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The regular meeting of the Board of Directors and Board of Equalization of the Central Oregon Irrigation District (COID) was called to order by Carroll Penhollow, at 9:01 AM March 14, 2017 In the District office.

Directors present were Carroll Penhollow, 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; Rick Nichols, Project Manager; Jenny Hartzell-Hill, Administrative Assistant; ShanRae Hawkins, Communications Consultant; Matt Singer, Legal Counsel. Visitors present, see Exhibit "A".

**1. OPEN FORUM**

Terry Blackwell introduced Paul Bennett, a local musician, to present a song he wrote about agriculture and irrigation.

**2. MINUTES:**

A motion to approve the minutes for the February 14, 2017 Regular Session of the Board of Directors was made by Robert Borlen. 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 made a motion to approve the transfers as presented. Following a second by Robert Borlen, the motion passed unanimously.

**5. REPORTS:**

A. Watermaster Report –

A written report (Exhibit "C") was mailed to the Board prior to the meeting. Cary Penhollow provided a verbal update to his report regarding current snowpack. Stock-run and ramp-up for irrigation season was discussed. There will be no stock-run and regular season will start April 3, 2017.

B. Capital Projects –

A written report (Exhibit "D") was mailed to the Board prior to the meeting.

B. Operations and Maintenance Report –

A written report (Exhibit "E") was mailed to the Board prior to the meeting. Larry Roofener verbally updated the Board on current projects and informed the Board that maintenance needs have not been fully met due to the harsh winter conditions we have had this maintenance season. Larry also presented photos of the new fish ladder. Brookwood Fire Fuels Reduction Project is complete and it came in under budget.

- C. Hydro Report -  
A written report (Exhibit “F”) was mailed to the Board prior to the meeting. Joshua Peed updated the Board regarding the winter operation. The turbine repair has been done at Juniper Ridge and we are waiting for water in the system to test the repair. He also informed the Board that maintenance work has been performed by staff at SPP.
- D. Public Relations/Communications-  
A written report (Exhibit “G”) was mailed to the Board prior to the meeting. ShanRae Hawkins updated the Board on current outreach program scheduling; this will include a speaking series as well as a tour series.
- E. Finance Report-  
A written report (Exhibit “H”) was mailed to the Board prior to the meeting. The CPA is at COID this week for the Annual Audit. There is a Capital Request that will be discussed in Executive Session. Craig Horrell updated the Board on the revocation of the OWEB Grant for the removal of Cline Falls Dam; which was 50% of the dam removal costs. Danee provided details of allocation of funds from the Cline Falls Settlement. Craig provided options to the Board for moving forward with the clean-up project. Board discussion followed. Robert Borlen made a motion to have staff obtain permits and bids so that work can be done in the Fall of 2017. Following a second by Paul Kasberger the motion passed unanimously.
- E. Manager Report-  
Craig Horrell updated Board on the new office security and the office updates. Senator Merkly is having a Public Roundtable on Saturday, March 18, 2017 at Ridgeview High School in Redmond. Barbara Fehl’s retirement party is March 31, 2017, 11:30 a.m. – 1:00 p.m. Craig explained to the Board that we are renaming the “Christmas Tree Fund” to the “Barbara Fehl Christmas Tree Fund”. The remainder of his report is in executive session.

6. **BILLINGS & PAYROLL:**

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

7. **NEW BUSINESS:**

- Avamere Redmond Site – Development Request  
Jason Taber with Avamere, joined the meeting via conference call and he provided an overview of a project and development in Redmond OR and provided site plans to the Board. See Exhibit “I”. Fred Kroon, Sr. Project Engineer for Parametrix was present at the Board meeting to provide additional detail regarding the project. They would like to start the project in the Fall of 2017. They are here to discuss the removal of the water rights for this project. Staff provided background information regarding the beneficial use of the water right and the current figure for the exit fee. The Board is not willing to cancel the water rights and provided information and suggestions on how to prove up the water rights. Avamere will work with COID staff on the water rights and the development.

8. **OLD BUSINESS:**

• **Merkley PL 566**

Still in process. Craig Horrell explained to the Board that staff is working to have three projects ready to move on when the funding is available and ready. It is expected that the money will be available in September.

• **Resolution 2017-6 Investment Policy Statement**

The Board was provided the draft resolution for review, Exhibit "J. Tom Burke made motion to accept the resolution as presented. Following a second by Terry Blackwell the motion passed unanimously.

• **Resolution 2017-7 Drought Management Plan**

The Board was provided the draft resolution for review, Exhibit "K". Terry moved to accept the resolution as presented. Following a second by Tom Burke the motion passed unanimously.

7. **NEW BUSINESS (continued):**

• **Diversions**

Craig Horrell reviewed the season start up and the diversions. Board discussion followed.

At 10:52 AM the Board recessed the General Session and asked the Board to convene 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.

Following the Executive Session, the Regular Session of the COID Board was reconvened at 11:47A.M.

Robert Borlen made a motion to approve the Economic Study. Following a second by Paul Kasberger the motion was approved.

9. **BOARD COMMENTS:**

Terry Blackwell informed the Board that Paul Bennett is also a visual artist and has a very nice piece of art work featuring a wheel line.

The meeting was adjourned at 11:52 A.M. following a motion by Paul Kasberger 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

APPROVED