
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 September 11, 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; Cary Penhollow, Water Master; Kelley Hamby, Operations and Maintenance Director; Leslie Clark, Director of Water Rights; Joshua Peed, Hydro Director; Jenny Hartzell-Hill, Executive Assistant; Brian Meece, Realtor of Record; Matt Singer, Legal Counsel. Visitors Present, See Exhibit "A".

1. OPEN FORUM:

Susan Grund, Patron off Bear Creek Road in Bend. She requested from the Board a follow-up regarding the Historic Nomination on the Central Oregon Canal that is between Ward and Gosney in Bend. Craig Horrell provided an update and explained that the nomination is being reviewed to make sure that it meets the intent of the Programmatic Agreement. Communications will be sent to Pat Kliewer to get the appropriate changes. COID will be making comments and submitting them to SHPO. COID will also provide notice of support to Deschutes County Historical Committee for their next meeting.

Keith Middleton, Patron from Alfalfa. Introduced himself to the forum and expressed his interested in running for the open position in the upcoming election.

Jack Abbas submitted a letter to the Board for consideration, Exhibit B. Leslie Clark provided additional information regarding the property and water rights. Mr. Abbas is partitioning his property and selling a portion and he has some water rights that have non-use. The Board will discuss the request during the Business section of the meeting.

2. MINUTES:

A motion to approve the minutes for the August 14, 2018 Board meeting was made by Terry Blackwell. Following a second by Robert Borlen the motion passed unanimously. A motion to approve the Special Meeting on August 22, 2018 was made by Tom Burke. Following a second by Robert Borlen the motion passed unanimously. A motion to approve the Special Meeting on August 29, 2018 was made by Tom Burke. Following a second by Robert Borlen the motion passed unanimously.

3. TRANSFERS / INCLUSIONS:

A water management report was provided to the Board prior to the meeting, Exhibit "C". 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 "D") was provided to the Board prior to the meeting. Craig Horrell provided a verbal update to the Board.

- B. Operations and Maintenance Report –
A written report (Exhibit “E”) was provided to the Board prior to the meeting. Kelley Hamby gave a verbal follow-up regarding current projects. He also informed the Board of potential options for managing aquatic vegetation control. The board is in favor of staff exploring applications/treatment to control the moss and aquatic growth in our canal system.
- Staff has pulled a lot of trees on the COID 9th street property and inquiries are coming into to the office requesting permission to cut wood on the property. Staff was advised to work with legal counsel regarding these requests.
- Kelley informed the board that the gate installation off Hwy 126 on COID land does not meet ODOT standards. It was determined that COID will abandon that access at this time and only use the Antler Street entrance.
- C. Capital Projects –
Craig updated the Board that the RFP for 30% Design has gone out and the RFP meeting and tour is scheduled for tomorrow. It looks like there are potentially 40 people planning to attend.
- D. Hydro Report -
A written report (Exhibit “F”) was provided to the Board prior to the meeting. Joshua provided a verbal report on current production. Testing on the concrete piers reveals that the concrete support below the cross beam has a life expectancy of 77 to 99 years. The temporary repairs are holding up well. Engineering of the repairs falls within the current approved capital budget. Joshua will provide the Board with the expected cost for the work to be done. FERC communication regarding the piers and the temporary repairs is ongoing and staff is keeping them updated on the progress of the repairs. Joshua explained to the Board that he has researched and vetted the tractor. The Board gave consent to go forward with purchasing the tractor.
- E. Internal Operations & Communications-
A written report (Exhibit “G”) was provided to the Board prior to the meeting. Shon Rae reminded the Board that the Strategic Planning Session and asked for topics. Paul Kasberger suggested inviting Kyle Gorman with OWRD.
- F. Finance Report-
Priscilla Ross provided a verbal summary of her review. Craig Horrell informed the Board that CIP Consulting Agreement Amendment needs renewed, Exhibit H. Robert Borlen made a motion to approve the Amendment and authorized Craig Horrell to sign. Following a second by Tom Burke the amendment was approved unanimously.
- G. Manager Report-
Craig Horrell updated the Board that the Land Use Technician and Accounting Position have been posted for hire. Craig asked if the Board would like to participate in the hiring process. It was determined that the Board would like to be

involved in the hiring process for the accounting position. Craig also explained that there are plans for some restructuring within the District and Shon Rae is now handling the HR for the District.

Craig announced that an *all DBBC* board meeting has been scheduled for October 11th. Time and location will be announced.

Brian Meece, Realtor of Record, reported to the Board that the well on the Quince property needs to be abandoned per the sale agreement, staff will take care of this. He also reported that the 9th Street and Antler property has had some interest in the last few weeks. He encouraged activity on the property such as the wood cutters and continued enforcement of zero occupancy.

5. **BILLINGS & PAYROLL:**

Tom Burke made a motion to approve the Billings and Payroll as presented for July and August. Following a second by Terry Blackwell the motion was approved.

6. **OLD BUSINESS:**

• **Merkley PL 566**

Craig Horrell updated the Board on the status of the Watershed Plan. Technical review is underway by staff. Steel pipe is being added into the Plan as an option. Once design is underway pipe material will be determined. It is projected that the project will be ready to start by next fall.

• **Union Contract Negotiations**

Craig Horrell updated the Board that we are waiting on the union.

• **Ryan Ranch**

The USFS is pushing to not measure water going into Ryan Ranch. The DBBC has submitted a letter that requests that they are required to measure water going into the project. This will be one of the issues that will be discussed with the Department of Interior when Mike Britton and Craig Horrell go to DC in October.

• **Siphon Power Project Power Purchase Agreement Rate Option for 2021-2025**

Staff is working with Legal Counsel on this Agreement. It is due by December 31, 2018.

• **Equal Pay Act**

Craig Horrell explained that the Equal Pay Act will go into effect January 1, 2019 and explained that it is necessary to have an audit of our wage structure to be evaluated to ensure we meet the requirements of the act, Exhibit "I". Tom Burke made a motion to approve up to \$18,000 for the outside review of COID's wage structure to ensure that we are meeting the requirements. Following a second by Robert Borlen the motion passed unanimously.

• **COID Redmond Historic Section Kiosk**

More information will be brought to the Board for consideration at the October meeting.

- **End of Season Shut off**

Craig Horrell explained to the Board that he had sent notice to North Unit Irrigation District (NUID) last month that COID planned to use its stored water in September and October. When the stored water was requested from NUID we were informed that they do not know if they have the COID stored water. It was explained that Lone Pine Irrigation has used all their storage or will have by the end of this week. Board discussion followed. Craig refreshed the board on the Temporary Agreement that is in place. Upon the email to NUID last month it should have sparked an emergency Board meeting to discuss how to move forward, this did not happen. It has been announced that Central Oregon is in an Extreme Drought Year. The Board decided that shut off will be October 15, 2018. We will ramp down to 75% on 9/15 and will run live flow. On October 1st available water will be evaluated and determined at that time. Pending water availability, final shut off will be October 15th.

7. **NEW BUSINESS:**

- **Limited License**

With low flow rates and storage, we will not apply for a limited license this year.

- **Beneficial Use**

The current Confiscation Policy was sent to the Board prior to the Board meeting, Exhibit “J”. This matter will be tabled until after Executive Session.

- **Alfalfa Fire District Agreement**

Leslie Clark refreshed the Board on the request from Alfalfa Fire District. She explained They cannot store water for any purpose other than firefighting and firefighter training. An Agreement has been drafted with Alfalfa Fire District. The Board agreed to allow Craig Horrell to sign the agreement.

- **2018 Elections**

Resolution 2018-10 2018 Elections Division 4 was read, Exhibit “K”. Paul Kasberger made a motion to approve the resolution as presented. Following a second by Tom Burke the motion was passed unanimously.

8. **BOARD COMMENTS:**

None

At 10:26 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 12:55 P.M.

The Board considered the request by Jack Abbas and agreed to allow him to cancel and pay the exit fee on the 1.05 acres of water right.

Beneficial Use/Confiscation Policy decision: Robert Borlen made a motion to continue with Beneficial Use/Confiscation policy that is in place. Following a second by Terry Blackwell the motion passed unanimously.

The meeting was adjourned at 1:05 P.M. following a motion by Paul Kasberger that was seconded by Robert Borlen.

Carroll Penhollow, President

Paul Kasberger, Vice-President

Terry Blackwell, Treasurer

Robert Borlen

Thomas Burke

Craig Horrell, Secretary-Managing Director