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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 9:08 AM on June 12, 2018 in the District office.

Directors present were Carroll Penhollow, Terry Blackwell, Paul Kasberger, Tom Burke, and Robert Borlen. Also attending were Craig Horrell, Secretary - Managing Director; Shon Rae, Deputy Managing Director; Danee Phillips, Assistant Secretary - Director of Finance; Cary Penhollow, Water Master; Kelley Hamby, Operations and Maintenance Director; Leslie Clark, Director of Water Rights; Joshua Peed, Hydro Director; Jeff England, Project Manager/Land Use Consultant; Jenny Hartzell-Hill, Executive Assistant; Matt Singer, Legal Counsel. Visitor Present, See Exhibit "A".

**1. OPEN FORUM:**

Kim Delashmutt, a COID Patron, came before the Board and explained that he is looking to purchase a piece of property located at 1085 O'Neil Way, Redmond. This property is within COID District and currently has water rights. He is requesting shared access on a COID road to allow ingress and egress from a flag lot that will be created on this property as a condition of the purchase. A map was presented, Exhibit "B". Craig Horrell provided an overview of how these requests have been handled in the past. Board and staff discussion followed, the request will be considered by the Board in New Business.

Robert Kieta, homeowner adjacent to the SPP Property Piping project. He submitted a letter to the Board at the May 8, 2018 Board meeting. He discussed the construction issues with the focus on dust, dirt, and damages to his property as a result to the project. He summarized his request of \$1,000 for small homes and \$1,500 for the larger homes to cover the cost for house pressure washing and window washing for the homes adjacent to the project. He provided to the Board photos of the construction site and of the damages to his home, see exhibit "C". He explained that he has discussed this matter with the contractor as well as DEQ. The contractor offered to wash Mr. Kieta's windows personally, but he declined the offer.

Bonnie Redler, homeowner on Rock Bluff Lane (adjacent to the SPP Property Piping project). She came before the board to request information regarding the project and the timeframe of knowledge of the project. She also asked for the seismic blasts reports that give the readings of each of the blasts. She had called COID in October of 2017 and asked about the timeframe of the project and claims that she was misinformed about the project and the timeline. They purchased their property in October of 2017 with the understanding the project was post phoned 2-3 years. She asked the Board for any ideas or direction they could offer on how to collect on damages that she can prove as a result of the construction. She also asked if COID has any solutions to the issues she presented to the Board.

Matt Whiteley, homeowner on Rock Bluff Lane (adjacent to the SPP Property Piping project). He came before the Board with the claim that they have property damage as a result of the blasts. The preconstruction inspections were done on their house, but a postconstruction inspection has not been performed yet. He also claims to have medical expenses as a result of distress caused by the blasting and expressed concern the blasting may have caused damage to their unborn child.

He and his wife were forced to stay away from their home during the construction because of the distress and blasting. He also claims that the contractors were calling their dogs through the fence which they did not approve of and have experienced increased garbage and homeless traffic. They have purchased and installed a new fence to buffer them from the construction area. Jackie Kent, Matt's wife also express that they were not informed of the blasting or given specific times of the blasting to allow them to prepare and bring their dogs in from the back yard to protect them.

Milton Abreo, homeowner on Rock Bluff Lane (adjacent to the SPP Property Piping project) informed the Board that the cracks in his garage have increased in size since the blasting and he will be having the foundation wall inspected soon. He also has two ponderosa trees one in easement and one on his property. He is having the tree on his property removed, which leaves the tree in the easement still standing. COID staff has been in communication with Mr. Abreo prior to this meeting regarding his concerns of damage to the tree from the blasting and construction. An arborist has evaluated the tree and we are waiting on his report to determine what should be done with the tree.

Mark Hoffstetler, (adjacent to the SPP Property Piping project) had issues as well with blasting and construction. He also has a concern as to the future use of the property and asked for information regarding zoning and any negotiations at this time.

A letter from Steven E. Alford and Suzanne Ferriss was submitted into the record as they were unable to attend the Open Forum, Exhibit "D".

Peggy Corbet, a COID patron since 1990, came before the Board with concerns regarding a delay of irrigation season due to an emergency lateral repair. They got water 3 weeks after repairs which has caused a delay and a reduction with their hay production. They had a very low yielding first cutting and are requesting relief for their loss of \$404, which is half of their 2018 assessment. See Exhibit "E".

**2. MINUTES:**

A motion to approve the minutes for the May 8, 2018 Board meeting 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 "F". Carroll Penhollow read the transfers report and made a motion to approve transfers as presented. Following a second by Robert Borlen the motion was approved unanimously.

**4. REPORTS:**

A. Watermaster Report –

A written report (Exhibit "G") 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 "H") was mailed to the Board prior to the meeting. Kelley Hamby provided verbal follow-up regarding current projects. He then provided details regarding the 9<sup>th</sup> and Antler Street property clean-up. Kelley proposed once the land is vacated to clear and trim trees to make this property less

inviting for people moving back to the property. Kelley would like to get bids for the land clearing. Staff will bring a plan and a budget for the next year to continue this effort.

C. Capital Projects –

Craig Horrell updated the Board and explained that Rick Nichols, Project Manager has resigned and is no longer with the District. In the interim, Jeff England will contract with the District in the gap to assist with projects and land use matters.

D. Hydro Report -

A written report (Exhibit “I”) was mailed to the Board prior to the meeting. Craig Horrell updated the Board on the pier repair requirements by FERC. After further evaluation, there is a plan for repairing the pier blocks and is estimated to cost \$30,000. SPP will be down for 2 months (October and November). Joshua will provide the plan at the next Board meeting.

E. Internal Operations & Communications-

A written report (Exhibit “J”) was mailed to the Board prior to the meeting. Shon Rae updated board. A group volunteer to do clean-up around North Canal Dam recently, there were 27 bags of trash, a photo of the clean-up effort is included in the exhibit. Pineridge Elementary school has contacted COID and would like permission to do artwork in the tunnel passage at the Brookwood tunnel. This request will be place on next month’s agenda. Shon also brought to the board concerns of some neighbors of Big Sky park regarding a bulge in the system that creates a pool/pond and the dogs from the dog park are swimming in the pond. They have requested that the District enforce keeping dogs out of the water. We will work with the Parks District regarding this issue. Photos were provided and included in the exhibit.

F. Finance Report-

A written report (Exhibit “K”) was mailed to the Board prior to the meeting. Danee Phillips updated the Board regarding the First Interstate Loan and informed them that it has been signed. The DEQ Loan has been finalized. The old-headquarters property sale closed on Monday 6/11/18.

G. Manager Report-

Matters discussed in the business section of the meeting.

**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 updated the Board on the Watershed Meetings. COID will hold community and patron meetings within the project areas to inform property owners and patrons of future plans.

- **Siphon Power Property Piping Project Update**

DEQ Loan update - Craig Horrell updated the Board that the DEQ loan has been finalized and awarded post project, funding awards will begin in July. Craig explained the seeding process and the irrigation system. The final design is still in planning stage with Bend Metro Park and Rec District. Gates are being installed by BMPRD and road blocks have been placed to prevent vehicle traffic. The trail plan is also being developed. Deschutes County is managing the weed control in the area.

- **Union Contract Negotiations**

Craig Horrell provided an update along with the memo included in the board packet, Exhibit "L". The Union accepted the changes and we are waiting on their finalization for submittal for final approval. Robert Borlen made a motion to approve the contact with the accepted changes. Following a second by Terry Blackwell the motion was approved unanimously.

- **Water Marketing Contract Approval**

BOR Grant for Water Marketing Project - A contract will be provided at the July Board meeting for consideration.

- **Mirror Pond Dredging**

Craig Horrell provided background on the historic dredging at the last Board meeting. He took the request to the DBBC and North Unit agreed to take the request to their Board for consideration.

- **G-4 Project / Pressurization**

Craig Horrell refreshed the Board on the G-4 piping project. Staff has explored pressuring this delivery with the improvement project. This would serve as a pilot project that would pressurize 18 properties. Staff is working to compile estimates and working with Deschutes County to pipe along 17<sup>th</sup> Street for this proposal. The pump cost is \$20,000. Staff/Board discussion followed. The Board agrees that the concept can be presented at the community meeting.

7. **NEW BUSINESS:**

- **Kieta Request**

Craig Horrell informed the open forum visitors of the public information request process. They must be submitted in writing to the District and COID will respond to the request with timeframe and cost prior to production per the COID Public Information Request Resolution. Mr. Kieta's request from the May Board Meeting is before the Board for consideration, a memo was provided to the board summarizing his request, see Exhibit "M". Mr. Kieta also brought to the Board a video of construction and blasting that occurred. Board discussion followed. Terry Blackwell made a motion to deny Mr. Kieta's request. Following a second by Robert Borlen the motion passed unanimously.

- **Kim Delashmut Access Request**

Kim Delashmut made a request to the Board during open form requesting access for a shared road. There was Board/Staff discussion regarding this request. The Board is reluctant to agree to make any decision regarding this request until ownership is established. Staff will respond accordingly.

- **Peggy Corbet Request**  
 Mrs. Corbet made a request to the Board during open form. The Board and Staff discussed the repairs to the lateral were deemed urgent upon water being turned on for the season due to failures of the delivery system (the failure was discovered 4 days into the 2018 season). The repair/construction project was done as quickly as possible. Paul Kasberger made a motion to deny the request for relief. Following a second by Robert Borlen the motion was approved unanimously.
- **Mark Hoffstetler Questions - SPP Property – Long Term Plans**  
 Mark Hoffstetler asked a few questions in Open Forum that Craig Horrell addressed. He explained that the property is zoned RS with a public overlay. The property is being evaluated to be developed. The development will require a PUD and it is still in process.
- **City of Redmond License Agreement for Parking along the trail system**  
 Kelley Hamby provided an overview. A proposal and map will be presented at the July Board meeting.
- **Well Abandonment Proposal**  
 Craig Horrell explained that there was a well on the Old-Headquarters Property. As part of the conditions of the sale of the property it must be abandoned. A bid was provided to the Board, Exhibit “N”. The request is \$5,000. Tom Burke made a motion to approve the request for \$5,000 to abandon the well. Following a second by Robert Borlen the motion was approved.
- **Server Options**  
 Shon Rae informed the Board that the computer server needs replacement due to the age and capacity of the unit. The unit recently went down, and repairs were made to get it up and running again, but it was not a long-term fix. An estimate for the new server was provided to the Board, Exhibit “O”. Tom Burke made a motion to approve quote and replace the server at this time. Following a second by Robert Borlen the motion was approved unanimously.
- **Pasture and Grazing Lease – Huddleston Request**  
 The Huddleston’s have requested exercising their first right to extend the Pasture and Grazing Lease from 2017. Tom Burke made a motion to allow the extension to the lease with Huddleston. Following a second by Robert Borlen the motion passed unanimously.
- **Approval for Land Use and Development Temporary Contractor**  
 Craig Horrell explained the need for an interim contractor in the gap period between Rick Nichols leaving COID and hiring a replacement. The request is to approve \$30,000 for the contract with Jeff England. Robert Borlen made a motion to approve the request. Following a second by Terry Blackwell the motion was approved unanimously.
- **District Patron Informational Meeting – June 19<sup>th</sup>**  
 On June 19<sup>th</sup> COID will hold a Patron and Community Meeting at the Terrebonne Elementary school at 6:00 p.m., flyer enclosed as Exhibit “P”.

- **Real Oregon Tuition**

Craig Horrell provided information about the Real Oregon Program. It is a 6-month program that engages the participants as described in the attached flyer, see Exhibit “Q”. Craig is recommending Leslie Clark represent the District as a participant in this program. It is \$5,000 for the participation fee. Terry Blackwell made a motion to approve the Real Oregon Tuition request. Following a second by Tom Burke the motion passed unanimously.

**8. BOARD COMMENTS:**

Carroll Penhollow submitted for the record a letter that he received from Lorri Gray, the Regional Director for the Bureau of Reclamation regarding COID’s efforts in the Deschutes Basin. See Exhibit “R”.

At 11:34 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.
- ORS 192.660(2)(i) to review and evaluate the employment -related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing.

Following the Executive Session, the Regular Session of the COID Board was reconvened at 12:59 P.M.

The meeting was adjourned at 12:59 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-Managing Director