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The regular meeting of the Board of Directors of the Central Oregon Irrigation District (COID) was called to order by Brad Clarno, at 8:08 AM on April 12, 2022, in the District office starting with a Special Session and the general session started at 9:00 a.m.

Directors present were Paul Kasberger, Brad Clarno, Tom Burke, Dan Ellingson and Carroll Penhollow. Craig Horrell, Secretary - Managing Director; Jenny Hartzell-Hill, Executive Assistant; participated in person. Participating remotely by Zoom were Heidi Dennison, Accounting Consultant, Erin Bathke, Accounting Assistant, and Gina Brooksbank, Deputy Water Rights Director. At 9:00 a.m. the general session started and joining the meeting via Zoom were Leslie Clark, Water Rights Manager; Cary Penhollow, Water Master; Doug Watson, Director of Hydro; and Matt Singer, Legal Counsel. Additional guest logged in on Zoom were Jenny Hurst, Joe Zimmer, Mike Robinson and Todd Peplin with NRCS. Additional guests are listed in Exhibit A.

**1. SPECIAL SESSION:**

The quarterly budget review was presented to the Board by Heidi Dennison, Exhibit B. The details of the budget were reviewed, and the board asked questions and provided input. Craig Horrell also informed the Board that the surplus sale of the Dump Truck was \$25,000. The cost of new pick-ups that were included in the 2022 Budget increased by \$9,000 each since the Budget was approved. Tom Burke made a motion to take \$18,000 from the sale of the Dump Truck to cover the cost of the increase of the two new pick-ups and change the Capital Budget from \$50,000 – \$68,000. Following a second by Dan Ellingson the motion was approved unanimously. The development of a new program to replace the WIN computer program is still in the works and we are negotiating with the company on the cost. Staff is still researching other options. Heidi will bring a Budget vs Actual comparison at the July Budget Board Meeting. The quarterly meeting in July will start at 8:30 a.m.

**2. OPEN FORUM:**

Brian Meece, as a patron, asked the Board about the details of the on-farm lease program to the North Unit Irrigation District. It was explained that the Deschutes River Conservancy (DRC) is administering this pilot program. Brian said he contacted the DRC but has not been given any updates or information if he qualifies or can participate in the program.

Additional guests did not have comments for open forum.

**3. MINUTES:**

Dan Ellingson made a correction to page 1 transfers, paragraph 3, correct “Quick” to “Quit” Claims. Dan Ellingson made a motion to approve the minutes for the March 8, 2022, as corrected. Following a second by Carroll Penhollow the motion was approved unanimously.

**4. TRANSFERS / INCLUSIONS:**

A water management report was provided to the Board prior to the meeting, Exhibit “C”. Carroll Penhollow reviewed the transfers and the sales. Carroll Penhollow made a motion to accept the transfers. Following a second by Tom Burke the motion was approved unanimously. Leslie Clark updated the Board and explained that the Water Management Plan submittal to Oregon

Water Resources Department had a lot of comments during the open comment period, but was approved by Oregon Water Resources Department.

**5. REPORTS:**

- A. Watermaster Report –  
A written report (Exhibit “D”) was provided to the Board prior to the meeting. Cary Penhollow updated the Board on current levels at Crane Prairie. The current snow fall is helping with the levels a little bit.
- B. Operations and Maintenance Report –  
A written report (Exhibit “E”) was provided to the Board prior to the meeting. Craig Horrell updated the Board on the start-up and explained that the temporary stem wall at the intake at the new pipe was compromised and repairs are getting done today and tomorrow. Hopefully water will be turned back up by Wednesday afternoon. Kelley Hamby is out on-site so he is not participating in the Board Meeting today.
- C. Hydro Report -  
A written report (Exhibit “F”) was provided to the Board prior to the meeting. Doug Watson updated the Board on generation: SPP is not running due to PacifiCorp doing work, it is planned to be complete by this Thursday and then SPP will be started. Juniper Ridge should be up and running by middle of next week.
- D. Internal Operations & Communications-  
A written report (Exhibit “G”) was provided to the Board prior to the meeting. Craig Horrell updated the Board on the ramp up schedule on the website and how it has been misinterpreted as COID using 100% of what is in the river instead of 100% of what is available for live flow. Discussion followed.
- E. Finance -  
The written report (Exhibit “H”) was provided to the Board prior to the meeting. Craig Horrell updated the Board on the 2021 Audit.
- F. Manage Report-  
Craig Horrell had nothing to report.

**6. BILLINGS & PAYROLL:**

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

**7. OLD BUSINESS:**

- **Merkley PL 566**

Craig Horrell updated the Board on the EIS as it is still in process. The Phase 1 piping is in the ground and as explained in the Operations Report some repairs are being made. The final finishing work is being completed with seeding and groundwork. A meeting with Taylor NW on the project will be conducted to review how the project went and how to do better on the next phase of piping.

- **Construction Update**

Craig Horrell updated the board on construction in the topic above.

- **Rate Increase Communication**

Craig Horrell updated the Board on the subsidiary agreements with the HOA's that have met with staff. Craig also reviewed the ORS that allows COID to make a rate change. Tom Burke also recommended that in the future, including patrons and Board members to formulate a rate committee to determine rate increases. Board discussion followed regarding how the Board has determined the rate increases in the past.

- **Business Oregon Loan – Update**

Craig Horrell informed the Board that the first request for funds have been submitted to Business Oregon and we are waiting to receive the funds. The lottery bonds go out in April and should be funded in June and then the Lottery Bond funds will be used instead.

7. **NEW BUSINESS:**

- **Fitch Water Rights Request**

A letter written by the Fitch's was provided to the Board, Exhibit "I". Craig Horrell and Cary Penhollow provided the background on this delivery. They explained that it was a shared delivery with Arnold Irrigation District. Arnold Irrigation District has remanent parceled this delivery this season. The request is: Can COID service their water in place of Arnold? Staff has evaluated this request and there are two options: 1: No, or 2: COID could service them for 1 year with .5 acres temporary water and then they would need to switch to city water. Board discussion followed. Dan Ellingson made a motion to allow a temporary transfer of .5 acres or water right for the 2022 season. Following a second by Carroll Penhollow the motion was approved unanimously. Matt Singer, legal counsel, will work with staff on the process for the temporary water.

- **Brookwood Property**

Tom Burke made a motion to authorize the manager to record a covenant for the Brookwood property. Following a second by Carroll Penhollow the motion was approved unanimously.

- **Renewable Energy Coalition Request**

The Renewable Energy Coalition submitted a request for the Board's consideration. Exhibit "J". Craig Horrell provided background regarding this request. The Board is not interested at this time to give them money.

8. **BOARD COMMENTS:**

None.

At 10:16 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.

The executive session recessed and returned to general session at 11:40 a.m.

The meeting was adjourned at 11:42 A.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

APPROVED