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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 February 14, 2023, in the district office.

Directors present were Brad Clarno, Paul Kasberger, Tom Burke, 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:**

Tom Alexander, Powell Butte Patron. Would like to know what the Board's vision is and what things will look like in the future with water and costs going up. Tom Burke addressed Tom's questions. He explained that the Board is not giving water away and the goal is to keep the water rights on the certificates. As far as cost/assessment increase, once there is a contract for hydro generation it should level out the assessments. The Board wants a system that is modernized so the water can be captured and delivered in the future. The Board works hard to protect the resource and balance all the interests. The goal of the Board this year is to demand more of our partners to do better.

Tom Warner, Terrebonne Patron (L-lateral). He is concerned that the L piping project won't be done by end of March and that the patrons that are on that lateral won't have water. Craig explained that this is not a COID Project, it is a Lone Pine Irrigation District Project and the work is being done by Three Sisters Irrigation District. COID is watching this project closely and let the patron know that there are penalties if the project isn't complete on time to compensate the COID patrons if they can't get water. Kelley Hamby joined the meeting to provide additional details, as he is the one that has been at the weekly meetings.

Clint Decker, Terrebonne Patron. He asked if COID has a working relationship with North Unit Irrigation District. Craig Horrell explained that we have a working relationship with them, our Boards can come to the table and work through problems. COID and NUID need to work on operational relationships and get better operationally together.

Mark Malott, Powell Butte Patron asked if North Unit Irrigation District has a right to pull water in the winter to fill Haystack? That is a question that is being researched, as they have never done this in the past. COID is doing a stock water run on the Central Oregon Canal starting today, which made NUID turn off. Paul Kasberger asked Mark for suggestions on how to how to get the message out to the patrons and the community. Craig explained that messaging and working together with our partners needs work. Tom Burke informed him that we will have a community/patron townhall meeting in the spring.

Robert Lunsford, Redmond Patron. He asked why he has a service charge fee for less than 1 acre? Craig explained that the district did an analysis on deliveries and costs. As a whole, the

cost to deliver to the one acre or less parcels is more to the one acre or less properties vs one acre or more, so that is why the fee is implemented. He explained that development and divisions of larger parcels to form the smaller parcels makes access and delivery more challenging for staff. Paul Kasberger provided more detail on how the Board came up with the fee based on a cost analysis done district wide and due to statute, all patrons within the 1 acre or less group must be charged the same fee.

Don Peterson, Powell Butte Patron off Reif Rd. He explained the ditches to get to his property are dirty and plugged up and prevent him from getting all his water during the season. He asked if it's his responsibility to clean the ditch or COID's? Staff will review the delivery area and contact him with our analysis and options.

Bobby West, Alfalfa Patron. Asked about it being a "stock" water run, do patrons have to actually have "livestock"? Craig explained that yes, patrons must have hooved animals that drink the water in order to receive the stock water run.

No one online spoke during open forum.

**2. MINUTES:**

A motion was made by Tom Burke to approve the 1/10/2023 Regular Meeting minutes and 1/17/23 Special Meeting Minutes. Following a second by Paul Kasberger 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. Tom Burke made a motion to approve the transfers as presented in the report. Following a second by Paul Kasberger 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 explained that staff is monitoring and watching snowpack and reservoirs. The flows in the Deschutes are still low but enough to run the stock water run. Cary reminded them that it is low and slow and may not get to some patrons in the far reaches of the district. The plan is to run another stock run in March, and it should have more water due to releases that are planned by ODFW.

B. Operations and Maintenance Report –

A written report (Exhibit "D") was provided to the Board prior to the meeting. Kelley Hamby updated the Board on current maintenance activities. J-Lateral is near completion. He also explained that the team has been prepping for the stock water run since we haven't ran one yet this year.

C. Hydro Report -

A written report (Exhibit "E") was provided to the Board prior to the meeting. Doug Watson reported no generation for January. The rates for Juniper Ridge

have increased. He will be ready to generate at SPP when the water is there. Fall projects are scheduled for SPP but will not start it if water is available to run the generators.

D. Internal Operations & Communications-

A written report (Exhibit “F”) was provided to the Board prior to the meeting. Kelley O’Rourke reported that the community meetings will be scheduled for March. Joint communications with North Unit Irrigation District will be something staff works on to improve.

E. Finance -

The written report (Exhibit “G”) was provided to the Board prior to the meeting. Heidi Dennison reported that the self-loan to cover January expenses will be paid back to the endowment fund today.

F. Manager Report-

Nothing new to report.

5. **BILLINGS & PAYROLL:**

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

6. **OLD BUSINESS:**

• **Merkley PL 566**

Craig Horrell updated the Board:

- Environmental Impact Study (EIS)

The EIS process is taking time as previously discussed. Future design is also being forecasted.

• **ARPA/RCPD Funding**

- J-Lateral is near completion. Construction details were discussed.

• **On-Farm Loan Program Follow-up**

- Heidi explained that we need the interest rate and terms to be decided. She recommended the applicable federal rate, which is (mid-term) 3.85%, and could be reviewed and adjusted annually. This topic was tabled to the Regular March Board meeting.

7. **NEW BUSINESS:**

• **Board of Directors Appointment**

Tom Burke made a motion to appoint Jeff Larkin to fill the Division 2 vacancy. Following a second by Paul Kasberger the motion was approved unanimously.

- **Oath of Office**

Jeff Larkin read and signed the Oath of Office, Exhibit “H”.

• **Resolution 2023-4 Memorandum of Foreclosure Action**

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

8. **BOARD COMMENTS:**

None.

At 11:06 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 1:24 p.m.

The meeting was adjourned at 1:24 p.m. following a motion by Tom Burke and a second by Paul Kasberger.

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Craig Horrell, Manager

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Tom Burke

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Brad Clarno

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*Not in Attendance*  
Dan Ellingson

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Paul Kasberger

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Jeff Larkin