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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 9:01 AM August 8, 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; ShanRae Hawkins, Communications Consultant; Matt Singer, Legal Counsel. Visitors present see Exhibit “A”.

**1. OPEN FORUM**

Brent Brusett, a patron who owns property on Pioneer Loop Road in Bend. He is a new property owner that purchased the property with a water transfer in process. Being new to having property with water rights they did not recognize that the growth on the land was cheat grass and foxtail. They are still struggling with meeting the beneficial use element of the transfer requirements and staff is requiring them to extend their transfer and they are asking for a waiver of the extension fee. Staff explained that the previous owner filed for the transferred water in 2014, then Leslie explained the timelines and the process according to the State requirements and the Oregon Administrative Rules. The OWRD fee is \$700 and it is a State Fee. Board discussion followed. Staff will get back to him on his request.

Michael Whitaker, a new property owner on 27<sup>th</sup> Street in Redmond and the C Lateral runs behind his house. His request is to have us waive the fee for the encroachment agreement. He purchased the property and had his new shed built without knowing there was an easement. Board discussion followed. It was recommended that he discuss this with the developer or the property owner that sold the property to him. If he continues to build the shed within the COID easement the Board offered to refund him the difference in the fee if it is reduced within the next year.

**2. MINUTES:**

A motion to approve the minutes for July 11, 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 “B”.

**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. It was recommended that the COID Board and the North Unit Irrigation District Board have a meeting to check in with terms of our agreement and how things are managed.

- B. Capital Projects –  
Rick Nichols reported that the Cline Falls demolition is in progress. All other projects are in progress.
- 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. A request has been made by a group of people in Bend to park on our easement along Brookswood to do a trash clean-up event. Staff was directed to respond and allow them to park during the cleanup event.
- D. Hydro Report -  
A written report (Exhibit “E”) was mailed to the Board prior to the meeting. Joshua Peed updated the board on current production. There problems at the Juniper Ridge Facility with someone cutting our fence and entering the property. Police reports have been filed. Joshua also updated the Board on the SPP mechanical issue and the repairs that were authorized at the July Board meeting. The decision to turn these repairs into insurance was discussed. It was recommended to not turn this into the insurance and to have the hydro budget pay for the repairs in the amount of \$14,600. Robert Borlen made a motion to allow \$14,600 from the Hydro Budget to pay for the SPP repairs. Following a second by Tom Burke the motion was approved unanimously.
- E. Public Relations/Communications-  
A written report (Exhibit “F”) was mailed to the Board prior to the meeting. ShanRae Hawkins reported to the Board about public education. We are working on a strategy to educate the public and patron outreach. An on-farm meeting is scheduled for August 17<sup>th</sup> to educate special interest groups.
- F. Finance Report-  
A written report (Exhibit “G”) was mailed to the Board prior to the meeting. Danee Phillips provided additional information to the Board. Danee Phillips updated the Board on staff hiring. Express Pros have been contracted for the hiring process. We have 3 patrolmen positions opening.
- G. Manager Report-  
Craig Horrell updated the Board regarding public scoping meetings scheduled for August 14<sup>th</sup> meeting at Crossroads in Madras and August 15<sup>th</sup> at the National Forest Headquarters in Bend. These meetings are a requirement for the Deschutes Basin Habitat Conservation Plan and the development of the Environmental Impact Statement. He also informed the Board that Nute Buhler would like to get the COID and NUID Boards together to talk to him about current water issues and learn more as he is running for Governor in the next election.

**5. BILLINGS & PAYROLL:**

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

6. **OLD BUSINESS:**

• **Merkley PL 566**

Craig Horrell provided an update on the process. We are still meeting all the target dates and deadlines.

• **Land Use Matters**

Staff will bring a draft of the updated fee schedule to the next meeting.

• **Public Land Management Plan – Redmond Area**

This update was provided in the Operation Report.

• **Cline Falls Update**

Craig Horrell explained that one of the requirements of having the Deschutes County Historical Listing lifted on the site is to have a historical kiosk to educate the public on the facility. Staff presented the initial concept and design ideas. Board discussion followed. Staff will bring two designs and costs to the next Board meeting. Robert Borlen made a motion set aside \$20,000 for the Kiosk. Following a second by Terry Blackwell the motion passed unanimously.

• **Siphon Power Property Piping Project**

Craig Horrell updated the Board on the status of the piping project. We are working with the developer on fencing and landscaping of the forebay area. Piping project final design is approved.

• **2017 Wage Analysis**

The analysis was provided to the Board, Exhibit “H”. No action is requested.

• **Verizon Lease Renewal Consideration**

The amendment that they sent to us has some discrepancies that staff will work through and bring it to the Board when it is ready for consideration.

7. **NEW BUSINESS:**

• **Staffing**

Craig Horrell updated the Board on the three patrolmen positions that are opening. Craig expressed that filling these positions will be a longer process because it is important to hire individuals that can meet the customer service element and the changes of the district.

• **Open Forum Matters**

**Transfer Issue Brent Rousets**

Board discussion of the issues brought before the Board in open forum. It was determined that for the current owner to continue with the permanent transfer he will need to pay the \$700 fee for the extension. Staff will inform him of this decision.

8. **BOARD COMMENTS:**

None

At 11:47 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 12:44 P.M.

The meeting was adjourned at 12:45 P.M. following a motion by Robert Borlen 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