



The regular meeting of the Board of Directors of the Central Oregon Irrigation District (COID) was called to order by Carroll Penhollow, Chairman at 9:03 AM on March 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; Leslie Clark, Water Rights Director; Cary Penhollow, Watermaster; Kelley Hamby, Operations and Maintenance Manager; Joshua Peed, Hydro Director; Kelley O'Rourke, Land Use Technician; Jenny Hartzell-Hill, Executive Assistant; Matt Singer, Legal Counsel; Brian Meece, Realtor of Record. Visitors Present, See Exhibit "A".

1. OPEN FORUM:

Gary Grund, Patron within the Historic Nomination from Ward to Gosney. He is here to request that COID consider payment for the invoice submitted by Pat Kliewer.

Pat Kliewer, Kliewer Associates, explained that her company prepared the Historic Nomination for the COID stretch from Ward to Gosney. She explained the process and the steps that have taken place. She also explained the invoice that was sent to the Board for consideration.

Mike Olson, COID Patron, purchased property located at 62260 Deer Trail Road, Bend OR. He is here to request that the water rights be reinstated and removed from the transfer as they were confiscated due to non-use. He provided to the Board a packet of information and a photo from 2014 that he claims can be used as proof that use has been full within the past 5 years, Exhibit "B". He submitted a request for consideration by the Board of Directors. Carroll Penhollow informed him that this request will be discussed in New Business and staff will inform him of the decision following the Board Meeting.

2. MINUTES:

Tom Burke made a motion to approve the minutes for the February 12, 2019 General Session. Following a second by Terry Blackwell the motion was approved unanimously.

3. TRANSFERS / INCLUSIONS:

A water management report was provided to the Board prior to the meeting, Exhibit "C". Carroll Penhollow made a motion to approve the transfers as presented. Following a second by Tom Burke 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 as Cary Penhollow was presenting to the Central Oregon Hay Growers from 9:30 – 10:00 a.m. today. March 25 – 29 is the scheduled stock run, but with all of the snow, down trees and debris that is in the canals and the challenges to get down canal roads, there is

concern that we cannot get the canals cleaned out in time. The Board is in agreement that the scheduled stock run is not reasonable. Season start up is tentatively set for April 8th, there is the possibility that we could still have snow, but staff will work to get the canals ready.

- 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 explained that staff has been working on plowing out ditch roads and finalizing projects. He also provided an update on the Crane Prairie analysis.
- D. Hydro Report -
A written report (Exhibit “F”) was provided to the Board prior to the meeting. Craig Horrell provided a verbal report on the current production. They have not generated for the last month due to weather and low flows. Joshua Peed is optimistic that they will have good flow as the melt starts and should start generating in the next week or so.
- E. Internal Operations & Communications-
A written report (Exhibit “G”) was provided to the Board prior to the meeting. Jenny Hartzell-Hill updated the Board on a Pancake Feed scheduled for April 13, 2019 for Divisions 4 and 5 from 7:00 a.m. to 11:00 a.m. at the Powell Butte Farmers Club. A summary of the Living on a Few Acres conference was provided by Jenny and Leslie Clark.
- F. Finance Report-
A written report (Exhibit “H”) was provided to the Board at the meeting. Bronwyn Bailey provided a review of the finance report and the new format. It was suggested that the yearly budget number be included in another column. Brad Clarno told the Board that he received a call from Bob Borlen with a few requests: 1. Copy of 2017 audit; 2. Copy of 2018 Audit when approved; 3. Copy of Priscilla’s report for the endowment.
- G. Manager Report-
Craig Horrell informed the Board that staff attended the Family Farm Alliance Conference in Reno. He said it was a great conference and invited the Board to attend.

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. 30% design is progressing. Watershed Plan public comment period should be in May or June.

- **Banking Computer Request**

The estimate for the Banking Computer was provided to the Board prior to the meeting, Exhibit "I". Terry Blackwell made a motion to approve the Banking Computer request. Following a second by Tom Burke the motion was approved unanimously.

7. **NEW BUSINESS:**

- **DRC Update – Ron Nelson**

Ron Nelson introduced himself as the new Executive Director for the Deschutes River Conservancy.

- **COID Surplus Proposal**

A Request for Declaration for the Disposal of Surplus Equipment was provided to the Board of Directors prior to the meeting, Exhibit "J". Craig Horrell reviewed the surplus request. Terry Blackwell made a motion to approve the surplus equipment with a reserve for each at low Kelley Blue Book. Following a second by Tom Burke the motion passed unanimously.

- **Capital Request**

Craig Horrell explained that a small capital request will be brought to the Board next month. The request will include updates to the Employee Handbook, computer upgrades, and office furniture.

- **Consulting Services Agreement – CIP**

Craig Horrell presented a Consulting Agreement, Exhibit "K", to extend Jeff England's contract for 6 months. Tom Burke made a motion to approve the Amendment as presented. Following a second by Terry Blackwell the motion was approved unanimously.

- **CMGC Process – Matt Singer**

Matt Singer provided the background for the CMGC process. He explained that the public notice for the hearing has been published and there has been some objection to this, but it is misdirected, as the objections are regarding piping vs not piping and not actually about the process for selecting a Contract Manager/General Contractor. The Hearing is scheduled for March 26, 2019 at 9:00 a.m.

- **Ward to Gosney Historic Nomination**

An invoice from Kliewer Engineering and Associates was provided to the Board, see Exhibit "L". Craig Horrell provided the background of the Ward to Gosney historic nomination and the history of the Multiple Property Document and other Historic Nominations that COID has done. He explained that once the nomination is accepted by National Parks COID will have costs associated with the mitigation requirements of this historic section that COID will solely incur. The request for payment by Kliewer Engineering and Associates will be discussed in Executive Session and the Procurement Policy will need to be discussed. Pat Kliewer provided her professional background to the Board. Board discussion followed.

- **Ten Bar Property Lease**

Craig Horrell explained that our Patrolman, Derek Bruce is having a difficult time finding housing within 10 minutes of his beat as required. The request is to allow him to lease the COID property on Ten Bar to park his 5th Wheel Trailer through the 2019 Irrigation Season. The lease would be month to month for a 6 month period contingent on his employment. He will need a permit from Deschutes County, and he will be responsible for power and will need to find resources for water and emptying the septic. If all of the requirements are completed, the Board is in agreement of this request with the Lease Agreement being drafted by legal counsel.

- **Patron Request**

The Board considered the request presented in open forum by Patron Mike Olson to reinstate the water rights that were confiscated in 2018/19 during the property sale transaction time frame. The Board discussed the request and it was denied. Staff will inform the patron of the decision and provide options.

8. **BOARD COMMENTS:**

At 11:22 AM the Board recessed the General Session and asked the Board to convene into Executive Session per:

- ORS 192.660(2)(a) to consider the employment of an officer, employee, staff member or agent.
- 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 1:33 P.M.

North Unit Irrigation District has requested developing a drought year leasing pilot program. The Board is in agreement to work with North Unit Irrigation District to develop a program.

Tom Burke made a motion to deny the request for payment of the invoice request by Kliever Engineering and Associates because it was not submitted in compliance with the Procurement Policy. Following a second by Paul Kasberger the motion was denied unanimously.

Terry Blackwell made motion to direct the Managing Director to make a retirement option offer as directed in executive session. Following a second by Tom Burke the motion was approved unanimously.

Tom Burke made a motion to approve ordering title reports for within the Pilot Butte Canal Piping project with the fund coming from the 30% design funds within the CWSRF. The

estimate is \$35,000. Following a second by Terry Blackwell the motion was approved unanimously.

The meeting was adjourned at 1:56 P.M. following a motion by Paul Kasberger 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