



The regular meeting of the Board of Directors of the Central Oregon Irrigation District (COID) was called to order by Brad Clarno, at 9:01 AM on March 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. Visitors present, see Exhibit "A"

1. OPEN FORUM:

Clifford Davis a patron, 4603 NW Quince, Redmond. Addressed the Board with his concerns about the 1-acre service fee. He stated that it is not fair that the "little guy" is paying more and is concerned that COID is pushing him out. He has room for another .5 acre and would like to buy additional water to push him out of the 1 acre or less category.

Jim Simon, a patron located at 22735 Nelson Rd, Bend. Addressed the Board with his concerns about the 1-acre service fee. He explained that he is on a private ditch that he maintains and stated that it is unfair that he has to pay an additional service fee.

Laura Tawney, a patron at 9990 NE Smith Rock Loop, Terrebonne. She explained that she spoke with Paul Kasberger yesterday. She would like to address the service charge for 1 acre or less and the rate study. She explained the details of her rotation. She reviewed and quoted ORS 545.385 Section 3 and told the Board that she does not fall under the ORS. She requested that the service charge be removed because it does not apply to her as well as the other delivery on her rotation that is less than 1 acre. She questioned the rate study that was conducted and would like to know if it was used to determine the rate increase. She also pointed out that the link for the 2020 Financial Report on the COID website is not working.

Shawn Simpson, a patron at 22169 Nelson Rd, Bend. Has a 1-acre water right along with 2 other homeowners on her headgate. She is concerned that the cost applied to 1 acre or less is unequitable and does not think it is fair that the cost isn't spread among the whole base of patrons. She feels like 1 acre or less is being forced out. She requested a more in-depth explanation on how the extra money is being used.

David Herr, Christie Acres HOA Treasure, contacted the staff this morning and is upset that he was told to zoom in at 10:00 a.m. and the meeting started at 9:00 a.m. He also questioned if COID conducted the Board Meeting of Equalization as required in January. He is concerned about the Bylaws and that COID is not following the laws and guidelines. He also asked if the rate increases are legal. He quoted ORS 545.381 and claims that it is not being followed.

Megan Darby Donahue a patron at 7250 SW 77th street, Redmond. She provided her background and explained her family goals to the Board. She has a shared pond with the neighboring property and explained that she is having problems with the neighbors. There is no easement between he and the neighbor. They have met with a land use attorney to get advisement. She is

requesting a new weir and a separate the delivery. They would abandon the mainline on the neighboring property and get their own delivery ditch. They would like the COID easement in writing and to get COID support with this request. She provided her statement in writing to the Board. Exhibit “B”.

Alex Bush a patron at 4083 S Minson Rd, Powell Butte. He is concerned about drought and curtailment. He asked if the “actual” growers that produce hay get precedence on water in the early season. N-8 ditch maintenance is also a concern and that the ditch is not being maintained. Also moss in the late season is a concern and it compromises the ditches and impedes deliveries. He suggested that cleaning ditches in the early spring will prevent water impediment and possibly the moss in late fall.

At 9:35 a.m. 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.

This brief executive session break was due to a special guest’s availability. The remainder of executive session will resume at the end of the regular meeting under the above ORS’s.

At 10:16 executive session recessed and returned to general session.

2. MINUTES:

Tom Burke made a motion to approve the minutes for the February 8, 2022, Regular Meeting. Following a second by Carroll Penhollow the motion was approved unanimously.

3. TRANSFERS / INCLUSIONS:

A water management report was provided to the Board prior to the meeting, Exhibit “C”. Leslie Clark reviewed the transfers and the sales. Carroll Penhollow made a motion to accept the transfers and Tom Burke seconded the motion. The motion was approved unanimously. Carroll Penhollow also reviewed the quit claims on the Pilot Butte Canal and the Central Oregon Canal. Leslie Clark also updated the Board on the Water Conservation Plan submittal to OWRD.

4. REPORTS:

- A. Watermaster Report –
A written report (Exhibit “D”) was provided to the Board prior to the meeting.
- B. Operations and Maintenance Report –
A written report (Exhibit “E”) was provided to the Board prior to the meeting.
- C. Hydro Report -
A written report (Exhibit “F”) was provided to the Board prior to the meeting.
- D. Internal Operations & Communications-
A written report (Exhibit “G”) was provided to the Board prior to the meeting.

- E. Finance -
The written report (Exhibit “H”) was provided to the Board prior to the meeting.
- F. Manage Report-
Craig Horrell had nothing to report.

5. **BILLINGS & PAYROLL:**

Carroll Penhollow 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 and explained that we are still working through the final stages of the piping project. Pipe will be in the ground before water is on. One issue is power and we currently operating off of a generator until the power is installed. The Environmental Impact Study (EIS) is still moving, and the next round of public meetings will be in the Fall of 2022. It should be completed May of 2023.

- **Construction Update**

Craig Horrell provided an update on construction being done within our district that are being done by other parties. We have signed permits and licenses for these projects and due to the current shortage of supplies the completion of projects is subject to change. We don't have penalties to enforce completion dates. It was suggested that a resolution be done by the Board to implement penalties and/or damages if they do not have a project completed by season start up to prevent damages or injury to the water delivery to patrons beyond their projects. Staff will work with Legal Counsel on a resolution to aid us in the future.

- **Rate Increase Communication**

Craig Horrell addressed that the patrons have been heard and understand the concerns. He then explained the factors the Board considered when making the fee increase decision and why 1 acre or less had the big increase. He explained that the one acre or less as a whole are more expensive to maintain or deliver to and in the future can cost more to repair when a pipe breaks to get the repairs done due to the infrastructure that cross it or what needs to be done to repair the problem. The district as a whole, expends more money on 1 acre or less calls for maintenance and repairs. Board discussion followed. There were patron comments during this time but were not recorded because it was outside of open forum. The Board will consider the comments and Craig Horrell will contact the patrons who attended both in person and Zoom following the meeting.

- **Business Oregon Loan – Update**

Resolution 2022-4 Business Oregon Loan Authorization, Exhibit “I”. Tom Burke made a motion to approve the resolution as presented. Following a second by Dan Ellingson the motion was approved unanimously.

7. **NEW BUSINESS:**

- **La Casa Mia Subsidiary Agreement Consideration**

Craig Horrell provided the background and history of La Casa Mia and past agreements. Staff has reviewed the historical documents and evaluated how to move forward. Staff

suggested that a new subsidiary agreement be drawn up and complete the process with them. The Board is in agreement that staff will meet with the HOA with the proposed agreement.

- **Season Turn On**

Current flows were discussed, and the river is still below what is needed for start-up. Starting March 28, 2022 the Central Oregon Canal will start with a stock run in the Central Oregon Canal to wet the ditches and fill ponds and then April 1st we can increase the amount over the dam and into the system. NUID will be releasing from Wickiup so it is predicted that April 1st there will be enough to start both canals. This is all weather dependent. By the 10th of April the hope is to be at 50% and then there may be a need to pull from storage if there is not enough water in the river. The ramp up schedule will be followed and early season storage may be used to get through start up. The amount of water pulled for the systems is dependent on what the flows are in the Deschutes River. It is expected that this irrigation season will be similar to the 2021 season. Due to the drought, it is expected that COID will use all of its storage this season.

Mark Mallott commended the district on the startup plan and the plan to use all of its storage and go as long as we can.

- **RCPG Grant – J & L Lateral Projects**

Craig Horrell updated the Board on the project. This is a grant through NRCS that the Board approved applying for. Work on these piping projects is being planned. All matching funds by COID are in-kind.

- **Surplus Declaration**

A Surplus list was provided prior to the meeting, Exhibit “J”. Carroll Penhollow made a motion to declare the provided list as surplus. Following a second by Tom Burke the motion was approved.

- **2022 NUID Temporary Water Delivery Agreement**

Leslie Clark explained that the water identified in this agreement is excess water that is being held and not in the system. NUID can order it however and whenever they want it. They then pay us for the water. This is evaluated on an annual basis. Tom Burke moved, Carroll Penhollow second approved.

- **Drought Declaration**

The DBBC Drought Declaration request letters were provided to Board prior to the meeting, Exhibit “K”. These were sent to all three Counties Commissioners. ShanRae Hawkins shared with the Board how we are planning to message the Drought. Craig Horrell was interviewed on Central Oregon Daily News last week. An FAQ has been developed about drought and what it means. This is a tool to educate. This is also an opportunity to talk about conservation and then pivot to discuss our large-scale projects and why we are doing them.

8. BOARD COMMENTS:

Dan Ellingson had a few questions:

- Were the holes in the pipes in Tumalo Irrigation District – every charged? Answer: No charges filed.
- Will the patrons that have addressed the Board get a response by the Board? Also, how should he respond. Answer: Yes, the patrons will receive correspondence from the Board.
- Provided some information on the SAC Organization- Save Arnold Canal, they are trying to get historical designation to stop piping. These are the types of movements that we as irrigation districts are faced with.

The Board recessed General session to continue with the executive session at 11:45 a.m. The Board came out of Executive session at 1:27 p.m. to continue with the regular agenda.

It was determined that Craig Horrell will work with La Casa Mia HOA on a new subsidiary agreement. As well as Christie Acres HOA.

It was determined that for the one acre or less service fee, correspondence will be sent to all patrons that have commented on the rate and let them know that it will be reviewed annually but the Board is going to stand on the current rate structure.

The meeting was adjourned at 1:30 P.M. following a motion by Tom Burke and a second by Carroll Penhollow.

Craig Horrell, Manager

Paul Kasberger

Tom Burke

Brad Clarno

Dan Ellingson

Carroll Penhollow