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The regular meeting of the Board of Directors of the Central Oregon Irrigation District (COID) was called to order by Paul Kasberger, at 9:05 AM on July 13, 2021, in the district office.

Directors Paul Kasberger, Brad Clarno, Tom Burke, Dan Ellingson and Carroll Penhollow participated in person in the COID Conference Room. Craig Horrell, Secretary - Managing Director; Shon Rae, Deputy Managing Director; Erin Bathke, Accounting Assistant; Leslie Clark, Water Rights Manager; Cary Penhollow, Water Master; Kelley Hamby, Operations and Maintenance Manager; Doug Watson, Director of Hydro participated in person. Participating remotely by Zoom: Kelley O'Rourke, Land Use Technician and Heidi Dennison, Accounting Consultant; Also attending in person, Matt Singer, Legal Counsel. Also attending Brian Meece, Realtor of Record, and Todd Peplin with NRCS. Additional Guests, Exhibit "A".

**1. OPEN FORUM:**

Tessa Miles – Partner in Jackson Corner Restaurant in Bend addressed the Board. The restaurant sources 80% of their food from Oregon – 50% from Central Oregon, most of which are produced within the North Unit Irrigation District (NUID). She is not a farmer but works closely with farmers in Central Oregon. She expressed her worry about losing their local food source due to the lack of water this year. She explained that farmers have expressed to her that they are not able to attend COID board meetings because they are scheduled in the morning, and they ask if COID can change the meeting time to later in the day so that they can attend. She also asked if COID can share water with North Unit Irrigation District. She believes we all should prioritize agriculture now with the water resources. She stressed the need for local structure. She spoke of non-native use and asked what that looks like when allowing people to have hobby farms rather than produce marketable products. Craig Horrell explained that COID does have local farmers within the COID delivery boundaries. He pointed out that others in attendance for the meeting are farmers and some are requesting to transfer their own water from COID to NUID during the declared drought because they have farms in both districts. He also explained that if farmers are unable to make it to a Board meeting, that we have board members that are available outside of the meetings. She mentioned Boundless Farmstead has reached out to come to the meeting multiple times. Shon Rae took her card and will communicate further with her to discuss her concerns.

**2. MINUTES:**

Tom Burke made a motion to approve the minutes for the June 8, 2021, Regular Meeting and the Special Meeting June 10, 2021. 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 "B". Carroll Penhollow made a motion to approve the transfers as presented. Following a second by Tom Burke the motion was approved unanimously.

A COID farm to NUID farm temporary transfer request was presented to the Board. Craig Horrell explained that this type of request is only permitted when a drought has been declared, it is only for the season it is requested in and there is a checklist that must be followed to ensure there is no harm to patrons, or the water rights and that delivery is possible. If COID Board

approves the request, North Unit Irrigation District Board will vote on the request as well. In this particular request the patron is requesting to transfer water from his property with COID water rights to another property he owns in NUID boundaries with NUID water rights. This request was tabled until after executive session.

**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 regarding the current water situation.
- B. Operations and Maintenance Report –  
Kelley Hamby provided a verbal updated on maintenance work and on the new ditch riders and the training process.
- C. Hydro Report -  
A written report (Exhibit “D”) was provided to the Board prior to the meeting. Doug Watson informed the Board that we had a power outage but got things back up and running. Flows are low.
- D. Internal Operations & Communications-  
A written report (Exhibit “E”) was provided to the Board prior to the meeting.
- E. Finance -  
The written report (Exhibit “F”) was provided to the Board prior to the meeting. Heidi Dennison had nothing additional. It was noted that the Auditor made a few changes in June regarding 2020 grant revenue. She will explain with the June financial statements.
- F. Manage Report-  
Craig Horrell updated the Board on Patron Matters from June Board meeting:  
Ken Huddle Matter: Craig called Mr. Huddle to inform him of the Boards decision in June, but he has not returned the phone calls.  
Love-Gordon Matter: The delivery issue was addressed in the purchase agreement between the buyer and seller on Love’s property. The seller gave money to new owner to remedy the issue.  
Current House Bill Updates:  
House bill 3103 – Transfer of Storage Bill – This bill would make transfers permanent to conserve water to NUID. Still under discussion and finalization.  
House bill 3166 –The bill is about water measurement in the basin. Leslie Clark explained how it will be a pilot program.

**5. BILLINGS & PAYROLL:**

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

6. **OLD BUSINESS:**

• **Merkley PL 566**

Craig Horrell updated the Board on the Matching Funds. Should have this within the next few weeks. There will be several rounds of receiving the money – which will go into PL-566. Everything is taking longer because of COVID. Washington DC is not open yet for meetings due to the upswing in COVID cases. Craig is working on paths to get the funds released quicker. He clarified that our projects are shovel ready and at 30% on design. The current drought that we are in can help move piping projects because it is a solution for the drought. Craig is working with Senator Merkley on this.

• **East Bend Property Rezone Update**

Craig Horrell updated the Board on the current status of the Rezone. There is one neighbor that is against the rezone but should not hold up the rezone.

• **Drought Communications Plan**

Shon Rae updated the Board on the Drought Communications Plan. Board discussion followed regarding what is being heard by our patrons and how to best convey the current status of water and the outlook for the remainder of the season.

• **State Lottery Bonds Update**

Craig Horrell updated the Board on the State Lottery Bonds. The match money from the Bonds will come to the DBBC and the DBBC will meet to determine how the funds will be split between the districts. The funds will not be available until May of 2022 so we will also need to come up with a plan for the gap funding.

7. **NEW BUSINESS:**

• **2020 Audit Report / Richard Winkle Joined the Meeting via Zoom at 10:30**

The draft Audit was provided to the Board prior to the meeting, Exhibit “G”. Richard Winkle joined the Board meeting via Zoom at 11:00 a.m. to review the draft audit and answer any questions the Board had. Carroll Penhollow made a motion to approve the 2020 Audit and sign the letter. Following a second by Tom Burke the motion was approved unanimously.

• **Hydro Insurance Rates**

Doug Watson presented the renewal rates for the hydro insurance. Three quotes were provided to the Board and Shon Rae gave a verbal summary of the options. The Board was in agreement to go with the SDAO plan for the renewal. Staff will continue to research options as they work on the 5-year plan.

• **Temporary Drought Transfer Requests**

A temporary transfer due to the drought declaration was presented to the board in the Transfers/Inclusions section of the meeting.

At 10:03 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.
- ORS 192.660(2)(i) To review and evaluate the performance of an officer, employee, or staff member if the person does not request an open meeting.

The Board came out of Executive session at 10:57 a.m. to continue with the regular agenda. Again at 11:26 a.m. the Board recessed the General Session and convened into Executive Session per the ORS' identified above. At 12:06 p.m. the Board concluded Executive Session and resumed the General Session.

Carroll Penhollow made a motion to approve Craig Horrell's contract as modified for another 5 years. Following a second by Dan Ellingson the motion was approved unanimously.

Carroll Penhollow made a motion to approve the temporary transfer request from Matt Lisignoli. Following a second by Tom Burk the motion was approved unanimously.

**8. BOARD COMMENTS:**

None.

The meeting was adjourned at 12:09 P.M. following a motion by Tom Burke and a second by Brad Clarno.

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Craig Horrell, Manager

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Tom Burke

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Brad Clarno

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Dan Ellingson

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Paul Kasberger

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Carroll Penhollow