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Special Meeting for Quarterly Budget Review was called to order by Brad Clarno at 8:05 a.m. on August 9, 2022, in the District office.

Directors present were Brad Clarno, Paul Kasberger, Tom Burke, Dan Ellingson and Carroll Penhollow. COID Staff in attendance were Craig Horrell, Secretary-Manager; Heidi Dennison, Accounting Consultant; Erin Bathke, Accounting Assistant; Kelley O'Rourke, Internal Operations Manager; Jenny Hartzell-Hill, HR Manager and Matt Singer, Legal Counsel.

Heidi Dennison provided Actuals for January to June, Exhibit "A" and provided some details. Inflation and current financial climate were discussed. COLA for employees was also discussed and the increase since it was last calculated in June of 2021. Discussion regarding the sale of the Brookwood property and the closing and what the Board wants to do with the funds from the sale. The special meeting was adjourned at 8:30 a.m. with a motion by Tom Burke, followed by a second by Dan Ellingson and unanimous vote.

The regular meeting of the Board of Directors was called to order by Brad Clarno at 8:30 a.m. and moved immediately to executive session, all staff were excused, and Legal Counsel meet with the Board of Directors at 8:31 a.m. under:

- 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.
- ORS 192.660(2)(i) To review and evaluate the performance of an officer, employee, or staff member if the person does not request an open meeting.

At 9:20 a.m. Executive Session to return to the Regular Session. Directors present were Brad Clarno, Paul Kasberger, Tom Burke, Dan Ellingson and Carroll Penhollow. Craig Horrell, Secretary - Managing Director, Kelley O'Rourke, Internal Business Manager; and Jenny Hartzell-Hill, HR Manager participated in person. Participating remotely by Zoom were Cary Penhollow, Water Master; Kelley Hamby, Operations and Maintenance Managers; Heidi Dennison, Accounting Consultant, Erin Bathke, Accounting Assistant; Leslie Clark, Water Rights Director; Gina Brooksbank, Deputy Water Rights Director, Baxter Davies, Operations Technician; and Spencer Stauffer, Land Use Technician. Guests logged in on Zoom, Richard Winkle. In-person guests are listed in Exhibit "B".

#### **1. OPEN FORUM:**

Bobby West asked the Board what the recommended protocols are for what to do and when during water season and a patron has a water issue. Craig explained that there was an operational issue for 5-7 days on the CO3 Beat that caused fluctuation and low flows in some areas of the beat. Craig explained that staff and Board has communicated with most of the patrons that had serious issues. He explained that it was due to human error and corrective actions have been taken. In the event of water issues, it is recommended that patrons contact the office during office hours and after-hours to report problems and request patrolman assistance. This allows calls to be documented and tracked by supervisors to evaluate potential problems or trouble areas within the COID system.

Betty Fisher, One Acre property owner asking about the additional service fee. Brad Clarno explained that the smaller acreages require more time to manage vs large acreage. The smaller acres are typically urban deliveries and take more time and management. She is upset about the increased fee and why. The Board members and Staff explained how the board determined the increase.

Rich Bartels, Powell Butte patron asked what the chain of contact is? He is upset that his ditch rider doesn't communicate with him well. He has re-nozzled his pivot to run it a current flow rates and he can't run his water. He is upset that his patrolman has blocked his number and he isn't getting return calls from anyone in the office. He can't get to 60% because he said the ditch rider is not treating him fairly. Tom Burke has talked to him as well as Paul Kasberger about this. Cary has called him back and told him that he would come out to Powell Butte and measure the water and evaluate what needs to be done. He is also upset about time for turn on and turn off during haying. Paul Kasberger also commented about the challenges he has had with the office phone system. Staff will meet to discuss and communicate with Mr. Bartels.

**3. MINUTES:**

Tom Burke made a motion to approve the minutes for the July 12, 2022, meeting. Following a second by Dan Ellingson 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 approve the transfers as presented in the report. Following a second by Tom Burke the motion was approved unanimously.

**5. REPORTS:**

A. Watermaster Report –

Craig Horrell and Cary Penhollow updated the Board on current flows. It is expected that another drop in flows and delivery will happen within the next couple of weeks. Wickiup levels and releases to North Unit Irrigation District were discussed. COID shut off date projections are mid-October. It is expected that both canals will have winter stock water runs, dependent on river flows.

B. Operations and Maintenance Report –

Craig Horrell and Kelley Hamby provided a verbal update to the Board regarding operations. Kelley provided to the Board a written report, Exhibit "D". Kelley explained that the new maintenance hire, Michael Ingram, will take over running CO3 for the remainder of the season. A few problems have been discovered with the piping that was completed prior to water season. Some repairs have been made and others are scheduled to be done during the maintenance season. In Bend off of Eagle Road, there is a house that sporadic water that fills the crawl space below the house. Staff has been monitoring and testing to see if it is COID water seepage or if it is from another source. If it is discovered to be a COID problem, this section of canal will need to be piped to prevent this from happening. Kelley also updated the Board on the homeless campers on the North Canal Dam property and the potential safety issues and the potential for damage to operations. Kelley proposed closing the property to all public permanently. This would allow

COID staff to take immediate action to remove any trespassers. Suggested Board action is to make a motion during new business to close the property.

C. Hydro Report -

A written report (Exhibit “E”) was provided to the Board prior to the meeting. Doug Watson updated the Board on the application that was filed for capacity payments and reported that COID has been awarded the funds. Now he is waiting to hear when funds will be released.

D. Internal Operations & Communications-

A written report (Exhibit “F”) was provided to the Board prior to the meeting. Craig Horrell explained to the Board that COID needs to do a better job communicating with patrons when issues arise and have better follow-up. Suggested a need to change communications from office to the field.

E. Finance -

The written report (Exhibit “G”) was provided to the Board prior to the meeting and reviewed in the Special Session today before the Regular Board meeting.

F. Manager Report-

Craig Horrell provided information regarding updates he received while at the NWRA Western Water Conference in Montana, July 25-27, 2022.

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:

○ Smith Rock Close-out

A meeting has been scheduled for next week with all parties involved in the piping projects to discuss and what needs to be completed in the fall as well as review how things could have been done better. The goal of the meeting is to formulate a plan for the next phases of the project.

○ Environmental Impact Study (EIS)

Craig Horrell explained the process following the public meeting and the comments received from the meeting.

• **Conserved Water Policy Update**

The Conserved Water Policy needs to be approved every 5 years and updated a draft Resolution 2022-05 was provided to the Board, Exhibit “H”. Carroll Penhollow made motion to approve Resolution 2022-5, Following a second by Tom Burke the motion passed unanimously.

- **Water Marketing Pilot**

Craig Horrell updated the Board on the DCR and where things are in the process and outlined what is next with the pilot project. It was suggested that the Board meet with DRC staff and a few DRC Board representatives and David Filippi (within next 10 days). It was reminded that the purpose of a pilot is to see if a program will work. The question was asked “Is OWRD accepting this process and/or is it legal?” A meeting will be scheduled in the next few weeks to work through the details of the program and how it is or is not working.

7. **NEW BUSINESS:**

- **2021 Audit Review – Richard Winkle joined the meeting via Zoom at 10:00 a.m.**  
Richard Winkle reviewed the audit that was provided to the Board, Exhibit “I”.

- **Illegal Homeless Camps at North Canal Dam in Bend**

Paul Kasberger made a motion to close the North Canal Dam property to the public for public safety reasons. Following a second by Tom Burke it passed unanimously.

- **Beneficial Use Program – Potential Revisions**

Craig Horrell explained that there is a possible need to revamp COID’s process’ for the Beneficial Use Program from policing to educating and determine what is absolutely needed to meet the state standards. Craig suggested to have a committee with Paul Kasberger, Tom Burke, and staff to develop the direction and process for this program and have a plan to bring to the Board in October for consideration.

8. **BOARD COMMENTS:**

At 11:19 a.m. the Board recessed the General Session and asked the Board to re-convene into Executive Session.

The executive session recessed and returned to general session at 12:14 p.m.

The meeting was adjourned at 12:16 P.M. following a motion by Dan Ellingson and a second by Tom Burke.

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Craig Horrell, Manager

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Tom Burke

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Brad Clarno

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Dan Ellingson

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Paul Kasberger

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Carroll Penhollow