



The regular meeting of the Board of Directors of the Central Oregon Irrigation District (COID) was called to order by Paul Kasberger, at 9:04 AM on December 14, 2021, in the district office.

Attending the meeting were Directors Paul Kasberger, Brad Clarno, Tom Burke, Dan Ellingson and Carroll Penhollow in the COID Conference Room. Craig Horrell, Secretary - Managing Director; Shon Rae, Deputy Managing Director; Cary Penhollow, Water Master; Leslie Clark, Water Rights Manager; Kelley Hamby, Operations and Maintenance Manager; Doug Watson, Director of Hydro; Erin Bathke, Accounting Assistant; Jenny Hartzell-Hill, Administrative Assistant. Staff participating via Zoom, Kelley O'Rourke, Land Use Specialist; and Heidi Dennison, Accounting Consultant. Also joining the meeting Matt Singer, Legal Counsel. Visitors present, see Exhibit "A".

REGULAR SESSION

1. OPEN FORUM:

Shon Rae provided a proposal from a patron for dryland grazing, see Exhibit "B". The Board discussed the proposal, and the following was established: the Board does not want to allow any structures on the property; asked that the purchase option language be removed; it was also determined that dryland grazing if horses were present during the irrigation season, or it can be used year-round so long as there are no horses grazing. The Board agreed to give Craig Horrell authority to approve the lease with the new provisions.

2. CONFISCATION HEARINGS

None

3. MINUTES:

Dan Ellingson made a correction to the draft minutes on who was present at the meeting. The minutes were corrected. Tom Burke made a motion to approve the minutes for the November 15, 2021, Special Meeting, November 9, 2021, Regular Meeting, November 2, 2021 Special Meeting and October 19, 2021 Special Meeting. Following a second by Brad Clarno 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.

Cary Penhollow provided a verbal update regarding the current storage numbers.

We are still planning to do a stock run as soon as there is enough water going over the dam, flows are still too low.

- B. Operations and Maintenance Report –
A written report (Exhibit “E”) was provided to the Board prior to the meeting. Craig Horrell provided a verbal update on maintenance activities and updated on filling the CO-1 replacement.
- C. Hydro Report -
A written report (Exhibit “F”) was provided to the Board prior to the meeting. Doug Watson reported that last month generation was off due to low flows.
- D. Internal Operations & Communications-
A written report (Exhibit “G”) was provided to the Board prior to the meeting. Shon Rae informed the Board that the rate increase mailing is going out this week.
- E. Finance -
The written report (Exhibit “H”) was provided to the Board prior to the meeting. Heidi Dennison updated the Board on the current budget. A cash position column was requested as well as a breakdown between each of the departments. Heidi will add those to the report moving forward.
- F. Manage Report-
Craig Horrell reported that Shon Rae will be leaving COID on February 2, 2021.

5. **BILLINGS & PAYROLL:**

Tom Burke made a motion to approve the Billings and Payroll as presented. Following a second by Dan Ellingson the motion was approved unanimously.

6. **OLD BUSINESS:**

• **Merkley PL 566**

Craig Horrell updated the Board on the EIS study in the Bend area on the Pilot Butte Canal and meetings with property owners will begin in January. The land use process for piping and conditional use were explained. The current construction is ahead of schedule.

7. **NEW BUSINESS:**

• **Resolution 2021-9 Memorandum of Foreclosure Actions**

Dan Ellingson made a motion to approve Resolution 2021-9 Memorandum of Foreclosure Actions, Exhibit “I”. Following a second by Brad Clarno the resolution was approved unanimously.

• **Rate Increase Communications**

Letters are going out to patrons regarding the fee increase this next week.

• **2022 Instream Lease**

The 2022 Lease Agreement with DRC was presented for consideration, Exhibit “J”. Board discussion followed. The Board asked that the maximum amount be 1500 acres for 2022.

- **Business Oregon Loan Approval**

Craig Horrell explained the process of applying for the Business Oregon Loan and announced that our application was approved. The committee also approved extending the loan if the Oregon Lottery Bonds don't come through. COID will be able to pay the loan back in June of 2022. Craig also explained that COID is leveraging its assets for these types of loans that benefit the other districts in the basin. It is suggested that discussions and agreements need to happen between COID and North Unit Irrigation District. If the long-term loan kicks in Craig is asking for approval to sign the loan documents for the \$9,000,000. He also asked for approval of a long-term loan if the lottery bonds don't come through.

At 10:22 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.

The Board came out of Executive session at 12:08 a.m. to continue with the regular agenda.

8. BOARD COMMENTS:

The meeting was adjourned at 12:08 P.M. following a motion by Dan Ellingson and a second by Brad Clarno.

Craig Horrell, Manager

Paul Kasberger

Tom Burke

Brad Clarno

Dan Ellingson

Carroll Penhollow