



The regular meeting of the Board of Directors of the Central Oregon Irrigation District (COID) was called to order by Paul Kasberger at 9:01 AM November 13, 2017 In the District office.

Directors present were Carroll Penhollow (arrived at 9:45 a.m.), Tom Burke, Terry Blackwell, Paul Kasberger and Robert Borlen. Also attending were Craig Horrell, Secretary-Manager; Danee Phillips, Assistant Secretary; Shon Rae, Director of Business Management; Larry Roofener, Operations Manager; Cary Penhollow, Water Master; Kelley Hamby, Assistant Water Master; Leslie Clark, Water Rights Manager; Joshua Peed, Hydro Manager; Rick Nichols, Project Manager; Jenny Hartzell-Hill, Administrative Assistant; Matt Singer, Legal Counsel. Visitors present see Exhibit “A”.

1. OPEN FORUM

Confiscation Hearings began at 9:03 a.m.

Paul Kasberger informed the patrons participating in the hearings the format of the hearings process.

Patron: Shelly and Jack Samples - Leslie Clark provided the staff report. Shelly Samples presented to the Board and explained that she was unaware of the non-use situation and the confiscation due to a divorce and no forwarding address, so she did not receive any of the notifications until Leslie Clark did a Google search and was able to get correspondence to her in October of 2017. She has met with Leslie Clark and Craig Horrell and is aware of her options to transfer the water right within the property. Both parties are willing to participate in a transfer. The Board asked questions of the staff and the patron. BOARD DECISION: CONFISCATE with a 10-working day option to Transfer the water right to another place on the property. The transfer should be signed by November 29, 2017 to avoid confiscation.

Patron: David Finnell - Leslie Clark provided the staff report, it is an unmapped water right. He would like to keep the water-right. Being the new property owner, he was not aware of the Beneficial Use issues until he received the Certified fifth year letter. He met with Craig Horrell and asked the Board to consider non-confiscation. He closed in escrow in October 2016 on this property, the previous owner did not provide the information to him at closing of the Fourth-year non-use letter. He provided a schedule to the Board of his plan for the property and photos of work done within the past year. BOARD DECISION: Confiscate – Board will allow new water rights purchase.

Patron: Gary Allen – Mick Reid, the property renter was present, Gary Allen participated via conference phone: Leslie Clark provided the staff report. Mick explained to the Board the issues within the rotation and his frustration with not getting enough water because they are at the end of the rotation. They explained that the ditches prior to their property are not clean and they are not getting their water due to this issue. The concern is if the water is confiscated he will not get enough water to irrigate the rest of the property. BOARD DECISION: Confiscate

Patron: Allison Evans - Leslie Clark provided the staff report. Allison Evans explained to the Board that they were assured by COID Employee, Jim England, that their water rights were not in jeopardy. She explained that due to a walk out that they were trying to repair, they were

unable to take their water during their schedule rotation time in the heat of the summer. She also explained that they do not have a pond for storage. She is concerned that she has not gotten all of her allotted water right over the past five years which has not given her the opportunity to get this identified location watered. The area of concern was planted in the Spring of 2017 but was not able to get it green due to lack of water and the walk out repair issue. The Board encouraged doing a transfer to another area on the property currently irrigated without a water right. BOARD DECISION: CONFISCATE with a 10-working day option to Transfer the water right to another location on the property. The transfer should be signed by November 29, 2017 to avoid confiscation.

The Board moved to Executive session for consideration of the Confiscation Hearing at 10:05 a.m.

The Board reconvened the Regular Session at 10:17 a.m.

David Finnell: Robert Borlen made a motion to confiscate 1.10 acres of water rights from tax lot 151303NWNW00800. Following a second by Terry Blackwell the motion passed unanimously.

Gary Allen: Robert Borlen made a motion to confiscate 0.46 acres of water rights from tax lot 151318NESW00100. Following a second by Terry Blackwell the motion passed unanimously.

Shelly Samples: Terry Blackwell made a motion to confiscate 0.52 acres of water right from tax lot 171424SWNE00700 with an option to transfer the water right to another location on the property within 10-working days, by November 29, 2017 to avoid confiscation. Following a second by Tom Burke the motion was approved unanimously.

Allison Evans: Robert Borlen made a motion to confiscate 0.75 acres of water right from tax lot 151414SESW00401 with an option to transfer the water right to another location on the property within 10-working days, by November 29, 2017 to avoid confiscation. Following a second by Tom Burke the motion was approved unanimously.

Confiscation Hearings were closed: 10:20 a.m.

(Open Forum Continued)

Daniel Sheridan, Patron, came before the Board with concerns regarding the piping project and the late announcement of only one stock water run for the 2017-18 winter season on the Central Oregon Canal. Discussion with the Board continued.

2. MINUTES:

A motion to approve the minutes for October 10, 2017 Regular Session was made by Tom Burke. Following a second by Robert Borlen the motion passed unanimously.

A motion to approve the October 17, 2017 Planning Session minutes was made by Robert Borlen. Following a second by Terry Blackwell the motion passed unanimously.

3. TRANSFERS / INCLUSIONS:

A water management report was provided to the Board prior to the meeting, Exhibit “B”. Tom Burke made a motion to approve the transfers and the cancellation of Cline Falls water rights as presented. Following a second by Robert Borlen the motion passed unanimously.

4. 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.

B. Capital Projects –

Rick Nichols reported that projects are moving. Cline Falls Project he reported that the soil evaluations are complete, and we are in the final restoration phase and have requested a No Further Action Letter from DEQ.

C. Operations and Maintenance Report –

A written report (Exhibit “D”) was mailed to the Board prior to the meeting. Larry Roofener verbally updated the Board on matters. The Redmond Police Department is now issuing citations to those people that are occupying at the Central Oregon Irrigation District Property off of 9th Street in Redmond.

D. Hydro Report -

Joshua Peed provided a verbal update of production to the Board.

E. Public Relations/Communications-

A written report (Exhibit “E”) was mailed to the Board prior to the meeting. Shon Rae presented the Cline Falls History Video. Shon also reported that the Siphon Power Property Piping Project was off for this maintenance season but is now back on.

F. Finance Report-

A written report (Exhibit “F”) was mailed to the Board prior to the meeting.

G. Manager Report-

Craig Horrell had no new updates for the Board.

5. BILLINGS & PAYROLL:

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

6. OLD BUSINESS:

• **Merkley PL 566**

Craig Horrell provided an update on the process and things are still on track.

He also updated the Board on the contract with FCA to compile and complete the Watershed plan for the Smith Rock to Kingway stretch in Redmond. The report is in the final stages and to complete, the contract amount is \$15,000. The funds will go toward the matching amount for the funding requirements. Robert Borlen made a motion to

approve the amount of \$15,000. Following a second by Tom Burke the motion passed unanimously.

- **Cline Falls Update**

The drone video was produced by Scott Nelson of the removal process and was presented to the Board. There is a planting plan in the works for spring and that is the final step for this project. We are waiting for a No Further Action letter from DEQ.

- **Siphon Power Property Piping Project**

- Board Approval to order pipe: Craig explained the process to order pipe. The bid was \$2,245,710.00. The First request is to initiate the ability to procure the pipe order for this project. COID funds may be needed prior to receiving funding from the Grant. Tom Burke made a motion to approve Craig Horrell to order pipe for the SPP Piping project prior to WaterSmart Grant funding release within reason. Following a second by Robert Borlen the motion was approved unanimously.
- Engineer's Estimate, which does not include construction development, was discussed.
- Engineering and Design Contract Approval: KPFF is doing the design and a local firm doing the surveying. Craig asked for the board to approve Black Rock design review \$25,000 (not to exceed) as well as contract with Alta Planning and Design, KPFF and HHPR. The total amount is \$72,420 and will come out of the General Operations Fund. This does count as part of the match for the Grant. Tom Burke made a motion to approve the amount of \$72,420 for the Engineering and Design Contracts. Following a second by Robert Borlen the motion was approved unanimously.
- Approval to go out to Bid for Contract: Tom Burke made a motion to allow the RFP for the project to go out for bid. Following a second by Robert Borlen the motion was approved unanimously.
- **Resolution 2017-15: Officially name the Piped SPP Property Section the Central Oregon Canal Historic Trail**
The resolution was presented, see Exhibit "G". Terry Blackwell made a motion to approve the resolution as presented. Following a second by Robert Borlen the motion was approved unanimously.

- **Resolution 2017-16 Fee Schedule Update**

The resolution was presented, see Exhibit "H". Robert Borlen made a motion to approve Resolution 2017-16 as presented. Following a second by Carroll Penhollow the motion was approved unanimously.

- **Ryan Ranch Update**

Craig Horrell updated the Board on the request that was made to the DBBC for additional funding. The DBBC voted no to additional funding.

- **Resolution 2017-17 Water Placement Policy**

Paul Kasberger read the resolution, Exhibit "I". Robert Borlen made a motion to approve Resolution 2017-17 as presented. Following a second by Tom Burke the motion was approved unanimously.

- **Stock-Water Run Schedule**

PBC is scheduled out for the winter. The COC will only have one run this winter. Cary Penhollow updated the Board on the hiring process for the CO2 Patrolman Position, an offer has been made to an applicant and we are waiting on his tests and paperwork to be returned.

- **Fish Salvage**

Shon Rae updated the Board on the Fish Salvage plans. The Salvage was a two-day event and 2,151 fish were salvaged.

7. **NEW BUSINESS:**

- **Elections:**

Division 1: Certificate of Election was read and approved, Exhibit “J”.

Division 5: Certificate of Election was read and approved, Exhibit “K”.

- **OWRC Annual Conference**

Conference agenda provided, see Exhibit “L”.

- **Water Lottery:**

Leslie provided a summary of acres available and numbers were drawn.

- **Robertson Food Court License**

Larry Roofener proved the background of the project. They are requesting for a License Agreement to allow parallel parking along the stretch of road on Canal Blvd in the COID Easement. Tom Burke made a motion to approve a License Agreement. Following a second by Terry Blackwell the motion was approved unanimously.

- **Retirement Package Consideration**

Danee Phillips discussed what the Board has approved for the current Retirement Offering. She explained that Lynn Shores is considering retiring Jan. 1, 2018. He is requesting 28 months of insurance coverage for his wife since he will be 65 when he retires. Board discussed this request.

- **Resolution 2017-18: Health and Safety Program**

The Health and Safety Program Resolution was presented to the Board, see Exhibit “M”. Robert Borlen made a motion to approve Resolution 2017-18 as presented. Following a second by Tom Burke the motion was approved unanimously.

- **2018 Budget Review**

Danee Phillips introduced the 2018 Draft Budgets. Craig Horrell and Danee Phillips provided an overview of each of the Budgets, Exhibit “N”.

8. **BOARD COMMENTS:**

None.

At 12:01 PM 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.
- 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.

Following the Executive Session, the Regular Session of the COID Board was reconvened at 12:54 P.M.

Terry Blackwell made a motion to allow insurance coverage for Lynn Shores wife for 14 months with the stipulation that he retires January 31, 2018. This offer expires December 31, 2017. Second by Robert Borlen, approved unanimously.

The meeting was adjourned at 12:57 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