President

APPROVED