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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, Chairman, at 9:00 AM on February 13, 2018 in the District office.

Directors present were Carroll Penhollow, Tom Burke, Terry Blackwell, Paul Kasberger, and Robert Borlen. Also attending were Craig Horrell, Secretary - Managing Director; Danee Phillips, Director of Finance; Shon Rae, Deputy Managing Director; Joshua Peed, Director of Hydro; Cary Penhollow, Water Master; Kelley Hamby, Assistant Water Master; Leslie Clark, Director of Water Rights; Jenny Hartzell-Hill, Executive Assistant; Matt Singer, Legal Counsel. Visitors present see Exhibit "A".

**1. OPEN FORUM:**

Dick Dihlinger, a resident of Knottingham Square in Bend. He came before the Board to discuss the potential of a Bend Metro Park and Recreation District trail going along the strip of canal within their community. As residents, they are concerned about the liability, safety concerns and the crime this potential trail may bring to their neighborhood. Craig Horrell explained that COID does have an Intergovernmental Agreement with Bend Metro Park and Recreation District and that we do work together with them on developing trail systems in the Bend area, we do not have a current plan within that area but will take their concerns into consideration.

**2. MINUTES:**

A motion to approve the minutes for the January 9, 2018 Board meeting was made by Terry Blackwell. 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". Carroll Penhollow read the transfers report. Carroll Penhollow made a motion to approve transfers as read. Following a second by Robert Borlen the motion was approved 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 updated the Board on the SPP Property Canal Piping Project.
- B. Operations and Maintenance Report –  
A written report (Exhibit "D") was mailed to the Board prior to the meeting. Kelley Hamby provided verbal follow-up. The A-2 delivery is being discussed with Avion and they are considering taking over the delivery.



- C. Hydro Report -  
A written report (Exhibit “E”) was mailed to the Board prior to the meeting. Joshua Peed updated the Board and reviewed the production for January.
- D. Public Relations/Communications-  
A written report (Exhibit “F”) was mailed to the Board prior to the meeting.
- E. Finance Report-  
A written report (Exhibit “G”) was mailed to the Board prior to the meeting. Danee Phillips updated the Board on preliminary financials for 2017 and provided a summary. The CPA will be in-house in March to conduct our annual audit.
- F. 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 updated the Board and provided a status of the process and the watershed plan.

Dave Williams is working with COID staff on Right-of-Way research on the two main canals. Craig presented a capital request for Dave Williams to convert the drawings to digital form to submit to the County, so they are recorded as they were drawn. The cost for this service is \$6,500. Terry Blackwell made a motion to approve the capital request for \$6,500 for Dave Williams services. Following a second by Robert Borlen the motion was approved unanimously.

Craig Horrell presented a capital request for staff and legal counsel to research and locate a contract Engineer to design and engineer the construction drawings for the Pilot Butte Canal design and engineering. The process is projected to cost less than \$10,000. Tom Burke made a motion to accept the capital request to research and locate a contract Engineer to design and engineer the construction drawings for the Pilot Butte Canal design with a cost cap of \$10,000. Following a second by Robert Borlen the motion passed unanimously.

- **Siphon Power Property Piping Project Update**

Capital Requests:

- Black Rock Engineering costs for additional services that have been part of the field inspection with issues such as the over excavation, City of Bend and the lava tubes comes to \$18,500. Paul Kasberger made a motion to approve \$18,500 to Black Rock Engineering for the additional services for the SPP Piping Project. Following a second by Robert Borlen the motion was approved unanimously.



- Engineering costs for special inspections by CTI include rebar set-up, concrete material, and fabric installation inspections. Their services are not to exceed \$5,000. Robert Borlen motion to approve the Capital request to CTI for special inspections with the amount to not exceed \$5,000. Following a second by Tom Burke the motion was approved unanimously.
- KPFF – Amended Construction Support due to additional construction requests. The projected amount for the amended construction support is \$15,000 of which a portion of this amount will be the responsibility of Bend Metro Park and Recreation District (BMPRD) for the undercrossing. Paul Kasberger made a motion to approve the \$15,000 KPFF Amended Construction support request, of which BMPRD will be responsible for a portion of this cost. Following a second by Robert Borlen the motion was approved unanimously.
- Bend Metro Park and Recreation District Addendum to include an undercrossing at the Brookwood Bridge in Bend will be an additional \$300,000 change order to the SPP Piping Project. The BMPRD Board approved \$300,000 for the cost of construction to have the trail go under the Brookwood Bridge. This addendum to the project will require a change order. COID expects to get fully reimbursed for the cost of the addendum to the contract for this change order. Robert Borlen made a motion to approve the addendum to the SPP Piping Project for a change order to include an undercrossing at the Brookwood Bride in the amount of \$300,000, which will be reimbursed to COID by BMPRD. Following a second by Terry Blackwell the motion was approved unanimously.
- Over Excavation Change Order: Craig Horrell provided the history on the section of canal that has required additional excavation. The cost for the over excavation is \$21,116.25. Terry Blackwell made a motion to approve the \$21,116.25 request for the over excavation change order. Following a second by Robert Borlen the motion was approved unanimously.
- **Cline Falls**  
Kiosk Update – Grant Research. Grant research and writing is underway for 3 grants.

Letter of Map Revision – Deschutes County FEMA Request: Craig Horrell explained that there is a \$10,000 fee for the map revision to be done following the removal of the dam. Robert Borlen made motion to approve the request for the \$10,000 fee for the map revision following the dam removal at Cline Falls. Following a second by Tom Burke the motion was approved unanimously.



- **Raymond James Investment Option**

Tabled to March Board Meeting.

- **Deschutes/Pleasant Ridge Property Contract Extension Request**

Craig updated the Board on this contract. The buyers are working through County issues at this time and requested a three-month extension of the Contract. Tom Burke made a motion to allow the requested extension of the contract. Following a second by Robert Borlen the motion was approved.

7. **NEW BUSINESS:**

- **H-1 Easement Vacation Consideration**

The request to vacate the H-1 Easement was presented to the Board. Robert Borlen made a motion to approve the H-1 Easement Vacation as requested. Following a second by Tom Burke the motion passed unanimously.

- **G-4 Lateral/On-Farm Improvement**

Leslie Clark presented to the Board the G-4 Lateral On-Farm Improvement Project. A map was provided to the Board, Exhibit "H". She then provided the background and details of this project and reviewed the timeline. This project is a continuation of an On-Farm Improvement evaluation and feasibility grant that was managed by Deschutes Soil and Water. Staff has been working with DRC to obtain funding for the project. Robert Borlen made a motion to approve the \$120,000 for the project. Tom Burke second the motion. The funds will come from the hydro fund and be reimbursed by the CWSRF Loan when it is available. The motion was approved with 4 votes for and one objection by Paul Kasberger.

- **Equipment Surplus Request**

The Board was asked to approve moving the flat bed pickup that was previously on the surplus list back to fleet inventory. A motion made by Tom Burke to move the pickup from the surplus list back to the fleet inventory. Following a second by Robert Borlen the motion was approved unanimously.

9. **BOARD COMMENTS:**

At 10:55 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 12:37 P.M.



The meeting was adjourned at 12:39 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