



The regular meeting of the Board of Directors of the Central Oregon Irrigation District (COID) was called to order by Carroll Penhollow, Chairman, at 9:02 AM on March 13, 2018 in the District office.

Directors present were Carroll Penhollow, Tom Burke, Terry Blackwell, and Paul Kasberger. Also attending were Craig Horrell, Secretary - Managing Director; Danee Phillips, Assistant Secretary - Director of Finance; Shon Rae, Deputy Managing Director; Joshua Peed, Director of Hydro; Cary Penhollow, Water Master; Kelley Hamby, Assistant Water Master (joined the meeting at 9:46 a.m.); Leslie Clark, Director of Water Rights; Jenny Hartzell-Hill, Executive Assistant; Matt Singer, Legal Counsel. Visitors present see Exhibit "A".

1. OPEN FORUM:

Jack Ettinger, a property owner in Alfalfa/Bend addressed the Board with his concerns he had after attending the Basin Study Public Meeting in Bend last week. He has questions regarding how the efficiencies were evaluated and determined. Craig Horrell provided a brief background on the study and how the information was gathered and presented.

Patti Adair, Candidate for Deschutes County Commissioner. Patti introduced herself to the Board and shared some of her background. She is attending the meeting to become more familiar with the COID.

2. MINUTES:

A motion to approve the minutes for the February 13, 2018 Board meeting was made by Terry Blackwell. Following a second by Paul Kasberger 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 Tom Burke 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. Operations and Maintenance Report –

A written report (Exhibit "D") was mailed to the Board prior to the meeting. Cary Penhollow provided verbal follow-up.

C. Capital Projects –

Rick Nichols updated the Board on Cline Falls dam removal and clean up and informed them that we have received the "No Further Action" letter from DEQ. The final piece we are waiting on is the FEMA map revision and finalization. He also provided an update on the SPP Property Canal Piping Project, the outlet structure is partially poured, and the pipe is 75% laid. While they wait for the

remainder of the pipe to be delivered they have been working on the backfill. COID staff is moving the state gaging station and it will be completed and ready to go when water comes on. Rick also updated the Board on land use requests and explained that they are increasing and keeping staff busy.

D. Hydro Report -

A written report (Exhibit "E") was mailed to the Board prior to the meeting. Joshua Peed updated the Board and explained that the mild winter has benefited production at SPP. Generator and transformer testing is going on at Juniper Ridge and minor repairs are being made. Joshua presented an updated proposal for the filtration system at Juniper Ridge. He is proposing an updated filtration system to allow for less down time. This system is more than what he had budgeted for, but the proposed system is a better option. Tom Burke made a motion to approve the proposed filter system for Juniper Ridge Hydro in the amount of \$12,250. Following a second by Paul Kasberger the motion was approved unanimously.

D. Internal Operations & Communications-

A written report (Exhibit "F") was mailed to the Board prior to the meeting. Community meetings were discussed.

E. Finance Report-

A written report (Exhibit "G") was mailed to the Board prior to the meeting. Danee Phillips updated the Board on the annual audit, the CPA will be in-house in late March to early April.

F. Manager Report-

Craig Horrell provided the Board with a summary on the Basin Study Public Meetings held last week.

5. **BILLINGS & PAYROLL:**

Terry Blackwell 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. We are projecting watershed plans to be completed by the Fall. Craig has been exploring progressive design build for the System Improvement Plan and he explained how that type of planning works. Craig will have a presentation for the Board regarding this type of plan at the April meeting.

• **Raymond James Investment Fund**

Danee Phillips reviewed the plan types that Linda Ziveny presented at the January Board meeting. The Board adopt a resolution to move the investment funding into the Special Fixed Investment Portfolio. Tom Burke made a motion to approve moving the investment funding into the Special Fixed Investment Portfolio. Following a second by Paul Kasberger the motion was approved unanimously.

- **Siphon Power Property Piping Project Update**
 - **City Bridge Addendum** – Craig Horrell explained that the additional work that the City of Bend required with the Brookwood Bridge is an additional \$66,242. \$19,868. He also explained that COID will use the contingency for these items since we are at 75% complete on the project.
 - **DEQ Loan Issue** – Craig Horrell explained there is an issue with the DEQ CWSRF Loan for the SPP Property Piping Project and staff is working with DEQ to correct the issue. Until the issue is resolved, Staff is working on gap funding, and has met with First Interstate Bank, SDAO and Farm Credit Services to discuss obtaining a loan to fund the gap. It was proposed that the Board approve using the Endowment Fund or LGIP Account short term until the loan is established and then pay the fund back with the loan. \$2.2 million is the amount due to keep everything current. Terry Blackwell made a motion to approve using funds from the LGIP account for the gap in funds until a loan is in place. Following a second by Tom Burke the motion was approved unanimously.

7. **NEW BUSINESS:**

- **Dry Canyon PUD Request**
 Leslie Clark provided to the Board a letter from COID to Hickman Williams & Associates regarding the review of the master plan for the proposed Dry Canyon PUD. See Exhibit “H”. Larry and Curtis Havnier, and their team of experts and property owners joined the Board meeting at 10:10 a.m. Curtis Havnier provided an overview of the project. He explained that the development is an age restrictive, gated community and then highlighted where they would like to retain water rights for the pocket parks and landscape. They have been working on this project for 2 years and are expecting permits any day and they plan to start construction within the next 2 weeks. They would like to retain 4.5 acres of water right for the project and convey the remaining 2water to COID Leslie provided the water rights beneficial use summary and explained there is a beneficial use issue on 4.45 acres of the 28.80 acres of appurtenant water right. A request was made to forfeit the 4.45 and convey the remaining 24.35 acre to COID. Paul Kasberger expressed the Board does not approve of cancellation of unused water. Mr. Kasberger and staff provided them the option to green up the 4.45 acres this season and then transfer the 4.45 acres within the project. The group agreed to exercise this option and asked Cary Penhollow to meet with them on the property within the week to identify the 4.45 acre areas they need to get under irrigation.
- **Retirement Offer**
 Craig Horrell presented that Janet Brown requested that the retirement offer be extended for her until May of 2020. Terry Blackwell made a motion to approve the proposal to offer Janet Brown an extended early retirement plan offer if she agrees to work for COID until May of 2020. Discussion by the Board followed. A second was made by Tom Burke the motion was approved unanimously.
- **Union Contract Negotiations**
 Craig Horrell informed the Board that the Union is working on their offer and a negotiation meeting will be scheduled with the Committee.

9. BOARD COMMENTS:

At 10:52 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 11:47 A.M.

- **2018 Irrigation Season**

The Board approved the proposed start up dates of April 9th and 10th for the 2018 Irrigation Season.

The meeting was adjourned at 12:02 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