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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 9:05 AM on September 13, 2022, in the District office.

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, 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, Accounting Consultant, Erin Bathke, Accounting Assistant; Leslie Clark, Water Rights Director; Doug Watson, Hydro Manager, Baxter Davies, Operations Technician; and Spencer Stauffer, Land Use Technician. Guests logged in on Zoom, Hal Washoe, Owen Murphy, Sandra Stewart. In-person guests are listed in Exhibit "A".

**1. OPEN FORUM:**

Jeremy Austin expressed to the Board his support for the Water Bank Pilot as it helps support the river and the farmers in other areas.

Ken Caudell, patron. H-14-2. He explained that the pipe that was installed years ago has always caused problems and challenges. The pipe isn't giving him a steady flow and it was worse every weekend in the month of July this year. The pipe is a problem and doesn't get his water to his weir. His neighbor is getting enough water and running a pivot on Mondays. He said his last two rotations have been a little better and he has gotten water all the way through Sundays. He also expressed that he couldn't get through on the emergency answering service when he called after hours.

Susanne Smithers, patron wrote a letter that was provided to the Board prior to the meeting, Exhibit "B". She explained that her headgate is leaking into two other ditches during her rotation time over the weekends. She told the patrolman last year and a new headgate was installed on the other ditch. She is asking the Board to consider reimbursing her for the 2022 assessment since she hasn't received her water. Kelley Hamby reported to the Board that the headgate is leaking and needs to be replaced. He also explained that the headgate is past the point of delivery and when we are running at 70% we are not getting enough down the ditches to get the water to them. If it is the neighbor's headgate needs repaired, it is the responsibility of the person that the headgate delivers to. Kelley Hamby is willing to help facilitate getting it fixed in the off season and it is on the winter repair list. Craig Horrell explained that the repair cost gets split between all parties on the rotation because it is beyond the COID point of delivery. The Board will consider the request and staff will contact her after the meeting.

Todd Peplin with NRCS shared with the Board some upcoming workshops in October and shared some of the work that NRCS has done with Patrons to improve their systems.

Hal Washoe, expressed to the Board that he is in favor of the Water Bank pilot and explained that he would like to see the program continue next season.

**3. MINUTES:**

Tom Burke made a motion to approve the minutes as corrected for the August 9, 2022, meeting and approve the minutes for the August 31, 2022, special 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 –  
A written report (Exhibit "D") was provided to the Board prior to the meeting. Cary Penhollow updated the Board on current flows. Thursday will start our drop in flows to 50% by the 15<sup>th</sup> of September. The proposed turn-off is October 13<sup>th</sup> for the CO and October 14<sup>th</sup> for the PB. The first stock water run would be the week after Thanksgiving for one canal and the first week of December for the other, flow levels and weather dependent. The Board is in agreement for the proposed shut off dates.
- B. Operations and Maintenance Report –  
A written report (Exhibit "E") was provided to the Board prior to the meeting. Kelley Hamby provided a verbal update to the Board regarding operations. Kelley explained that there is a winter repair project planned that will take place on 27<sup>th</sup> street in Bend and will be completed by the first of December. The Cedar Creek Fire has caused evacuations in the Crane Prairie area. The Crane Prairie Dam is okay, and the dam tender cabin has been evacuated but expected to be okay at this time.
- C. Hydro Report -  
A written report (Exhibit "F") was provided to the Board prior to the meeting. Doug Watson updated the Board on the DOE incentive program and COID received \$265,000. It will show as revenue for 2022. Flows are good and our plants are running at this time.
- D. Internal Operations & Communications-  
A written report (Exhibit "G") was provided to the Board prior to the meeting. Kelley O'Rourke reported that she is working on the planning of the end of season fish salvage.
- E. Finance -  
The written report (Exhibit "H") was provided to the Board prior to the meeting Heidi Dennison told the Board that the 2023 Budgeting has begun.
- F. Manager Report-  
Craig Horrell proposed October 28<sup>th</sup> for annual strategic planning. The Board was in agreement on that date. Craig leaves for DC on Saturday. He is going with

DBBC members Steve Johnson, Mike Britton, and Josh Bailey. They have 14 meetings scheduled in 2 days.

6. **BILLINGS & PAYROLL:**

Paul Kasberger 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 closeout meeting was conducted with all project partners.

○ Environmental Impact Study (EIS)

Craig Horrell explained the process following the public meeting and the comments received from the meeting. 90% of the comments are from people living in the City of Bend the other 10% are outside. Having 100% design done will help with planning and funding moving forward. He requested Civil Design work and requested using the remaining Lottery Bonds that was not spent in Phase 1. The Board was in agreement to move forward with using the remaining funds for Civil Design of the next 10 phases.

• **Water Marketing Pilot**

Members of the DRC Board are present to answer questions and to discuss the program. Craig Horrell updated the Board on the DCR Board meeting last week. Kate Fitzpatrick provided an overview of what was discussed at the DRC Board meeting and the considerations of the COID proposal. The DRC Board would like to move forward with the Pilot Project on a small scale in the 2023 water season. The DRC wasn't in favor of COID patrons being able to call on their water at any time during the season, the two main concerns would be operational management and the money exchange/payments. The COID Board proposed dropping the payment price from \$100 to \$35 per patron, DRC isn't in favor of that concept because it is an "incentive program" to share water with patrons outside of the district. Jayde with DRC addressed the Board and explained that they are optimistic about the program. Bridget Moran addressed the Board also regarding helping each other out (farmers to farmers). She also highlighted that it is a tool to help with future federal funding because we are using all of our tools. Paul Kasberger asked about senior water rights and harming patrons and questioned potential injury to COID patrons. The DRC proposal was presented, see Exhibit "I". The approval that is being asked for is to move forward with having the discussions with the junior water rights holders and vet the program. Craig explained how COID operates and how we have changed over the past 8 years and how much has been given in the past for piping. The plan is to discuss this further in executive session and have a decision today regarding this program. Kate conveyed that she understands how COID operates. She said that it isn't much different from the instream lease program. Kate reiterated that COID will not lose control of the water now or in the future.

- **2021 Audit**

The Board approved the 2021 Audit at the August meeting. The approval letter was presented for signature. Exhibit “J”, Resolution 2022 – 6 Plan of Action Financial Audit 2021 was reviewed and unanimously approved following a motion by Carroll Penhollow and a second by Tom Burke.

7. **NEW BUSINESS:**

- **Patron Matters**

- Wursta – Kelley Hamby explained that the Wursta’s have been using the COID ditch road for access to their property on Dodds Road, Exhibit “K”. Last year the neighbor attempted to install a gate, which was halted. COID owns a very small portion of the property on the ditch road and is requesting to have a Recordable Joint Road Use Agreement to prevent the property from being landlocked. If COID didn’t allow the joint road use, their other option would be to build a bridge over the main canal for access. Tom Burke made a motion to move forward and work with Legal Counsel on a Joint Road Use Agreement. Following a second by Dan Ellingson the motion was approved unanimously.
- Azevedo Request – Cary Penhollow explained that their property flooded as a result of patrons closing headgates, during the big rain event in June and the elimination of the waste ditch when the J Lateral was piped. Exhibit “J” was presented to the Board with emails and photos of the flooding. This will be discussed in executive session for consideration. No further action by the Board.

- **Resolution 2022-7 Election Division 2 & 3**

The Resolution was presented as Exhibit “L”. Paul Kasberger made a motion to approve the resolution as presented. Following a second by Tom Burke the motion was approved unanimously.

8. **BOARD COMMENTS:**

None

At 10:32 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)(g) (“to consider preliminary negotiations regarding trade or commerce in which you are in competition...”).
- 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 12:51 p.m. Board Member Dan Ellingson left the meeting during executive session.

Tom Burke made a motion to approve the proposal for the final year of 2023 Water Marketing Pilot with the sideboards as presented. Following a second from Carroll Penhollow the motion was approved with Tom Burke, Carroll Penhollow and Brad Clarno voting in favor. Paul Kasberger was opposed. Craig Horrell was directed to do a final internal assessment and produce a report on the pilot project with the cost and the outcomes from the 2023 pilot.

Paul Kasberger asked for clarification and for it to be noted that his vote for the program last year was also no/opposed to the 2022 pilot.

The meeting was adjourned at 1:01 p.m. following a motion by Tom Burke and a second by Carroll Penhollow.

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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

APPROVED