
The regular meeting of the Board of Directors of the Central Oregon Irrigation District (COID) was called to order by Brad Clarno, at 9:03 AM on March 14, 2023, in the district office.

Directors present were Brad Clarno, Paul Kasberger, Tom Burke, Dan Ellingson, and Jeff Larkin. Craig Horrell, Secretary - Managing Director, Kelley O'Rourke, Internal Business Manager; Jenny Hartzell-Hill, HR Manager; and Erin Bathke, Executive Assistant to Finance & Accounting; participated in person. Participating remotely by Zoom were Cary Penhollow, Water Master; Kelley Hamby, Operations and Maintenance Manager; Heidi Dennison, Finance & Accounting Manager; Doug Watson, Hydro Manager; Leslie Clark, Water Rights Director; Gina Brooksbank, Assistant Water Rights Director; Jessi Talbott Assistant Water Rights Director; Baxter Davies, On-Farm Technician; Jessica Martin, Administrative Assistant; Spencer Stauffer, Land Use Technician; and Dan Downing, GIS Analyst. Matt Singer, General Counsel attended in person. In-person guests are listed in Exhibit "A".

1. OPEN FORUM:

Tony Newbill, Patron from Powell Butte. Addressed the Board regarding funding and money for piping projects. He explained that he has been working with Senator Lynn Finley and Representative Mark Owens regarding beneficial use and public and private funding. He expressed that the governments should be funding the projects because they are receiving the conserved water back. He also referenced the potential lawsuit from Center for Biological Diversity. He suggested filing an injunction against them. He said that the lawsuit makes the district look bad. He thinks the narrative needs to change and the irrigation districts need to get more involved. Craig Horrell responded and informed him that COID had not been sued or named in a lawsuit at this time. If the referenced matter does go to a suit COID would partner with the agencies and would do what needs to be done in response. If it does move to a formal lawsuit, we should know in April.

Steven Puddicombe addressed the Board and explained that he has been involved with federal Litigation. He asked if COID has a guaranteed involvement to demand coordination and cooperation. He also asked if COID has open discussions with the federal agencies regarding water rights and wildlife. Craig Horrell explained that COID has agreements with ODFW and other agencies and work to partner with them on projects.

Mike Dunn addressed the Board and asked for funding clarification on the piping projects. He asked if the funding comes from government entities. Craig Horrell explained that the piping projects that are being done as part of the System Improvement Plan have been funded by Federal funds and that matching funds have come from the State of Oregon. None of the money for the project has been from the COID budget.

Bobby West, of Alfalfa asked that the board consider turning water on for the season as soon as possible.

Kate Fitzpatrick, DRC, thanked COID for being a great partner and was excited to be a part of getting the funding for the On-Farm Project equipment that was recently purchased.

Todd Peplin with Deschutes Soil and Water, announced that this Thursday, there is an on-farm workshop scheduled at the Deschutes County Extension office. Partners in the presentation are: NRCS, Thompson Pump & Irrigation and Jeremy Giffin with OWRD.

2. MINUTES:

A motion was made by Tom Burke to approve the 2/14/23 Regular Meeting minutes and 2/15/23 Special Meeting Minutes. Following a second by Dan Ellingson the motion was approved unanimously.

3. TRANSFERS / INCLUSIONS:

A water management report was provided to the Board prior to the meeting, Exhibit “B”. Gina Brooksbank reviewed the transfers and the sales. Paul Kasberger made a motion to approve the transfers as presented in the report. Following a second by Tom Burke the 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 joined the Board and gave an update on storage and snowpack. There are signs of drought recovery, but it will take time. Start up, was discussed and all is weather dependent. The tentative turn on plan is: Central Oregon Canal April 3rd and then Pilot Butte Canal April 5th. Discussion about running SPP prior to start up if weather is wet. The Board will meet in the last week of March to make a final decision. Paul asked how NUID is managing Haystack and if they are filling now. He also asked if they fill Haystack now and we have a wet couple of weeks before startup will they have a place to put extra water? Cary explained that we are having weekly meetings regarding this.

B. Operations and Maintenance Report –

Kelley Hamby updated the Board on current maintenance activities and provided a verbal update. He reviewed current maintenance projects and what prep work is being done to get ready for water to turn on. He provided an update on the L-Lateral construction that is being done by Lone Pine Irrigation District. COID is exploring getting additional contractors to assist with completing the project. He also gave an update that the J-Lateral piping project is almost complete. With start up, pressure testing will need to be done on the new construction laterals. The new mini excavator for on-farm projects will get its first project this week. Kate Fitzpatrick with DRC explained that the funds came from ARPA grant funds to purchase the mini excavator and new welder to expedite on-farm conservation projects.

C. Hydro Report -

A written report (Exhibit “D”) was provided to the Board prior to the meeting. Doug Watson joined in person and reported that no generation has happened yet in 2023. He updated the Board on maintenance work and he is ready to get the generators running.

- D. Internal Operations & Communications-
A written report (Exhibit “E”) was provided to the Board prior to the meeting. Kelley O’Rourke updated the Board on the upcoming Townhall. Craig updated the Board on NUID communications and working on joint communications between the districts. He will bring a plan to the Board and get approval for the plan that will use the approved Capital budget funds.
- E. Finance -
The written report (Exhibit “F”) was provided to the Board prior to the meeting. Heidi Dennison reported that the audit is in process. Craig Horrell informed the Board that Heidi and Erin Bathke have been working on DBBC accounting and he is working on a plan to recover costs for their time from DBBC. This will be discussed with the other districts and he will report back.
- F. Manager Report-
Craig Horrell reported that he is leaving for DC on Saturday and will work with Ferguson Group while there as they have coordinated meetings and agendas. Some of the scheduled meetings are with the Director of FWS and others. He also told the Board that the Secretary of Interior and Senator Merkley are in Central Oregon later this week and he may have an opportunity to meet with them.

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:

- Environmental Impact Study (EIS): Craig Horrell shared that we are behind with the process due to SHPO review and discussions. He explained that a request to NRCS has been submitted for additional funding to cover the extra cost of the extended time. It is moving forward but is about a year out from completion.

• **ARPA/RCPD Funding**

- J-Lateral – The project is ahead of schedule and Taylor Northwest will have it completed on time.

• **On-Farm Loan Program Follow-up**

Heidi Dennison provided the Board with a handout summarizing the program, Exhibit “G”. A formal resolution will be presented to the Board at the April Meeting for consideration and approval. The board will need to make decisions regarding the terms of the loan and the interest rate. She suggested that credit history be checked and obtain the credit score for applicant. A one-time loan set up fee was suggested to cover the credit research and staff costs. Discussion followed regarding details of the program. Jeff Larkin suggested having intent to lien and then include potential sale language in the contract that the lien is due upon the sale of the property if they sell the property prior to paying off the loan. The plan is to keep the pool of funds at \$200,000 and cap it there. Interest rate based on federal rate at the time they sign the contract. Baxter Davies provided the board with projects that he has been discussing with Patrons and costs and

potential loan amounts. Paul Kasberger brought up what happens when the canals are piped and some improvements might not be utilized once the system is improved, for example: a pond and a pump. Discussion followed, those improvements will take time and improvements will help now. It was suggested to have competitive interest rate with Banks. A packet will go out to the Board 2 weeks before the April Board meeting for review.

- **District Fee Update**

Craig Horrell updated the Board that proposed update on fees will be presented after staff discussions and fee analysis.

7. **NEW BUSINESS:**

- **Town Hall Meeting – March 16, 2023, 5:30 p.m. Powell Butte Community Center**

The Flyer is attached as Exhibit “H”. Craig Horrell provided the format of the meeting and an overview of what will be presented. Department managers will be in attendance to answer detailed questions following his presentation.

- **Season Turn-On**

Last week of March there will be a Special Board Meeting to finalize turn on plans.

- **Lone Pine Irrigation district Project Status – “L-Lateral”**

The Lone Pine Irrigation District Piping Project of the L-Lateral is behind schedule and staff is researching what can be done to assist with getting the project completed. Craig Horrell recommended that Three Sisters Irrigation District, who is the named contractor for the project, should not be allowed to work within COID easements ever again. The work is not to COID standards and quality. Kelley Hamby has discussed with Taylor Northwest and our engineering team options to assist with this getting the L-lateral piping complete. Craig suggested that a letter be sent to Lone Pine Irrigation District from our attorney regarding the deficiencies in the construction and installation as well as not meeting the deadline for completion.

8. **BOARD COMMENTS:**

None.

At 10:37 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)(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 1:03 p.m.

The meeting was adjourned at 1:03 p.m. following a motion by Paul Kasberger and a second by Tom Burke.

Craig Horrell, Manager

Tom Burke

Brad Clarno

Dan Ellingson

Paul Kasberger

Jeff Larkin

APPROVED