



The regular meeting of the Board of Directors of the Central Oregon Irrigation District (COID) was called to order by Carroll Penhollow, at 9:01 AM on December 13, 2016 in the District office.

Directors present were Terry Blackwell, Thomas Burke, Robert Borlen, Paul Kasberger, and Carroll Penhollow. Also attending were Craig Horrell, Secretary-Manager; Larry Roofener, Operations Manager; Cary Penhollow, Water Master; 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:

Pat Kesgard, Compass Commercial Real Estate came to the Board representing a potential buyer for property on Yew Ave with an encroachment. Also before the Board was Scott Patterson with VHE, the buying group. The Seller, Richard Scorza, was also present. They are working to purchase this property to develop a facility with livable units. They have two requests for the Board: 1) They would like an easement for encroachment for the existing building until the building is removed; and 2) An Access Easement in the lower piece for parking for staff and police access in the lower area of the federal right of way. The Board will discuss the requests during New Business and notify all parties of the decision.

Marla Gibson, Terrebonne Patron. She came to the Board with files of correspondence from the past and reference a 2005 water rights map regarding Beneficial Use issues. She referenced 2011 evidence of use. She also presented a list of patrons who can speak to the restriction of water due to the cattails in the delivery ditch. Legal Counsel advised the Board and the Patron of how this matter needs to proceed with an appeal filed by the Patron.

Anthony Rosengarth, Patron, requesting a transfer of water. He presented an aerial map and additional information, see Exhibit “B”. He is requesting to transfer water within the Bend UGB and this requires a Board decision. This will be moved to new business and the Board will notify him of the decision.

Danny Clark, Patron, is concerned about water not being allocated appropriately due to issues with other patrons in his delivery area and the patrolman. He also discussed his headgate being turned down later in the season after he came in and talked to COID Staff. He is displeased with service and the amount of water he has received in the past water seasons. Staff explained the process of ramp up and ramp down and how the water is managed. The Board will consider his concerns and decide how to proceed.

Larry Roofener informed the board that a patron had contacted staff regarding a request to duck hunt on the COID canal systems. The Board will consider the request in New Business.

Paul Kasberger, had a Terrebonne Patron inquired about piping a section of a lateral on his property. It was determined that if the Patron purchases the pipe then it would be a maintenance project and put on the maintenance list.

2. MINUTES:

A motion to approve the minutes for the November 8, 2016 Regular Session Board Meeting was made by Terry Blackwell. Following a second by Tom Burke the motion passed unanimously. A motion to approve the minutes for the November 22, 2016 Special 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 "C". Paul Kasberger made a motion to approve the transfers as presented and authorized Craig Horrell to sign the transfers. Following a second by Robert Bolen the motion passed unanimously.

Staff proposed a new fee for water transactions requested by resorts and large scale residential-Ag properties. Carroll Penhollow made a motion to approve a \$100.00 per hour fee with a \$400.00 minimum. Following a second by Terry Blackwell the motion passed unanimously.

4. REPORTS:

- A. Watermaster Report –
A written report (Exhibit "D") was mailed to the Board prior to the meeting.
- B. Capital Projects –
A written report (Exhibit "E") was mailed to the Board prior to the meeting. Rick Nichols provided an update on the Cline Falls project and explained that things are moving along.
- C. Operations and Maintenance Report –
A written report (Exhibit "F") was mailed to the Board prior to the meeting. Larry Roofener also updated the Board regarding the Brookwood Fire Fuels project progress.
- D. Hydro Report -
A written report (Exhibit "G") was mailed to the Board prior to the meeting. Joshua Peed updated the Board on generation. Juniper Ridge is done operating for 2016. Joshua asked the board to consider his request to move \$1000 from the Maintenance Budget to the Capital Budget to cover additional cost for the Battery Maintenance Equipment update. Paul Kasberger made a motion to move \$1000 from the Maintenance Budget to the Capital Budget as requested by Joshua Peed. Following a second by Robert Borlen, the motion passed unanimously.
- E. Public Relations/Communications-
A written report (Exhibit "H") was mailed to the Board prior to the meeting. Staff provided details of the City Club meeting on December 15th.
- F. Finance Report-
A written report (Exhibit "I") was mailed to the Board prior to the meeting.

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

5. **BILLINGS & PAYROLL:**

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

6. **OLD BUSINESS:**

- **Merkley PL 566**

Craig Horrell updated the Board. This process is moving along.

- **Budget Review**

Craig Horrell provided details of the updates to the 2017 drafts, see Exhibit “J”.

- **Scorza/Yew Ave Encroachment**

The Board discussed the requests presented in Open Forum. A letter from Mr. Scorza was sent to the Board prior to the meeting, see Exhibit “K”. Robert Borlen made a motion to allow the requests for an Encroachment Easement and an Access License per legal recommendations. It was discussed to have the owner or the purchasing team provide the drafts for the encroachment easement and the access license for review by COID staff and legal counsel. Following a second by Terry Blackwell the motion passed unanimously.

- **Rosengarth Transfer Request**

The Board discussed the request to transfer the water rights that was presented in Open Forum. Robert Borlen made a motion to approve the request to transfer the water right. Following a second by Tom Burke the motion passed unanimously. The Board recommended that the water right be proven prior to transferring.

- **Duck Hunting Request**

The consensus of the Board is to deny requests for duck hunting on all COID facilities.

- **IPS Draft**

The policy draft has been review by legal counsel and will be presented at the next Board Meeting.

7. **NEW BUSINESS:**

- **2017 Instream Leases**

A memorandum was presented to the Board with the 2017 proposal. See Exhibit “L”. Robert Borlen moved to reduce the minimum Instream lease number to 1,100 acres due to operational issues with the Oregon Spotted Frog. Following a second by Terry Blackwell the motion passed unanimously.

- **Cline Falls RFP**

Craig Horrell explained that we are now to the stage of putting together an RFP to do the demolition work for buildings. River Design group will oversee this process due to the

complexity of the project. Robert Borlen made a motion to contract the River Design Group for \$5,000 to perform the RFP work. Following a second by Terry Blackwell the motion passed unanimously.

At 11:50 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 regards to current litigation or litigation likely to be filed.
- ORS 192.660(2)(i) to review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing.

Executive Session recessed and the Regular Session of the COID Board was reconvened at 12:44 p.m.

The meeting was adjourned at 12:45 p.m. following a motion by Terry Blackwell that was seconded by Robert Borlen.

Carroll Penhollow, President

Paul Kasberger, Vice-President

Terry Blackwell, Treasurer

Robert Borlen

Thomas Burke

Craig Horrell, Secretary-Manager