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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 9:01 AM on November 13, 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; Bronwyn Bailey, Accounting Manager; Kelley Hamby, Operations and Maintenance Manager; Leslie Clark, Director of Water Rights; Joshua Peed, Hydro Director; Jenny Hartzell-Hill, Executive Assistant; Matt Singer, Legal Counsel; Brian Meece, Realtor of Record; Todd Peplin, NRCS. Visitors Present, See Exhibit "A".

**1. OPEN FORUM:**

Brian Meece came before the Board and presented the latest ads that are circulating for the Redmond 9<sup>th</sup> Street property that is currently listed, Exhibit "B".

CONFISCATION HEARINGS (Began at 9:08 a.m.):

Carroll Penhollow read the instructions and guidelines for the Confiscation Hearings.

*PATRON:* Rubio Real Estate Investments, LLC - Leslie Clark provided the staff presentation and background, see Exhibit "C". Taryn White came before the Board and explained that they had made efforts to get an irrigation system installed in early 2018, but the contractor fell through and they were not able to it installed. This fall they have been in contact with a new contractor and are making efforts to get the irrigation system installed so that it is operational by spring of 2019. She provided a signed contract by Thompson Pump to begin work in the next two weeks.

*PATRON:* George and Danielle Chilcote - Leslie Clark provided the staff presentation and background, see Exhibit "D". The patrons were not present.

The Board moved to Executive Session for consideration of the Confiscation Hearings at 9:20 a.m. and reconvened the Regular Session at 9:26 a.m.

Rubio Real Estate Investments, LLC: Terry Blackwell made a motion to confiscate 1.45 acres of water rights from tax lot 171333NWN00201. Following a second by Robert Borlen the motion passed unanimously.

George and Danielle Chilcote: Robert Borlen made a motion to confiscate .25 acres of water rights from tax lot 171236SESE00900. Following a second by Tom Burke the motion passed unanimously.

Two letters of request from patrons asking for forgiveness of 2018 late and lien fees. Stabler: Bob moved Tom second to allow the forgiveness of the lien and late fee due to the circumstances. Tom Burke made a motion to remove the Late Fee and Admin Charge of \$250.00 for both requests. Following a second by Robert Borlen the motion passed unanimously. See Exhibit "E".

**2. MINUTES:**

A motion to approve the minutes for the October 9, 2018 General Session, the October 25, 2018 Special Session and the November 1, 2018 Special session was made by Robert Borlen. 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 "F". 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 "G") 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 "H") was provided to the Board prior to the meeting. Kelley Hamby gave a verbal follow-up regarding current projects. Kelley asked to have a few Board members participate in a presentation by Alegary regarding weed abatement and the services they have to offer.
- C. Capital Projects –  
Craig Horrell explained that there is nothing new to report and there are topics to discuss in Old Business.
- D. Hydro Report -  
A written report (Exhibit "I") was provided to the Board prior to the meeting. Joshua Peed provided a verbal report on the current river flows and the inability to produce power. He also updated the Board on the pier replacement at SPP project. Quotes for the pier replacement will be presented at an upcoming Board meeting.
- E. Internal Operations & Communications-  
A written report (Exhibit "J") was provided to the Board prior to the meeting. Shon Rae introduced COID's new Account Manager, Bronwyn Bailey to the Board.
- F. Finance Report-  
A written report (Exhibit "K") was provided to the Board prior to the meeting. Craig Horrell updated the Board on where we are with preliminary budgeting. The plan is to bring the preliminary budgets to the December Board Meeting. A Memorandum of Action for Foreclosure was presented to the Board and approved. See Exhibit "L".
- G. Manager Report-  
Craig Horrell updated the Board on his latest trip, he attended the NWRA meeting in San Diego. He said that everyone is trying to find money and they are all wanting to know about PL566 money.

5. **BILLINGS & PAYROLL:**

Robert Borlen made a motion to approve the Billings and Payroll as presented for September and October. 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. Negotiations are happening on the 30% Design with KPFF and Taylor NW. Craig will have the contracts by the next Board meeting or may call a Board meeting prior to approve.

• **Resolution 2018-12: CWSFR Authorization**

The resolution was read, Exhibit "M". Robert Borlen made a motion to approve the resolution as presented. Following a second by Tom Burke the motion passed unanimously.

• **Union Contract**

Craig Horrell informed the Board that OPEU has a new attorney, so it took some time to get the contract reviewed and returned. We have received the latest version; the Board will review and make a decision at the December Meeting.

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

Craig Horrell provided an update. Staff is still working with Legal Counsel on this Agreement. It is due by December 31, 2018. Robert Borlen made a motion to approve Craig Horrell and Joshua Peed to work with Legal Counsel to move forward with the power purchase agreement at \$.10 per kilowatt-hour. Discussion followed. Following a second by Tom Burke the motion was approved unanimously.

7. **NEW BUSINESS:**

• **Resolution 2018-11: Financial Resolution**

The resolution was read, Exhibit "N". Terry Blackwell made a motion to approve the resolution as presented. Following a second by Robert Borlen the motion passed unanimously.

• **Water Lottery**

Leslie Clark provided a summary of the water available. Drawings were conducted. See Exhibit "O" for the results of the Pilot Butte and Central Oregon Canals.

• **Nottingham Square**

Kelley Hamby provided a summary of the Nottingham Square request and the Board was provided information prior to the Board meeting, see Exhibit "P". They would like to install a gate to prevent car travel. Currently, cars enter on the COID canal road which is situated on property owned by the Nottingham HOA, and then they travel down it until they get to a COID gate which then causes the cars to turn around and return on the same path. We will require a License Agreement if the Board approves the request. Tom Burke made a motion to approve the request. Following a second by Terry Blackwell the motion was approved unanimously.

**8. BOARD COMMENTS:**

None

At 10:45 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 12:12 P.M.

The meeting was adjourned at 12:16 P.M. following a motion by Robert Borlen that was seconded by Paul Kasberger.

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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