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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 December 12, 2017 In the District office.

Directors present were Carroll Penhollow, Tom Burke, Terry Blackwell, Paul Kasberger (arrived at 9:35 a.m.) and Robert Borlen. Also attending were Craig Horrell, Managing Director; Danee Phillips, Director of Finance; Shon Rae, Deputy Managing Director; Larry Roofener, Operations Manager; Cary Penhollow, Water Master; Leslie Clark, Director of Water Rights; Rick Nichols, Project Manager; Jenny Hartzell-Hill, Executive Assistant; Matt Singer, Legal Counsel. Visitors present see Exhibit "A".

### **1. OPEN FORUM**

Confiscation Hearings began at 9:00 a.m. Carroll Penhollow informed the patrons participating in the hearings the format of the hearings process.

Patron: Gregory and Neva Cole - Leslie Clark provided the staff report. Neva Cole presented to the Board and explained that they have been watering according to how the previous owners had been using the water-right. They purchased seed in April to plant and planted according to instructions from Round Butte Seed. She explained that they have chickens and turkeys that free-range graze. They planted the seeds and the chickens foraged the seed and as a result they did not get optimal growth from the initial planting. They then decided to plant potatoes in the identified area to get beneficial use. It was a challenge in this area with the potatoes, but they did get some potatoes from the planting. The Board asked questions of staff.

The Board moved to Executive session for consideration of the Confiscation Hearing at 9:15 a.m.

The Board reconvened the Regular Session at 9:24 a.m.

**BOARD DECISION:** Robert Borlen made a motion to allow for the patron to transfer the water to another location on their property. Following a second by Tom Burke the motion was approved unanimously. Mrs. Cole accepted the offer and COID staff will prepare and process the transfer.

Confiscation Hearings were closed: 9:29 a.m.

#### Open Forum Continued:

Linda Wallace, COID Patrons off Cougar Trail in Bend presented to the Board. She explained that she owns Cougar Trail Road in Bend that COID has a partial easement on. She provided a statement to the Board, See Exhibit "B". She asked for the Board's consideration for the cost of the gravel purchased to repair and maintain the road in 2017. The Board asked questions of the property owner. The Board will consider this request and notify Mrs. Wallace of their decision.

Bob Caine, a Patron in the Powell Butte are, presented his concern to the Board regarding only one stock run on the Central Oregon Canal this season. He explained that they have 200+ head of

livestock to water and rely on the stock water runs. The short notice has not given them much time to prepare.

Tye Yazzie, Patron in the Powell Butte area also voiced his concern regarding the short notice for the stock water run on the Central Oregon Canal. He asked for details of the project for planning. Craig Horrell provided details of the project and how the project was developed and the expected time frame. Craig also explained that the stock runs are not a requirement of the District.

Dana Millin, Patron from Powell Butte submitted an email to the Board regarding the single stock water run on the Central Oregon Canal, see Exhibit "C".

Leslie Clark directed the Board to a letter and supporting document for a request by Patron, Lynae Ireland, to cancel her water-rights, see Exhibit "D". The Board asked questions of staff. Consideration of this request will be made later in the meeting.

**2. MINUTES:**

A motion to approve the minutes for the November 13, 2017 Regular Session 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 "E". Carroll Penhollow 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 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 is wrapping up. SPP Canal Piping Project is in motion.
- C. Operations and Maintenance Report –  
A written report (Exhibit "G") was mailed to the Board prior to the meeting. Larry Roofener verbally updated the Board on matters.
- D. Hydro Report -  
A written report (Exhibit "H") was mailed to the Board prior to the meeting. Craig Horrell provided a verbal update of production to the Board. Both facilities are over in projected production.
- E. Public Relations/Communications-  
A written report (Exhibit "I") was mailed to the Board prior to the meeting.

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

G. Manager Report-  
Craig Horrell had no new updates for the Board.

5. **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.

6. **OLD BUSINESS:**

• **Merkley PL 566**

Craig Horrell provided an update on the process and things are still on track. Watershed Planning is still in process for the project. Matching funds is the current focus for staff. The Bureau of Reclamation has suggested a program that staff is researching and will report back to the Board.

• **Siphon Power Property Piping Project**

Craig Horrell informed the Board that the bid opening is 12/19/2017. Craig suggested that a Special Board meeting be held on 12/20 for intent to award the contract. (9:00 a.m. Wednesday the 12/20).

• **Ryan Ranch Update**

Craig Horrell updated the Board on the push by ODFW for funding for improvements. There is a need for additional information and science to back this request.

• **Water Lottery**

None.

• **Retirement Package Consideration**

Another employee is looking to retire in May and requesting an additional 9-month coverage of medical insurance beyond the offering if the Retirement Package offer is extended. Terry Blackwell made a motion to extend the Retirement offering one more year. Following a second by Robert Borlen the motion was approved unanimously.

• **2018 Budget Review**

The draft 2018 Budgets were provided to the Board prior to the meeting, Exhibit “K”. Craig Horrell provided details for the revised OPS Capital Requirements Budget. The final Budgets will be presented at the January Board Meeting.

7. **NEW BUSINESS:**

• **Real Estate Update – Brian Meece**

Will present to the Board in Executive Session.

• **COID 2018 In Stream Leasing Program**

Leslie Clark presented the 2018 structure, Exhibit “L”. The proposal is the same as the 2017 program. The Board agreed to the 2018 proposal as presented.

- **Cougar Trail Road Maintenance Request**

This matter will be discussed in Executive Session.

- **Memorandum of Action to Foreclose**

Carroll Penhollow read the Memorandum as presented, Exhibit “M”. Robert Borlen made a motion to approve the Foreclosure Memorandum as read. Following a second by Tom Burke the motion was approved unanimously.

**8. BOARD COMMENTS:**

None.

At 10:35 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.
- 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 12:38 P.M.

Robert Borlen made a motion to approve an appraisal of the COID 27<sup>th</sup> Street property in Bend. Following a second by Tom Burke the motion was approved unanimously.

Consideration of Cougar Trail Request: Terry Blackwell made a motion to not approve the request presented and directed staff to send a letter to Mrs. Wallace. Following a second by Tom Burke the motion was approved unanimously.

Request by Mrs. Ireland for Cancellation of Water Rights: Robert Borlen made a motion to deny the request to cancel the water right. Following a second by Terry Blackwell the motion passed unanimously.

The meeting was adjourned at 12:42 P.M. following a motion by Robert Borlen that was seconded by Tom Burke.

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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