



The regular meeting of the Board of Directors of the Central Oregon Irrigation District (COID) was called to order by Brad Clarno, at 8:03 AM on August 10, 2021, in the district office.

At 8:03 a.m. joining the meeting for the work session were Directors 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; Heidi Dennison, Accounting Consultant; 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. In addition to at 9:00 a.m. the following joined the meeting: Matt Singer, Legal Counsel, Brian Meece, Realtor of Record, and Todd Peplin with NRCS.

1. BUDGET REVIEW:

Heidi Dennison presented the actuals of the budget year to date and gave the projections on where we are and where we are going with the 2021 Budget. Board discussion followed.

The Board took a 25-minute break.

2. OPEN FORUM:

At 9:00 a.m. open forum was opened and there were no visitors.

3. MINUTES:

Tom Burke made a motion to approve the minutes for the July 13, 2021, Regular Meeting. Following a second by Dan Ellingson the motion was approved unanimously.

4. TRANSFERS / INCLUSIONS:

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

5. REPORTS:

A. Watermaster Report –

A written report (Exhibit "B") was provided to the Board prior to the meeting. Cary Penhollow provided a verbal update regarding the current water situation. Discussion regarding Wickiup Reservoir levels and when silt from the low levels becomes an issue in the river. Shut off date projections were discussed. Tentative shut off date is October 1, 2021, with the hope of starting storage season for 2022 water at that time.

B. Operations and Maintenance Report –

Kelley Hamby provided a verbal update on maintenance work and provided a written report to the Board (Exhibit "C"). He reviewed the upcoming projects for the 2021/22 maintenance season.

- C. Hydro Report -
A written report (Exhibit “D”) was provided to the Board prior to the meeting. Doug Watson informed the Board that there were a few minimal outages last month due to lightning strikes. He also reported that they are working to manage the transient situation and trying to keep the area free of camps.
- D. Internal Operations & Communications-
A written report (Exhibit “E”) was provided to the Board prior to the meeting. Shon Rae updated the Board on public outreach and platforms for educating the public. Shon also updated the Board on her interaction with Tessa from Jacksons Corner that attended the July Board Meeting. Craig Horrell updated the Board on the August 17th Meeting at Deschutes County Fairground by the Perfect Balance Group and what the DBBC is working on to educate patrons and how this could harm the HCP and the work that has been done.
- E. Finance -
The written report (Exhibit “F”) was provided to the Board prior to the meeting.
- F. Manage Report-
Craig Horrell updated the Board on Patron Matters from July Board meeting: Tessa with Jacksons Corner update was discussed in communications. Bylaw updates will be added to strategic planning and a subcommittee, of Brad Clarno and Dan Ellingson will work with staff on the update. Board breakfast meetings are being scheduled Brad and Tom will attend the August meeting.

6. **BILLINGS & PAYROLL:**

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

7. **OLD BUSINESS:**

• **Merkley PL 566**

Craig Horrell updated the Board on the matching funds and gap funding options. Craig Horrell and Shon Rae are still researching options. We have the year two budget and we could be short the last 2 to 3 months of the project if we don't find gap funding. We will be able to redo the contract to shorten the project by 8.8 million if funding is not secured. Pipe is being made and will start to be delivered on the 19th of August. The contract states that the project can grow or shrink dependent on funding. Craig asked the Board for approval to sign the contract for year two for \$32,998,171.13 once Matt Singer verifies the language in the contract that the project can grow or shrink based on funding. Tom Burke made a motion to approved Craig Horrell signing the contract so long as Matt Singer approves of the contract language on funding. Following a second by Dan Ellingson the motion was approved unanimously.

Merkley has requested having an event on August 20 to highlight the delivery of the pipe to the project. FCA is facilitating the planning of the event.

• **Temporary Drought Transfer Request Update**

Craig Horrell updated the Board on the Lignoli request for farm to farm temporary transfer. The process has not proven to be quick at the state level due to the public notice

and comment period. Once it is approved North Unit Irrigation District will be shut off and will be difficult to get the water from the COID farm to the NUID farm. Craig is suggesting a meeting in the fall with partners and agencies to discuss what worked and what didn't so we can do a better job next year.

8. NEW BUSINESS:

• **Accounting Request**

Heidi Dennison presented to the Board a proposal for a change over in the accounting software from Abila to QuickBooks, Exhibit "G". She provided details on how the change over would work and the process to make it transfer from our old program to the new program. Carroll Penhollow made motion to approve the change-over to QuickBooks. Following a second by Dan Ellingson the motion was unanimously approved.

At 10:18 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 11:29 a.m. to continue with the regular agenda.

Dan Ellingson made a motion to accept the Letter of Intent for the East Redmond Property from Hayden Watson. Following a second by Tom Burke the motion was approved unanimously.

9. BOARD COMMENTS:

Dan Ellingson commented about the photo that Kelley Hamby provided in his report of a delivery box and how it can allow patrons to put in a board and take more water than they are allotted and suggested that other devices be explored. He has done some ride alongs with the patrolmen in his division and for him it was an eye-opening experience to see what goes on and the challenges our staff have in the field. Board discussion followed.

The meeting was adjourned at 11:57 A.M. following a motion by Carroll Penhollow and a second by Tom Burke.

Craig Horrell, Manager

Paul Kasberger

Tom Burke

Brad Clarno

Dan Ellingson

Carroll Penhollow