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The regular meeting of the Board of Directors of the Central Oregon Irrigation District (COID) was called to order by Carroll Penhollow, at 9:00 AM on September 13, 2016 in the District office.

Directors present were Terry Blackwell, Paul Kasberger, Thomas Burke, Robert Borlen and Carroll Penhollow. Also attending were Craig Horrell, Secretary-Manager; Danee Phillips, Assistant Secretary; Larry Roofener, Operations Manager; Cary Penhollow, Water Master; Leslie Clark, Water Rights Manager; Rick Nichols, Project 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:**

None

**2. MINUTES:**

A motion to approve the minutes for the August 9, 2016 Regular Session Board Meeting was made by Terry Blackwell. Following a second by Tom Burke the motion passed unanimously.

**3. TRANSFERS / INCLUSIONS:**

A water management report was provided to the Board prior to the meeting, Exhibit "B". Carroll Penhollow reviewed the transfers and made a motion to approve the transfers as presented. Following a second by Robert Bolen the motion passed unanimously.

**4. REPORTS:**

- A. Watermaster Report –  
A written report (Exhibit "C") was mailed to the Board prior to the meeting.
- B. Capital Projects –  
A written report (Exhibit "D") was mailed to the Board prior to the meeting.
- C. Operations and Maintenance Report –  
A written report (Exhibit "E") was mailed to the Board prior to the meeting. Larry Roofener updated the Board on the Robey Lease on the COID land off of Ten Barr Road in Bend. The lease will begin in 2017, Mr. Robey has requested that the Board give permission for him to work on fencing and plant seed this fall. Board discussed this request and recommended that Mr. Robey get staff approval on the seed before planting.
- D. Hydro Report -  
A written report (Exhibit "F") was mailed to the Board prior to the meeting. Joshua Peed informed the Board that there was an electrical issue that was tripping the cooling water system at the Hydro plant. This has been adjusted and is now working well. A property owner near Juniper Ridge has contacted COID regarding the transient camps in the area. Joshua has reached out to the Veterans Services to try to work with them on the issue. Joshua will also contact the City of Bend due to the fact that this activity is happening on City property.

E. Public Relations/Communications-  
A written report (Exhibit “G”) was mailed to the Board prior to the meeting. Shon Rae updated the Board on current projects and also updated the Board on the COID Website update.

F. Finance Report-  
A written report (Exhibit “H”) was mailed to the Board prior to the meeting. Danee Phillips provided an updated page 10. Staff presented a few line items for the 2016 budget that need Board approval, these items are as follows:

Craig Horrell explained to the Board that there was an issue with BSWG process and allocation of funds that had initially been designated for the Water Loss Study with Black Rock and now COID is assuming full responsibility for the cost of the Study in the amount of \$80,118. The Board discussed how to align the cost of the Loss Study within our budget and how to make the partners accountable for these bills. A motion was made by Paul Kasberger to approve the Black Rock contract for \$80,118. Following a second by Thomas Burke the motion was approved unanimously.

Danee Phillips and Craig Horrell updated the Board on the ICF Amended Contract due to the increased time and finalization of the Historical Nomination and the Programmatic Agreement in the amount of \$22,478. Paul Kasberger made a motion to approve the ICF Contract Amendment in the amount of \$22,478. Following a second by Robert Borlen the motion was approved unanimously.

Danee Phillips provided the RDG budget and contract for the Cline Falls Phase I work to the Board. This is for a consultant to do the Project Management, they will handle the permitting, contracting and the removal of the in-water structure. Staff request is for a new line item for RDG consulting on the Cline Falls Project. Permission for Craig to sign the contract with RDG for an additional \$30,000 in the budget for 2016. Robert Borlen made a motion to approve the request for \$30,000 in the 2016 Budget for the RDG contract and grant permission for Craig Horrell to approve and sign the contract. Following a second by Thomas Burke the motion was approved unanimously.

The Patron Outreach and Communications budget is an additional \$2,459 for the 2016 budget due to additional mailing to Patrons. A motion was made by Tom Burke to allow the additional \$2,459 for Patron Outreach and Communications for the 2016 budget. Following a second by Robert Borlen the motion passed unanimously.

Staff explained that the Fish salvage project will cost \$19,855. COID’s share will be 40% when the project is complete. The additional partners will pay the other 60%. Terry Blackwell made a motion to approve the Fish Salvage amount of \$19,855. Following a second by Robert Borlen the motion was approved unanimously.

The Collections Status Report (Exhibit “I”) was provided to the Board by mail prior to the meeting.

- F. **Manager Report-**  
Craig Horrell informed the Board that his report will be discussed later in the agenda and executive session.

5. **BILLINGS & PAYROLL:**

Paul Kasberger made a motion to accept the payroll registers and billings as presented. Following a second by Terry Blackwell the motion passed unanimously.

6. **OLD BUSINESS:**

• **Cline Falls Update**

Rick Nichols is meeting with RDG on the 23<sup>rd</sup> of September and meeting with OWRD in October.

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

Staff is working on the Executive Summary Budget.

• **Willard Road Property Sale Update**

The sale is still in escrow and Craig Horrell will execute documents. The transaction should be completed in October.

• **Merkley PL 566**

Craig Horrell updated the Board and explained that he will be in Washington D.C. September 24<sup>th</sup> through the 27<sup>th</sup>. He will be working on funding of projects.

• **Fall Strategic Planning Session**

October 25, 2016, 9:00 a.m. at the Ranch at the Canyon.

7. **NEW BUSINESS:**

• **Bank of the Cascades Line of Credit Renewal**

Danee Phillips presented the details and history of the Line of Credit. The Board discussed the options and it was determined that the Line of Credit does not need to be renewed. Robert Borlen made a motion to close the Line of Credit with Bank of the Cascades. Following a second by Thomas Burke, the motion passed unanimously.

• **Resolution 2016-8: 2016 Elections for Divisions 2 & 3 Vote by Mail**

Carroll Penhollow presented Resolution 2016-8: 2016 Election for Divisions 2 & 3 Vote by Mail, see Exhibit “J”. Thomas Burke made a motion to approve the Resolution as presented. Following a second by Robert Borlen the motion passed unanimously.

• **End of Season shut off and stock water run schedule**

Craig Horrell updated the Board and discussed the end of season postcards to the Patrons.

- **Schedule End of Season BBQ – October 11, 2016**

The BBQ will follow the October Board Meeting. Shon Rae updated the Board on the scheduling of the COID Christmas Party, it will be December 10, 2016, 5:30-9:30 at the Ranch at the Canyon.

At 10:04 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.

Executive Session recessed and the Regular Session of the COID Board was reconvened at 12:16 P.M.

**8. BOARD COMMENTS:**

None.

The meeting was adjourned at 12:18 p.m. following a motion by Robert Borlen that was seconded by Terry Blackwell.

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Carroll Penhollow, President

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Paul Kasberger, Vice-President

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Terry Blackwell, Treasurer

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Robert Borlen

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Thomas Burke

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Craig Horrell, Secretary-Manager