



The regular meeting of the Board of Directors of the Central Oregon Irrigation District (COID) was called to order by Carroll Penhollow at 9:02 AM October 10, 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; Shon Rae, Director of Business Management; 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

Julia Follansbee a resident in the Cougar Trail neighborhood was the representative for the neighborhood group. She brought the groups concerns to the Board regarding the Grazing Agreement between COID and Ten Bar Land and Cattle/Brian Robey. The COID land adjacent to Ten Bar Road is the property the agreement is regarding. The concerns are as follows: The agreement does not allow hunting on said property and claims that Larry Roofener has granted hunting on the property and the neighborhood has been overrun with hunters and the amount of trespass on their private driveway is excessive. The other concern is that Brian Robey's cattle on the property have not been properly contained and the fences are not suitable in some areas to keep the cattle in and have been causing property damage to the neighboring properties. Noting that the neighboring properties are adequately fenced. She also determined that the lease is not valid due to the named Lessee, Ten Bar Land and Cattle, LLC, being dissolved by the State of Oregon. Written statements from neighbors Scott and Lee Goodrich and Pete Winsor were provided to the Board as they were unable to attend the Board meeting, Exhibit "B".

Jim Floyd also spoke to the Board and explained that he has leased property to Brian Robey and the outcome has not turned out well and is taking legal action against him today.

A Staff Memo regarding David McMichael's request to remove the interest applied to his account due to lost mail, Exhibit "C", was presented and taken under consideration. Robert Borlen made a motion to remove interest applied to his account after June 30, 2017 if the patron provides a copy of the canceled check from the bank within the next week, if a cancelled check is *not* produced he is responsible for paying the full interest amount of \$124.05. Following a second by Tom Burke, the motion was approved unanimously. Staff will notify Mr. McMichael of this decision.

2. MINUTES:

A motion to approve the minutes for September 8, 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 Tom Burke the motion passed unanimously.

4. **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 things are moving forward on the SPP piping project. It is projected that construction will begin following the December/January stock-run.
- C. Operations and Maintenance Report –
A written report (Exhibit “F”) was mailed to the Board prior to the meeting. Larry Roofener verbally updated the Board on matters. The Cline Falls Dam removal is continuing. Maintenance issue: Pilot Butte Canal H-12 lateral is a problem and historically this section requires a lot of repairs and attention. This section needs to be piped and it is estimated to be a \$45,000 project. More details will be provided at the November Board meeting.
- D. Hydro Report -
A written report (Exhibit “G”) was mailed to the Board prior to the meeting. Joshua Peed updated the board on current production. The transient issue is on-going and there are efforts being made to relocate the veterans.
- E. Public Relations/Communications-
A written report (Exhibit “H”) was mailed to the Board prior to the meeting. ShanRae Hawkins updated the Board on the Fish Salvage/Rescue and other events that are going on.
- F. Finance Report-
A written report (Exhibit “I”) was mailed to the Board prior to the meeting. Craig Horrell provided additional information to the Board. Budgets are in the works and staff will have those into Danee Phillips by the end of the week.
- G. Manager Report-
Craig Horrell updated the Board regarding water season and filling staff positions. Finding good hires is challenging in this economic climate.

6. **BILLINGS & PAYROLL:**

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

7. **OLD BUSINESS:**

• **Merkley PL 566**

Craig Horrell provided an update on the process. The money has been appropriated to Oregon and COID has been listed as a recipient. The COID watershed plans will be in public comment period after the first of the year. We have applied for the DEQ CWSRF Loan. Craig is proposing having the construction plans engineered for the entire system

design, not just the project current project. This would cue us up to be prepared to apply for and accept monies as they become available.

- **Cline Falls Update**

The status was provided in the Operations and Maintenance Report. A drone video was produced by Scott Nelson of the process and the production will be presented to the Board at an upcoming meeting.

- **Siphon Power Property Piping Project**

- Board Approval to order pipe: The amount for the pipe order is still being researched and will be brought to the Board for consideration once final quotes have been obtained.

- **Fee Schedule Draft**

The draft fee schedule will be presented at a later date.

- **Ryan Ranch Update**

The Fish and Wildlife Service has asked District's to participate in a rehabilitation effort and contribute financially. The DBBC has not agreed to this request unless HCP credit is given to the Districts.

- **Stock-Water Run Schedule**

Limited stock water runs were discussed due to upcoming construction projects. A postcard notification to patrons will be mailed prior to the November Board meeting.

- **Fish Salvage**

Shon Rae updated the Board on the Fish Salvage plans. Efforts will begin around October 17, 2017.

7. **NEW BUSINESS:**

- **Contingent Business Interruption Insurance Coverage for North Canal Dam**

Craig Horrell gave an overview of this type of insurance policy. This is a \$5,000 annual policy to protect the revenue for prime production time periods for North Canal Dam. Board discussion followed. Board will keep it under consideration.

- **Redmond development/Havniar**

Craig Horrell and Cary Penhollow provided details of this development and the proposal from the City of Redmond and the developer for the green space, Exhibit "J". Board discussion followed. Robert Borlen made a motion to allow for the development to maintain 5 acres of water for irrigation purposes. Following a second by Tom Burke the motion was approved unanimously.

- **Resolution 2017-13 DEQ CWSRF Loan Authorization SPP Piping Project**

Carroll Penhollow presented the resolution, Exhibit "K". Robert Borlen made a motion to accept the resolution as presented. Following a second by Terry Blackwell the motion was approved unanimously.

- **WaterSmart Grant for Investigating Water Transaction Programs Award**
Craig Horrell announced that we have been awarded the grant. See attached press release, Exhibit “L”.

9. BOARD COMMENTS:

Terry Blackwell provided information that Brian Meece, COID’s Realtor of Record, spoke at a public realtor forum and provided detail of our property listing and informed the real estate community that COID is actively piping and realtors need to stop highlighting canal frontage as an amenity when promoting and marketing property.

At 11:01 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 12:07 P.M.

Paul Kasberger, Board member left the meeting at 11:10 a.m.

Robert Borlen made a motion to terminate the Grazing Lease with Ten Barr Land and Livestock, LLC because the LLC has been terminated/dissolved by the State of Oregon. Following a second by Tom Burke the motion was approved unanimously.

The meeting was adjourned at 12:08 P.M. following a motion by Terry Blackwell that was seconded by Tom Burke.

Carroll Penhollow, President

Paul Kasberger, Vice-President

Terry Blackwell, Treasurer

Robert Borlen

Thomas Burke

Craig Horrell, Secretary-Manager