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The regular meeting of the Board of Directors of the Central Oregon Irrigation District (COID) was called to order by Craig Horrell, at 9:01 AM on January 11, 2022, in the district office.

Attending the meeting were Directors Paul Kasberger, Brad Clarno, Tom Burke, Dan Ellingson (via Zoom) 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 Director; Gina Brooksbank, Assistant Water Rights Director; Kelley Hamby, Operations and Maintenance Manager; Doug Watson, Director of Hydro; Kelley O'Rourke, Land Use Specialist; Heidi Dennison, Accounting Consultant; Erin Bathke, Accounting Assistant; Jenny Hartzell-Hill, Administrative Assistant. Also joining the meeting Matt Singer, Legal Counsel, via Zoom. Visitors present, see Exhibit "A"

## 1. **COID BOARD ORGANIZATION**

- **Division 4 – Director**

Oath of Office Division 4 – Brad Clarno stated his Oath of Office and it was signed and notarized. Exhibit "B".

- **Board Officer Selection**

Carroll Penhollow nominated Brad Clarno for President. Following a second by Paul Kasberger the motion was passed unanimously.

Carroll Penhollow nominated Tom Burke for Vice President. Following a second by Paul Kasberger the motion was passed unanimously.

Carroll Penhollow nominated Dan Ellingson for Treasurer. Following a second by Paul Kasberger the motion was passed unanimously.

Carroll Penhollow nominated Craig Horrell for Secretary/Manager. Following a second by Tom Burke the motion was passed unanimously.

- **Committee Selection**

Strategic Planning: Brad Clarno & Paul Kasberger

Real Estate: Carroll Penhollow & Tom Burke

Finance: Tom Burke & Dan Ellingson

Labor: Brad Clarno & Dan Ellingson

Equipment: Tom Burke & Dan Ellingson

- **Resolutions for District Business for 2022**

- **Resolution 2022-1 Financial and Investment Transactions**

Brad Clarno read Resolution 2022-1 Financial and Investment Transactions.

Carroll Penhollow made a motion to approve the resolution as presented.

Following a second by Tom Burke the motion was approved unanimously.

Exhibit "C".

- **Resolution 2022-2 Public Meetings**  
Brad Clarno read Resolution 2022-2 Public Meetings. Paul Kasberger made a motion to approve the resolution as presented. Following a second by Tom Burke the motion was approved unanimously.  
Exhibit “D”.
- **Resolution 2022-3 General Administration**  
Brad Clarno read Resolution 2022-3 General Administration. Carroll Penhollow made a motion to approve the resolution as presented. Following a second by Tom Burke the motion was approved unanimously. Exhibit “E”.

## **2. OPEN FORUM:**

Brad Clarno Open the Board of Equalization for 1 hour starting at 9:36 a.m.  
No open forum presentations.

## **3. MINUTES:**

Carroll Penhollow made a motion to approve the minutes for the November 19, 2021 Special Meeting and the December 14, 2021 Regular Meeting. Following a second by Tom Burke the motion was approved unanimously.

## **4. TRANSFERS / INCLUSIONS:**

A water management report was provided to the Board prior to the meeting, Exhibit “F”. No transfers were presented.

## **5. REPORTS:**

- A. Watermaster Report –  
A written report (Exhibit “G”) was provided to the Board prior to the meeting. Cary Penhollow provided a verbal update regarding the current storage numbers. Still not enough water to do a stock run but still planning to do a stock run as soon as there is enough water going over the dam. Board discussion followed.
- B. Operations and Maintenance Report –  
A written report (Exhibit “H”) was provided to the Board prior to the meeting. Kelley Hamby provided a verbal update on current maintenance projects. Staffing: CO-1 position has been filled, still working to fill a maintenance position. Kelley also updated the Board on the homeless situation.
- C. Hydro Report -  
A written report (Exhibit “I”) was provided to the Board prior to the meeting. Doug Watson reported that last month generation was still off due to low flows. Doug has also been researching incentive payments that we may be eligible for through the Federal Energy Act.
- D. Internal Operations & Communications-  
A written report (Exhibit “J”) was provided to the Board prior to the meeting. Shon Rae informed the Board that the rate increase mailing has gone out to all patrons. Only had 20 calls so far regarding the rate increase mailing. Annual assessments will be mailed out next week and a flyer about the Water Bank will be included.

E. Finance -

The written report (Exhibit "K") was provided to the Board prior to the meeting. Heidi Dennison updated the Board on the current budget and updated the Board on the transition to QuickBooks. The projected short fall for 2022 is \$71,000.

Also discussed is the deficit in the operational budget in the amount of \$575,000 for January until annual assessment payments start coming in. Staff proposed borrowing the funds from the LGIP account and then paying back the \$575,000 once the assessment payments are coming in.

F. Manage Report-

Craig Horrell had nothing to report.

**6. BILLINGS & PAYROLL:**

Paul Kasberger 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 issues of match for the \$200,000,000 and the discussions he has had with Merkley's staff. We also need the full EIS completed so that the funds will be released to us. We need to be shovel ready so we get moved to the front of the list for future funding, Craig explained that if we get the final design we will be ahead of other projects. COID's in-kind for the design is 25%. To be shovel ready we will need \$3,000,000. Update on current construction: All pipe will be installed by March and then it will be clean-up and fencing until water comes on.

Brad Clarno declared that the Board of Equalization is closed at 10:36 a.m.

**2022 Budget Approvals:**

Shon Rae and Craig Horrell reviewed the proposed budgets for Irrigation Operations, Hydro Operations, and Capital, Exhibit "L". Board discussion followed.

• **Business Oregon Loan Approval Update**

Craig Horrell signed the loan documents for the \$9,000,000 loan with Business Oregon and funds will be available to finish the current project.

**8. NEW BUSINESS:**

None.

At 10:55 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 12:21 p.m. to continue with the regular agenda.

Tom Burke made a motion to move \$575,000 out of LGIP account to the general account for the month of January to cover operating costs while recovering assessments. Once assessment payments start coming in the \$575,000 will be paid back to the LGIP account. Following a second by Carroll Penhollow the motion was approved unanimously.

Staff proposed adding another FTE position to the proposed at \$100,000 for Technical Landuse. The Budget for 2022 will include the FTE position at \$100,00 and the \$71,000 2022 shortfall, so the total amount added to budget will be \$171,000.

Budget discussion followed. Tom Burke made a motion to approve the 2022 Budgets for all departments. Following a second by Carroll Penhollow the votes were as follows: In favor of the motion: Carroll Penhollow, Tom Burke and Brad Clarno. Opposed to the motion: Paul Kasberger. Abstained: Dan Ellingson. Having majority vote, the budgets were passed.

**8. BOARD COMMENTS:**

Paul Kasberger requested that the actual number of what the protection of the adjudication of the water right to the patron is clarified at the next meeting. He would like to discuss the rate and duty through the season delivered in a full irrigation season. This will be added to the agenda for the February Board meeting.

The meeting was adjourned at 12:47 P.M. following a motion by Tom Burke and a second by Carroll Penhollow.

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Craig Horrell, Manager

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Paul Kasberger

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Tom Burke

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Brad Clarno

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Dan Ellingson

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Carroll Penhollow