



The regular meeting of the Board of Directors of the Central Oregon Irrigation District (COID) was called to order by Brad Clarno, at 9:0 AM on February 8, 2022, 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; 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. All visitors joined via Zoom and/or Conference Call due to the increase in COVID-19 cases.

1. OPEN FORUM: (Letters & emails to the Board of Directors were provided to the Directors prior to the meeting, Exhibit "A".)

Doug Ertner addressed the Board, his address is 3890 NW Xavier, Redmond OR 97756 (La Casa Mia HOA). He explained the history of how La Casa Mia HOA and the water delivery system was established. Explained that they had worked as an HOA and paid for the underground system that they maintain, per agreement with COID. He is asking about the less than 1 acre fee for each patron and how the Board determined this fee. He is asking for consideration for the HOA and the users within their system.

Dan McMahon has been a patron since 1981. He is also a patron in La Casa Mia HOA. He is upset about the less than one acre fee and had questions regarding the hydro contract reduction.

Donald Hicks is not a patron, but the canal is in his back yard. He is asking about future piping and when it is projected to happen.

Suzie Moon is a patron and a retired CPA and has less than an acre. She shared her concern about increase for 1 acre or less. Shared her calculation and expressed that she is very upset about the increase.

Not sure of exact name (technical issues) may have been Mr. McGill (?) West Benham Rd. He questioned the 5 years increase due to the hydro contract renewal.

Dianne Peterson, 2111 Rief Rd, Powell Butte patron with 14 acres of water rights. Upset about increase. They are the last ones on their delivery, so they don't always get their water and with the drought conditions it is a difficult increase when they don't get all of their water.

Robin Fora, Bend resident – Encouraged Board to cancel the sale of the Bend property. He confirmed that the Board received the email he sent, Board received. He then reiterated his email. Question – How did COID obtain the property? Craig Horrell explained the history of the property. He also explained that canceling the contract when it's in contract is a legal action and would be difficult.

David Herr, 6262 SW Zenith, Redmond in Christie Acres HOA. He has concerns about the increase. He is the treasure for the HOA. His Concern is there is no restriction on what COID can increase. He explained that the HOA is a subsidiary account, so their calculation is different.

Bruce Carr, a patron in Bend. He is also upset about the increase and said that 1 acre or less are being punished.

Dennis, Chaparral Water District, attended, no comments.

Laura Tawney, patron at 9990 NE Smith Rock Loop, Terrebonne. Patron was surprised at rate increase and service charge. She has talked to COID staff, and her question is why is it more work to deliver to 1 acre or less. She also has requested a report that shows the research on the rate increase and why it is not distributed to all patrons. Why is one acre or less more work? She is also upset about the rate increase communication. She is still requesting the rate study and the why it is more work to get water to 1 acre or less.

Tom and Darcy Allen, patron at 3921 NW 3992 NW Xavier – La Casa Mia HOA. He is also frustrated with the increase. He calculated the cost for the base fee and the service fee increases and he expressed his frustration due to how the water for this HOA is delivered. He also referenced that La Casa Mia takes care of all of their maintenance past the POD, per agreement with COID, up on Helmholtz Way. Asked for Board considered how this is calculated.

Brad Clarno, COID Board Chairman, addressed the callers and gave explanations regarding the increase, specifically the hydro contract. He also addressed the increase to the 1 acre or less and explained the cost and time that it takes to deliver to the smaller acreages.

Dan Ellingson, COID Board member, also addressed the callers and explained that the decision was made by the Board of Directors and explained that many hours have been spend by the Board regarding the rate increase. He also explained the difficulty of delivering to one acre or less.

Paul Kasberger, COID Board Member also explained the history of the hydro contract and how we have gotten to where we are now.

2. MINUTES:

Carroll Penhollow made a motion to approve the minutes for the January 11, 2022, Regular Meeting. Following a second by Tom Burke the motion was approved unanimously.

3. TRANSFERS / INCLUSIONS:

A water management report was provided to the Board prior to the meeting, Exhibit “B”. Leslie reviewed the transfers and the sales. Carroll Penhollow made a motion to accept the transfers and Tom Burke seconded the motion. Motion was approved unanimously.

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 storage numbers. Craig Horrell updated the Board on potential for early declaration of drought this year. Cary provided an update on what start up may look like and the low possibility that we will have a stock run on the CO Canal.

- B. Operations and Maintenance Report –
Kelley Hamby provided a verbal update on current maintenance projects. A lot of construction going on and updated where we are with the piping project. A lot of burning a clean up going on since no stock runs. We are still trying to hire for the open maintenance position, this has proven to be difficult. Also updated on the homeless camp in Bend.
- C. Hydro Report -
A written report (Exhibit “D”) was provided to the Board prior to the meeting. Doug Watson reported that we are still not generating due to low flows. Updated the Board on the incentive payments on Juniper Ridge. He is also researching other contracts for green energy.
- 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. The Board will continue to do quarterly reviews. Due to the switch to Quickbooks, the report is in a new format, so Heidi Dennison reviewed that. Brad Clarno requested a balance sheet quarterly; the request was discussed. We will have Richard Winkle walk the Board through the audit process and the details.
- F. Manage Report-
Craig Horrell had nothing to report.

5. **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.

6. **OLD BUSINESS:**

- **Merkley PL 566**
Craig Horrell updated the Board on working on getting matching requirements removed from future money contracts.
- **Construction Update**
Craig Horrell reported that the construction is on schedule and would be ahead of schedule if pipe was being delivered efficiently. Valves are being brought in from the east coast so the delivery of those have been delayed due to winter storms and COVID but they are saying they will be delivered in time.

The G-4 piping update and patron meeting with Huddle was discussed.

- **Rate Increase Communication**
Craig Horrell emphasized the need to address the patrons that called in individually. The team will meet to come up with the plan. The team will also discuss special situations and possible exceptions per contracts. Staff will report back.

- **Business Oregon Loan – Update**
Just waiting for loan documents.
- **Budget Update**
No update

7. **NEW BUSINESS:**

Water for 2022 season – it was discussed that all water that is available will be taken and used by COID to the end of the season.

At 10:26 AM the Board recessed the General Session and asked the Board to convene into Executive Session per: (All visitors attending via Zoom were placed in the virtual waiting room)

- 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 12:09 p.m. to continue with the regular agenda. (All visitors that were in the virtual waiting room were clicked back into the regular meeting.)

8. **BOARD COMMENTS:**

None.

The meeting was adjourned at 12:33 P.M. following a motion by Tom Burke and a second by Dan Ellingson.

Craig Horrell, Manager

Paul Kasberger

Tom Burke

Brad Clarno

Dan Ellingson

Carroll Penhollow