



The regular meeting with a special session of the Board of Directors of the Central Oregon Irrigation District (COID) was called to order by Brad Clarno, at 8:30 AM on August 8, 2023, in the District office.

Directors present were Brad Clarno, Paul Kasberger, Tom Burke, Jeff Larkin and Terry Blackwell. Craig Horrell, Secretary - Managing Director, Jenny Hartzell-Hill, HR Manager; Leslie Clark, Water Rights Director, attended in person. Heidi Dennison, Finance Consultant; Cary Penhollow, Water Master; Kelley Hamby, Operations and Maintenance Manager; Gina Brooksbank, Water Rights Manager; Jessi Talbott, Water Relations Manager; Baxter Davies, Water Distribution Analyst; participated remotely by Zoom. Matt Singer, General Counsel attended in person. In-person guests are listed in Exhibit "A". Guests on Zoom, Scott Martin.

1. QUARTERLY BUDGET REVIEW:

Special session for quarterly budget review, Heidi Dennison provided a report and then discussed the highlights of expenses and income in the last quarter, Exhibit "B". Discussion followed.

2. OPEN FORUM:

Regular session resumed at 9:00 a.m. with Open Forum.

Kate Fitzpatrick with DRC. Addressed the Board and thanked them for the partnership with COID and complemented the staff for all their great work. She also introduced Jim Buns, the new program director for DRC.

Todd Peplin, Deschutes Soil and Water District, introduced an Irrigation Water Workshop, focused on pivots and sprinkler practices. He provided the workshop flyer, Exhibit "C". The workshop is next Tuesday, from 6-8 p.m.

Jack Ettinger, Alfalfa Patron. Addressed the board and asked the board members if they get paid or have compensations as Board members. It was explained to him that per state statute, they receive \$50 per meeting and mileage compensation for travel to and from meetings. He also asked why NUID was getting water after COID shut off last year and if it was COID water? The Board explained that each district operates differently per their individual certificates with Oregon Water Resources Department (OWRD) and NUID can use their storage beyond when COID shuts off.

Mark Mallott, Powell Butte Patron, expressed that if COID is off and NUID continues to run after COID shut off, it is a bad look for COID. He expressed that patrons need to voice their needs and what they want as far as turn on and turn off.

Allen Helmuth, Powell Butte Patron, asked why COID can't use extra water during different times of the year. Paul Kasberger explained that COID operates off live flow vs the other districts who operate off storage water. Cary Penhollow joined the meeting to provide details on operation and how and when we can use storage water per the water rights certificates issued by OWRD.

Jeremy Giffin, OWRD – South Central Regional Watermaster, joined the meeting to review the water patterns for 2023. He explained what has been seen historically and explained natural flow. He also provided a handout, Exhibit “D”. Storage reports are generated monthly, and adjustments are made off what was used the month before. These reports take excessive staff time, but they are willing to do them more frequently as water gets tight in the season. Tom Burke asked how much ground wells contribute to the amount of water produced naturally. Jeremy explained that the springs that contributed to the ground water are up in the mountains. The wells are downstream from the springs, so it is minimal pull from the streams upstream. OWRD has “watch wells” that they monitor so they can get measurements from their pull. The springs are running at record lows. 75% of what we are seeing with the current situation is climate driven and the other percentage is well pumping and piping.

It was also asked why NUID can fill Haystack at the end of season and during the winter. Jeremy explained that NUID had never filled Haystack during the winter before they did this past winter. He explained that Haystack Reservoir has a storage right and with that, they can fill it year-round with their storage water. It was also asked who monitors their use. Jeremy explained that OWRD oversees the action and clarified that water can only go into Haystack and cannot go into their canal system and out to patrons outside of irrigation season. If it is reported that something other than that is happening, OWRD will go check it. Jeremy will also express these concerns to NUID when he meets with them later today. He also introduced Carolyn Sufit, the new South Central Regional Manager for OWRD.

3. MINUTES:

A motion was made by Tom burke to approve the 7/14/23 Regular Meeting minutes. Following a second by Terry Blackwell the motion was approved unanimously.

4. TRANSFERS / INCLUSIONS:

A water management report was provided to the Board prior to the meeting, Exhibit “E”. Gina Brooksbank informed the board that there were no new transfers and inclusions.

5. REPORTS:

A. Watermaster Report –

A written report (Exhibit “F”) was provided to the Board prior to the meeting.

Cary Penhollow joined the Board and gave an update on current flows; the river is still dropping daily so watching things closely. It is unknown if we will be able to continue to run at 60% or if we will need to drop again.

B. Operations and Maintenance Report –

A written report (Exhibit “G”) was provided to the Board prior to the meeting.

Kelley Hamby joined the meeting and provided an update regarding current operations and the homeless movement that we are expecting to see in the next few weeks. Craig Horrell also expressed safety concerns regarding our staff working in homeless areas. They are unprotected and this is a concern. The in the Juniper Ridge area north of Bend where the population is heavy, and the Pilot Butte Canal goes through this area. The people living out there are placing dams in our canals and access is being gated at the train crossings, which will be hazardous for our staff because they will need to get out of their vehicles to open and close the gates. Discussion followed. Staff will work with legal counsel to develop a plan and bring it back to the Board.

- C. Hydro Report -
A written report (Exhibit “H”) was provided to the Board prior to the meeting. Doug Watson joined the meeting in person and updated the Board that operations are running as normal. As flows decrease so will power generation.
- D. Internal Operations & Communications-
A written report (Exhibit “I”) was provided to the Board prior to the meeting. Craig Horrell told the Board that ShanRae Hawkins will join the meeting via Zoom at 10:30 a.m. for a presentation on the beneficial use program.
- E. Finance -
The written report (Exhibit “J”) was provided to the Board prior to the meeting. Heidi Dennison reviewed financials during the quarterly review at the beginning of the meeting.
- F. Manager Report-
Craig Horrell had nothing new to report.

The meeting moved to New Business for the presentation regarding the financial portfolio for COID by the Zivney Group. Linda Zivney introduced Devin Loughlin and Amber Billeter. Craig Horrell updated the Board on the SPP Property sale, it is expected to close in approximately 45 days. Linda Zivney provided the Board with a summary packet, Exhibit “K” and reviewed the portfolio and the current market. Amber Billeter provided the proposal regarding options for proceeds of the SPP property. She reviewed the prioritization of funds and incorporating the needs of the district. Devin Loughlin then discussed what Sheila and her team will work on for long-term planning. More details will be discussed at the fall strategic planning meeting. Board discussion followed. Once the money has been put into the endowment with the Zivney group, they will be part of our quarterly financial meetings. They will also be involved in our strategic planning meeting in October.

6. **BILLINGS & PAYROLL:**

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

7. **OLD BUSINESS:**

• **Merkley PL 566**

EIS Update: Craig Horrell updated the Board on expected approval in May 2024.

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

Craig Horrell informed the Board that Lone Pine Irrigation District has developed a claim form and all claims need to be submitted to them directly.

• **SPP Property Update**

Craig Horrell updated the board on the final submittal to FERC for approval on the trail. We are currently in a 30-day comment period.

- **Beneficial Use Update**
ShanRae Hawkins joined via Zoom and presented the Beneficial Use outreach plan that she and staff have developed. Tom Burke is concerned about it being a drought year and how non-use issues will be handled. The Board agrees to launch as proposed.
- **Database Update & Budget Request**
Leslie Clark presented to the board the history of the computer program and data system that is used in-house to manage all things pertaining to water rights. This program was written specifically for COID and has been utilized since 2006. She gave details on why it is the lifeblood of the water rights tracking. Due to the programmer retiring and the age of the programs she then gave them the details of the research that has been done over the past two years by staff to find a replacement program that will work for COID. She provided the timeframe and proposal that Blue Channel has developed following research and consultation. Craig Horrell suggested that the Board consider starting the prototyping phase. The Board asked for past customer reviews and references and wanted details on security of the proposed program. They would also like them to come to the September Board meeting to answer questions. Staff will call references prior to the meeting and provide the results prior to the next meeting.

8. NEW BUSINESS:

- **Financial Presentation – Zivney Group**
See notes on page 3.

9. BOARD COMMENTS:

Paul Kasberger asked about Deschutes Soil and Water Grants and if the property owner can do the work to account for the match to the grant or does it need to be done by a contractor? All thought it had to be done by a paid contractor.

At 12:20 p.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 1:54 p.m.

The meeting was adjourned at 1:55 p.m. following a motion by Tom Burke and a second by Paul Kasberger.

Craig Horrell, Manager

Terry Blackwell

Tom Burke

Brad Clarno

Paul Kasberger

Jeff Larkin