



The regular meeting of the Board of Directors of the Central Oregon Irrigation District (COID) was called to order by Brad Clarno, at 9:08 AM on December 13, 2022, in the District office.

Directors present were Brad Clarno, Paul Kasberger, Tom Burke, Dan Ellingson (joined meeting at 9:37 a.m.) and Carroll Penhollow. Craig Horrell, Secretary - Managing Director, Kelley O'Rourke, Internal Business Manager; Jenny Hartzell-Hill, HR Manager; Gina Brooksbank, Assistant Water Rights Director participated in person. Participating remotely by Zoom were Cary Penhollow, Water Master; Kelley Hamby, Operations and Maintenance Managers; Heidi Dennison, Finance & Accounting Manager, Erin Bathke, Executive Assistant to Finance & Accounting Manager; Doug Watson, Hydro Manager; Spencer Stauffer, Land Use Technician; and Matt Singer, General Counsel. In-person guests are listed in Exhibit "A".

1. OPEN FORUM:

Jack Ettinger, patron from Alfalfa. Addressed the Board and asked about the Boards position on all of the outside interests that want to take the water away from the irrigation districts. The Board expressed that they are always working to protect the water rights of the District.

Todd Peplin with Deschutes Soil and Water Conservation District informed the Board that they are working on putting together Irrigation Management Workshops in February and March. He would like to work with each of the districts to get patrons information on those upcoming events.

2. MINUTES:

A motion was made by Tom Burke to approve the 11/14/2022 Special Meeting and 11/08/2022 Regular Meeting minutes. Following a second by Carroll Penhollow the minutes were approved unanimously.

3. TRANSFERS / INCLUSIONS:

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

4. REPORTS:

- A. Watermaster Report –
Cary Penhollow joined the Board meeting to provide a verbal report to the Board. Snowfall and moisture content was discussed. We are off to a great start for snowpack. The weather patterns are helping with filling Crane Prairie and Wickiup reservoirs. Staff is keeping a close eye on weather patterns and flows in the Deschutes to hopefully get in stock water runs.
- B. Operations and Maintenance Report –
A written report (Exhibit "C") was provided to the Board prior to the meeting. Kelley Hamby provided a verbal update to the Board. Crews are out working on snow removal and working on a small piping project. Staff has been attending

training; Dam Tender Training, Boom Truck Training and Flagger Safety. A large portion of A-Lateral in the CO-1 district will be involved in construction. We also have a bridge repair matter with a patron that is not responding to our request for repairs, may need to engage legal counsel. Paul Kasberger asked about H-Lateral analysis and what the plan is for next season. Staff has evaluated this lateral and has a plan for ditch cleaning and water management which will be scheduled, and flows monitored closely next season.

C. Hydro Report -

A written report (Exhibit "D") was provided to the Board prior to the meeting. Doug Watson updated the Board, no production happening at this time. He also updated the Board on winter projects. PacificCorp paid us last month for some generation that did not occur. The reporting error was due to PacificCorp doing some testing at the switch yard. Doug is working with them to return the payment. Scott Beeson has been doing a lot of snow removal.

D. Internal Operations & Communications-

A written report (Exhibit "E") was provided to the Board prior to the meeting. Kelley O'Rourke reported that the Historic Signage has been installed at the Redmond Historic section, the Ward to Gosney section and the SPP Piping section. It was brought up to check liability on our piped sections if there are openings to these sections and trespass.

E. Finance -

The written report (Exhibit "F") was provided to the Board prior to the meeting. No questions from the Board.

F. Manager Report-

Craig Horrell updated the Board on the all-district DBBC end of season wrap up strategic planning session on 12/8. Craig said that it was a good productive meeting. It will be an annual meeting.

6. **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.

7. **OLD BUSINESS:**

• **Merkley PL 566**

Craig Horrell updated the Board:

○ Phase 1 Construction Close-Out

The project is complete. All invoices are in. There are some trees to be planted, but that is all that remains. Our project came in under the amount set aside to fund which left \$1,100,000 in the DBBC funds. This is available for all DBBC district if they have met the requirements to use the funds. Arnold will be able to use the funds for match on their current piping project.

○ Environmental Impact Study (EIS)

Craig Horrell updated the board and explained that this is a long process. The Smith Rock process from start to finish was 5 years. We are now working on

getting the EIS for the entire remaining project area of the Pilot Butte Canal. He explained funding and timing. It will take approximately 2 years to get the EIS through. NRCS is on Board to help with the additional funding. He expects to have a grant to present next Board meeting. Discussion followed about hurdles that can occur and the challenges of piping in the City of Bend.

- **Draft 2023 Budgets**

Heidi Dennison joined the meeting in person. Heidi reviewed the draft budget changes since the last review. Staff is working with DRC on a grant to pay off the CWSRF Loan for the SPP Piping loan. Discussion followed regard how to recoup money for the past 3 years of payments and North Unit Irrigation District paying for the water. Paul Kasberger asked for the number on the “value of water”. He expressed that it is not what is left on the loan, it needs to be the full amount that we are asking for in the grant. We can parallel what efforts we are working on. 5 cfs will be on the agenda for the January meeting as its own topic. Staff will bring the progress and options. The final budget will be presented in January for approval.

- **ARPA/RCPD Funding**

- **J-Lateral Funding Approval**

Craig Horrell explained the funding process. Approval is needed to move forward with the J-lateral piping project in the amount of \$2,100,000. This project is fully funded by this grant, the money will pass through the COID account but will not cost anything to the District. 1 cfs will be saved with this project. L-Lateral will be a 2024 project.

- **New Equipment Purchase**

Through this funding we can also purchase a mini excavator, trailer and pick-up.

Tom Burke made a motion to approve the acceptance of the funding for J-Lateral Piping Project and the On-Farm equipment purchase. Following a second by Carroll Penhollow the motion passed unanimously.

7. **NEW BUSINESS:**

- **2023 Instream Lease**

The 2023 paperwork was provided to the Board, Exhibit “G”. Tom Burke made a motion, to approve the instream lease amount as presented. Following a second by Dan Ellingson the motion was approved unanimously.

- **Resolution 2022-8 Forfeiture of Water Right Due to Nonuse & Two-Year Beneficial Use Pilot Program**

Resolution 2022-8 was presented to the Board, Exhibit “H”. Gina Brooksbank gave the details of how the resolution has been changed. This topic was tabled until after Executive Session. Following Executive session Tom Burke made a motion to approve Resolution 2022-8 as presented. Following a second by Carroll Penhollow the motion was approved unanimously.

- **Insurance Renewal Credits**

Heidi Dennison explained to the Board that we can get some credits through SDIS that will decrease our insurance premium if the Board participates. It was determined that

one Board Member needs to sign up for the SDAO Academy program to meet the requirements. Tom Burke agreed to sign up.

- **OWRC Scholarship Fund Ask**

Craig Horrell explained that at OWRC Annual Meeting a new scholarship was presented for students that want to pursue higher education in the field of irrigated agriculture. Some irrigation districts gave to this fund to get it started. The Board was asked if they would be interested in giving to this fund? The Board was not willing to give on behalf of COID but will put it on the COID Facebook page with giving information to promote the program.

8. BOARD COMMENTS:

None

At 11:14 a.m. the Board recessed the General Session and moved to Executive Session.

- 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 regard to current litigation or litigation likely to be filed.

The executive session recessed and returned to general session at 12:39 p.m.

Paul Kasberger asked about future meetings with NUID and/or Perfect Balance. Craig Horrell will meet with Perfect Balance in the near future and then include Board Members Paul Kasberger and Tom Burke if further meetings are scheduled.

The meeting was adjourned at 12:45 p.m. following a motion by Carroll Penhollow and a second by Tom Burke.

Craig Horrell, Manager

Tom Burke

Brad Clarno

Dan Ellingson

Paul Kasberger

Carroll Penhollow