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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 9:03 AM July 11, 2017 In the District office.

Directors present were Carroll Penhollow, Tom Burke, Terry Blackwell, Paul Kasberger and Robert Borlen. 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; Matt Singer, Legal Counsel. Visitors present see Exhibit "A".

**1. OPEN FORUM**

Kam Delashmutt, Central Land and Cattle, LLC, presented to the Board regarding groundwater options for his development. See Attached Exhibit "B". Staff will review the proposal and develop a plan and/or options to present to the Board next month.

Staff presented Candy Peplin's request to back off \$2.47 interest that was added to her account. The payment was past due because her payment was lost in the mail. Robert Borlen made a motion to authorize the request to remove the \$2.47 interest charge. Following a motion by Tom Burke the motion was approved with a vote of 3 in favor and 2 opposed.

**2. MINUTES:**

A motion to approve the minutes for June 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 "D". Carroll Penhollow made a motion to approve the transfers as presented. Following a second by Bob, the motion passed unanimously.

**5. REPORTS:**

- A. Watermaster Report –  
A written report (Exhibit "E") 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 the Cline Falls demolition is in progress. All other projects are in progress.
- B. Operations and Maintenance Report –  
A written report (Exhibit "F") was mailed to the Board prior to the meeting. Larry Roofener updated the Board on current issues and explained that we are experiencing a large amount of aquatic growth. Options for dealing with this growth was discussed. Larry updated the Board on the homeless issue on the Redmond east property. Staff is also working on Eclipse Planning.

- C. Hydro Report -  
A written report (Exhibit “G”) was mailed to the Board prior to the meeting. Joshua Peed updated the board on current production. SPP is having excessive trips and staff has been in contact with PacifiCorp and is exploring causes. Joshua also updated to Board on one of the SPP turbine failures. Management authorized repairs due to safety and non-production. He also explained that we are having a problem with foot traffic erosion at the footbridge. Staff is working with Bend Parks and Rec District on trail options and signage.
- D. Public Relations/Communications-  
A written report (Exhibit “H”) was mailed to the Board prior to the meeting. Craig Horrell provided an update and staff will develop a plan to expand our outreach and education to patrons and the public.
- E. Finance Report-  
A written report (Exhibit “I”) was mailed to the Board prior to the meeting. Danee Phillips provided additional information to the Board.
- E. Manager Report-  
Craig Horrell updated the Board regarding the Public Meeting held on 7/10/17 regarding the Watershed Plan for PL 566. A Bend Bulletin Article by Craig Horrell regarding the Watershed plan and process is included as Exhibit “J”.

**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. OLD BUSINESS:**

- **Merkley PL 566**  
The update was included in the FCA Presentation under New Business.
- **Fee Schedule Review for Public Records Requests**  
Danee Phillips presented the fee change proposal based on payroll adjustments in the past year. Terry Blackwell made a motion to adjust the fees as follows: Clerical Time: \$30.65; Supervisory Time: \$41.47; and Management Time: \$63.36. Following a second by Robert Borlen the motion passed unanimously. See Exhibit “K”.
- **Land Use Matters**
  - **Minor Encroachment Considerations**  
Staff is still working on a restructure of fees. Robert Borlen made a motion to allow a reimbursement of funds to Diana Hopson, a property owner who requested a fee adjustment at last month’s Board meeting, if the crossing fee is adjusted in the next 3 months. Following a second by Tom Burke the motion passed unanimously.
- **Public Land Management Plan – Redmond Area**  
This update was provided in the Operation Report.

- **Cline Falls Update**
  - **Contract Update: Capital Request**  
Staff updated the Board on the estimate for the removal of contaminated soils at the Cline Falls site. This piece of the contract was outside of the scope of the original bid. The estimate for the removal of the contaminated soil is \$60,000. Robert Borlen made a motion to allow the additional estimate for the removal of contaminated soils up to \$60,000. Following a second by Terry Blackwell the motion passed unanimously.

7. **NEW BUSINESS:**

- **2016 Financial Statement – Barnett & Company CPA’s**  
John Barnett presented the summary and findings of the 2016 audit to the Board. See Exhibit “L”.
- **FCA Presentation**  
Julie O’Shea and Margi Hoffmann with FCA came before the Board. They provided some background about FCA and passed out some Questions and Answers and a timeline regarding the Watershed Plan and the PL566 process, see Exhibit “M”.
- **Siphon Power Property Piping Project**
  - **Section 106 – Capital Request**  
Craig Horrell provided the background on this request for Section 106 Compliance and the Scope of Work-Cost Proposal. See Exhibit “N”.
  - **Preliminary Survey – Capital Request**  
The scope by Harper, Houf, Peterson, Righellis, Inc. of the survey was provided to the Board for consideration, see Exhibit “O”.  
Robert Borlen made a motion to allow the Section 106 work up to \$6,200 and the survey work to up to \$5,800 be performed. Following a second by Terry Blackwell the motion passed unanimously.
- **2017 Wage Analysis**  
A request has been made with Oregon Employment Department. Findings will be presented at the August Board Meeting.
- **Washington Federal Bank**  
Dane Phillips explained to the Board that we have an account with Washington Federal Bank that has not had activity and requested the Board consider changing this account due to service charges. Robert Borlen made a motion to move funds from Washington Federal Bank to Bank of the Cascades. Following a second by Tom Burke the motion passed unanimously.
- **Transfer Fee Considerations**  
Leslie Clark provided background for the request, see Exhibit “P”. Robert Borlen made a motion to waive the transfer fee if the amount of water being transferred is less than the transfer fee. Following a second by Paul Kasberger the motion passed unanimously.

- **Extend COID Early Retirement Offer**

The early retirement offer has expired. The Board was asked if they will extend this offer one more year? Terry Blackwell made a motion to extend the Early Retirement offer through December of 2017. Following a second by Robert Borlen the motion passed unanimously.

- **Hydro Insurance Renewal**

Danee Phillips presented to the Board the insurance renewal for hydro, see Exhibit “Q”. Robert Borlen made a motion to approve the renewal as presented. Following a second by Paul Kasberger the motion passed unanimously.

- **Request for Declaration for the Disposal of Surplus Equipment**

A Request for Declaration for the Disposal of Surplus Equipment was presented to the Board, see Exhibit “R”. Robert Borlen approved the declaration as presented with authorization to Craig Horrell and staff to proceed with disposal. Following a second by Tom Burke the motion passed unanimously.

9. **BOARD COMMENTS:**

None

At 12:04 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.

Following the Executive Session, the Regular Session of the COID Board was reconvened at 12:43 P.M.

Robert Borlen made a motion to allow Craig Horrell to cash-out his vacation pay for one-year only in place of taking vacation time off. Following a second by Terry Blackwell the motion passed unanimously.

The meeting was adjourned at 12:44 P.M. following a motion by Terry Blackwell 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