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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 9:06 AM on February 12, 2019 in the District office.

Directors present were Carroll Penhollow, Paul Kasberger, Tom Burke, Terry Blackwell and Brad Clarno. Also attending were Craig Horrell, Secretary - Managing Director; Shon Rae, Deputy Managing Director; Leslie Clark, Water Rights Director; Cary Penhollow, Watermaster; Kelley Hamby, Operations and Maintenance Manager; Joshua Peed, Hydro Director; Kelley O'Rourke, Land Use Technician; and Jenny Hartzell-Hill, Executive Assistant. Visitors Present, See Exhibit "A".

**1. OPEN FORUM:**

None.

**2. MINUTES:**

Tom Burke made a motion to approve the minutes for the January 10, 2019 General Session. Following a second by Paul Kasberger the motion was approved with one abstention by Terry Blackwell, as he was not present. The motion was approved.

**3. TRANSFERS / INCLUSIONS:**

A water management report was provided to the Board prior to the meeting, Exhibit "B". Carroll Penhollow made a motion to approve the transfers as presented. Following a second by Terry Blackwell the motion was approved unanimously.

**4. REPORTS:**

A. Watermaster Report –

A written report (Exhibit "C") was provided to the Board prior to the meeting. Cary Penhollow provided a verbal update to the Board. Weather and river flows were discussed and how this may impact the scheduled stockwater runs. North Unit has asked for a water lease for 2019 due to the projected water shortage. A Board to Board Advisory meeting will be scheduled to discuss this with the North Unit Irrigation District Board of Directors. The 2019 Irrigation Season is tentatively scheduled for an April 8 start.

B. Operations and Maintenance Report –

A written report (Exhibit "D") was provided to the Board prior to the meeting. Kelley Hamby gave a verbal follow-up regarding current projects. He also explained that Crane Prairie is in need of maintenance work. Evaluations are being conducted and the findings will be brought to the Board.

C. Hydro Report -

A written report (Exhibit "E") was provided to the Board prior to the meeting. Joshua Peed provided a verbal report on the current production. Pier replacement construction will begin in October of 2019. Joshua brought to the Board an issue with the installation of a new phone line on the Brookwood property to the powerhouse. He explained that the SPP Property Piping Project required a new phone line to be buried to the Powerhouse. The new requirements for this line have specific requirements due to the switchyard location. The cost estimate is approximately \$62,000. Staff will research other options and report back.

D. Internal Operations & Communications-

A written report (Exhibit "F") was provided to the Board prior to the meeting.

E. Finance Report-

A written report (Exhibit "G") was provided to the Board at the meeting. Craig Horrell walked the Board through the Finance Report as Bronwyn Bailey was out due to a sick child. Craig then reviewed the Endowment Fund Research done by Priscilla Ross. All property sales have been accounted for in the Endowment Fund. He asked the Board to consider a request to move \$2.1 million from the general account to the Endowment Fund that had not been transferred to the Endowment. The amount for Endowment will be \$2.7 million once the funds are transferred. The Board agreed to transferring the \$2.1 million to the endowment fund. Staff will continue to research the past transactions pertaining to the Endowment.

F. Manager Report-

Craig Horrell informed the Board that the Family Farm Conference is next week in Reno. Craig Horrell, Shon Rae and Kelley Hamby will be attending. The new Secretary of the Interior will be attending, and staff will get to meet with him.

5. **BILLINGS & PAYROLL:**

Terry Blackwell 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. Things are moving with the 30% Design. Meeting with Cities, County and Utilities have been going well. It is now 75% to a 25% match for this funding. Senator Merkley is working hard to find money for COID to get funding to pipe the entire Pilot Butte Canal.

• **Auditor Proposal**

Richard Winkle submitted a proposal to conduct our annual audit. Exhibit "H" is the proposal. Four contacts were made to request proposals only one proposal was submitted. Tom Burke made a motion to approve the proposal. Following a second by Terry Blackwell the motion approved unanimously.

7. **NEW BUSINESS:**

• **COID Easement Request/Delashmutt**

At the January meeting the request was presented to the Board for consideration, Exhibit "I". The Board determined that they will not grant the requested easement. They would consider selling the property. Terry Blackwell made a motion to declare the property located at 7300 W Hwy 126, Redmond as surplus. Following a second by Tom Burke the motion was approved unanimously.

8. **BOARD COMMENTS:**

None

At 10:07 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 1:07 P.M.

Paul Kasberger made a motion to develop a Memorandum of Agreement with Lone Pine Irrigation District to work together to support conservation efforts between the two districts. Following a second by Tom Burke the motion was approved unanimously.

Tom Burke made a motion to reject the Thornburg request for 85.62 acres of COID water rights. Following a second by Terry Blackwell the motion passed unanimously.

Tom Burke made a motion to approve an addendum to the managers contract to provide legal defense for the manager. Following a second by Terry Blackwell the motion was approved unanimously.

The meeting was adjourned at 1:14 P.M. following a motion by Paul Kasberger 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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Thomas Burke

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Bradly Clarno

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Craig Horrell, Secretary-Manager