
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 December 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; Bronwyn Bailey, Accounting Manager; Kelley Hamby, Operations and Maintenance Manager; Leslie Clark, Director of Water Rights; Joshua Peed, Hydro Director; Kelley O'Rourke, Land Use Technician; and Jenny Hartzell-Hill, Executive Assistant. Visitors Present, See Exhibit "A".

1. OPEN FORUM:

Brad Clarno was introduced to the Board. He is a patron in District IV.

Leslie brought before the Board a request from Tom Greb, see Exhibit "B". The request is to harvest landscape rocks from the Dodds Road property. Craig Horrell informed the Board that the request cannot be considered because it would violate the DOGAMI Permit that COID holds on this property. Leslie will communicate this to the patron.

Craig Horrell introduced Kelley O'Rourke, COID's new Land Use Technician.

Melissa Goddard with FACT Financial Investigations, LLC was introduced to the Board and gave the Board a presentation to the Board on services she offers for fraud risk assessment and control plans. See Exhibit "C".

2. MINUTES:

Robert Borlen made a motion to approve the minutes for the November 13, 2018 General Session after removing the Board Decision language in the 5th and 6th paragraphs on page one. Following a second by Tom Burke the motion was approved unanimously. Terry Blackwell made a motion to approve the November 19, 2018 Special Session minutes as presented. Following a second by Robert Borlen the motion was approved unanimously. Terry Blackwell made a motion to approve the November 30, 2018 Emergency session minutes as present. Following a second by Robert Borlen the motion was approved unanimously.

3. TRANSFERS / INCLUSIONS:

A water management report was provided to the Board prior to the meeting, Exhibit "D". Carroll Penhollow read the transfers report and made a motion to approve transfers as presented. Following a second by Tom Burke the motion was approved unanimously.

4. REPORTS:

- A. Watermaster Report –
A written report (Exhibit "E") 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 “F”) was provided to the Board prior to the meeting. Kelley Hamby gave a verbal follow-up regarding current projects.
- C. Capital Projects –
Craig Horrell explained that the kickoff meeting with KPFF was yesterday on the System Improvement Plan, Phase I. We are on track to get full funding for the project.
- D. Hydro Report -
A written report (Exhibit G”) was provided to the Board prior to the meeting. Joshua Peed provided a verbal report on the current production, we are doing okay on production. Pier replacement will occur in March or April 2019.
- E. Internal Operations & Communications-
A written report (Exhibit “H”) was provided to the Board prior to the meeting.
- F. Finance Report-
A written report (Exhibit “I”) was provided to the Board at the meeting.
- G. Manager Report-
Craig Horrell had nothing new to report.

5. **BILLINGS & PAYROLL:**

Robert Borlen made a motion to approve the Billings and Payroll as presented. Following a second by Tom Burke the motion was approved.

6. **OLD BUSINESS:**

• **Merkley PL 566**

Craig Horrell updated the Board on the status of the project. Next step is getting the “All District Agreements” in place.

• **Union Contract**

Robert Borlen made a motion to approve the Union Contract. Following a second by Terry Blackwell the motion was approved unanimously and signed. Exhibit “J”

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

Joshua Peed updated the Board on where we are with the agreement. It should be finalized by next week.

• **CIP Contract**

Craig Horrell provided the CIP proposal. The scope is for Jeff England’s role in the 30% design process for the SIP. COID wants to control the work done with the crossings and manage all of the processes with the Cities and the Counties as we move forward with projects. Tom Burke made a motion to approve the CIP contract for \$143,234 and

authorize Craig Horrell to sign. Following a second by Robert Borlen the motion was approved unanimously.

7. **NEW BUSINESS:**

• **Fraud Risk Assessment Proposal**

Board discussion regarding fraud controls. No decision made at this time.

• **COID 2019 Leasing Program**

The 2019 Instream Leasing proposal was presented to the Board, Exhibit “K”. Board discussion occurred. Tom Burke made a motion to approve the program with the exception of lowering the minimum goal to 1,190 acres instead of 1,200 acres. Following a second by Terry Blackwell the motion was approved unanimously.

• **2019 Draft Budget**

The draft Budgets were presented, Exhibit “L”. Board discussion followed.

• **SDAO Safety Grant**

COID was awarded a SDAO Safety Grant for the purchase of a drone and accessories. Paul Kasberger made a motion to approve matching funds in the amount of \$2,860 for the SDAO Safety Grant for the purchase of a drone and accessories. Following a second by Robert Borlen the motion was approved unanimously. A Drone Policy will be drafted for Board review and approval.

8. **BOARD COMMENTS:**

Terry Blackwell made a suggestion to auction confiscated water rights instead of a lottery draw. Staff will research this as an option.

Robert Borlen was presented with a gift for his service on the Board of Directors.

At 12:22 PM 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 12:48 P.M.

Robert Borlen made a motion to approve Craig Horrell signing the Consent to Transfer of Property at Eric Hagerty’s request. Following a second by Tom Burke the motion was passed unanimously.

The meeting was adjourned at 12:48 P.M. following a motion by Robert Borlen that was seconded by Tom Burke.

Carroll Penhollow, President

Paul Kasberger, Vice-President

Terry Blackwell, Treasurer

Thomas Burke

Bradly Clarno

Craig Horrell, Secretary-Manager

APPROVED