



The regular meeting of the Board of Directors of the Central Oregon Irrigation District (COID) was called to order by Brad Clarno, at 8:32 AM on August 13, 2024, in the District office starting with a Special Session and the Regular Session to follow at 9:02 a.m.

Directors present were Tom Burke, Brad Clarno, C.B. Foss, Jeff Larkin, and Brian Lepore. Craig Horrell, Secretary - Managing Director, Jon Skidmore, Deputing Managing Director; Jenny Hartzell-Hill, HR Manager; Kelley O'Rourke, Internal Operations Manager; Jessi Talbott, Water Rights Director; and Matt Singer, General Counsel attended in person. Heidi Dennison, Finance Consultant; Cary Penhollow, Water Master; Baxter Davies, Operations and Maintenance Manager; participated via zoom. In-person guests are listed in Exhibit "A".

1. SPECIAL SESSION:

Heidi Dennison presented the quarterly budgets, Exhibit B to the Board and gave a verbal summary. She informed the Board that our investment bonds that are in the endowment fund are doing well. SPP funds of \$19,000 were used for canal, trail, and ditch road repairs after the canal water topped over the bank due to the power/equipment failure in the SPP powerhouse. It is proposed that the costs for this come out of the LGIP Capital Budget instead of the SPP budget. The Central Oregon Canal sinkhole repair costs came to \$138,000. There is a sonar study that can be done with water in the canal to identify lava tubes and determine potential issues. The Sonar study is \$15,000 for just that area. If we want to expand the study from Ferguson Road to Gosney Road is estimated to be \$100,000. Kevin Crew will be attending the meeting at 9:30 a.m. to provide additional information on the sonar study. It was proposed that the amount of \$153,000 (the repair cost and the sonar study) come out of the LGIP account as a capital cost.

2. OPEN FORUM:

Susan Stoneman, leases property from Deb and Bob McMahon, located on Elkhorn Road, Redmond. She explained that there are beneficial use issues on this property and the potential of losing the water rights to forfeiture. She explained that the point of delivery is too far from the bottom of the pasture to get the water there. She has it in pasture and is not able to irrigate the other areas of the water right as she is trying to focus on the area in jeopardy and get it greened up. She said the head of water is not enough to push the water to where she needs it to go. She said that the neighbor's headgate is open more than hers and she is not sure why. She also explained that the other neighbor is flooding out with too much water and thinks that the ditch is not really balanced out. The weir box has no drop because the water backs up at the box. She wants to be on record that she is making efforts to get the water right in compliance. Craig Horrell will have Cary Penhollow check the delivery and measure tomorrow, which is when the rotation is scheduled for this property.

Ron Tatum lives at 2631 SW Umatilla Court and 27th, Redmond adjacent to property owned by COID. He would like to purchase the lot from COID or be granted permission to take care of the property. Craig Horrell will have it added to the September agenda. Staff will do a review of the property and assess how to move forward. He explained that they have personal property on the COID property, and they have not been asked to remove it. Craig also explained that if the Board deems the property as excess, then the potential buyer would have it appraised to determine the purchase price.

Paul Kasberger, Terrebonne patron. Addressed the board regarding the lack of water in 2023 due to the Lone Pine Irrigation Piping project and said that he not had any correspondence from the claim. He requested a letter from the district with the amount of water not delivered or lost to his referenced properties during that period of time. Matt Singer said that we can provide the factual background as far as what water was not delivered during the construction. Paul explained that he had to feed hay to his cattle that he was going to sell. He lost selling the hay because he had to feed it instead because of the water shortage. He said he did not get his water and COID made the decision on the construction. Matt Singer will call Mike Hackbart at SDAO to get an update on the status of the claim filed by Paul. Matt also explained the delay penalty that was within the COID contract with Lone Pine Irrigation District for the construction project. He also explained that Paul has a loss that falls under a tort claim/loss. Paul asked the Board what responsibility COID has for the loss since it was COID water that was not delivered because of overdue construction. Craig explained that Lone Pine Irrigation District has taken care of all the other patrons that had losses, and Paul is the only that has a pending issue that needs to be taken care of by Lone Pine Irrigation District.

3. MINUTES:

The minutes from the 7/9/24 Regular Meeting were provided prior to the meeting. A motion was made by Tom Burke to approve the meeting minutes as presented. Following a second by CB Foss the motion was approved unanimously.

4. TRANSFERS / INCLUSIONS:

The water rights memorandum was provided to the Board prior to the meeting, Exhibit "C". Jessi Talbott updated the Board on the transfers. Tom Burke made a motion to approve the transfers as presented. Following a second by Brian Lepore 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 joined the Board and discussed current flows and explained that flows are holding in the Deschutes River at this time.
- B. Operations and Maintenance Report –
A written report (Exhibit "E") was provided to the Board prior to the meeting. Baxter Davies joined the meeting in person and updated the Board on Operations and Maintenance. He reviewed some of the challenges that resulted from the sinkhole in the Central Oregon Canal. He also discussed the fire that affected the Juniper Ridge Hydro power outage. There was a windstorm that caused trees to blow down in the Terrebonne area, so our maintenance crew has been clearing those to allow us to access our ditch roads. There was a single vehicle accident that resulted in the vehicle rolling into the Pilot Butte Canal off of Highway 97 between Bend and Redmond, that was removed.
- C. Hydro Report -
A written report (Exhibit "F") was provided to the Board prior to the meeting. Doug Watson joined the meeting in person and updated the Board on current production. It was requested that the repairs to the trail, road and canal bank in the amount of \$20,000 for the SPP canal overtopping be covered by the LGIP account as a capital expense. Tom Burke made a motion to use funds from the LGIP

account as a capital expense. Following a second by Jeff Larkin the motion was approved unanimously.

D. **Internal Operations & Communications-**

A written report (Exhibit “G”) was provided to the Board prior to the meeting. Craig Horrell updated the Board on commercial stats. The numbers and the clicks to COID and DRC websites reflect that it created increased traffic to both sites. A COID newsletter is scheduled to be sent out in the next week.

E. **Finance -**

The written report (Exhibit “H”) was provided to the Board prior to the meeting. Heidi Dennison had nothing further to add as finances were discussed in the special session of the meeting at 8:30 a.m.

F. **Manager Report-**

Nothing additional.

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. He also explained that the historic mitigation for the Pilot Butte Canal section is being worked on. He also explained that having the EIS in place helps with getting funding ahead of other entities that may not be as far in the process.

• **SPP Property Update**

Craig Horrell updated the board on the property sale. We are still waiting on FERC to approve our easement and remap submittal. Jon Skidmore walked the SPP site with FERC and ODFW representatives, following the water overflow incident. They had a few recommendations that staff is working to get completed. Jon also asked them about our FERC submittal for the remap. They did say that the review process takes approximately 18 months, so we are optimistic that we should get the decision back by the end of the year.

• **Royal Oaks HOA**

Craig Horrell and Jessi Talbott updated the Board. She reviewed the options that COID gave to the HOA and Avion. Avion would like to take over the billing moving forward. Once the contract with Avion is completed, the Board will review it for approval. There will be a financial loss for COID with this change. Matt Singer suggested that a letter be sent to each of the patrons that will be affected via certified mail.

8. **NEW BUSINESS**

• **COID Rotation Education**

Jessi Talbott provided a PowerPoint presentation to the Board to explain what rotations are and how they work. Tom Burke gave examples of how rotations don't work for

some areas. Cary Penhollow assisted with the presentation to provide additional and background information. Board questions and discussion followed.

- **Central Oregon Canal Sinkhole – Geotech**

Kevin Crew joined the meeting to discuss the sinkhole in the Central Oregon Canal. He explained what he observed when he got to the site on the day of the event. He said it is the largest sinkhole he has ever seen in Central Oregon. 40 cfs going into the ground and widening out with the dewatering process. He explained to the Board the process for the repairs. Geotech was brought in to study the area at the time and provide technical advice. Kevin also explained that there was a similar event approximately ¼ a mile from this location approximately 14 years ago. Long term plan: Recommended having a geotechnical study done in this area. The estimate for that is \$10,000-15,000 dollars. If we were to expand the study from Ferguson to Hwy 20 it would be approximately \$100,000. Once the study is completed a report and recommendations will be provided. Andy Siemens has done work for us in the past as well. Board discussion followed regarding the studies. Since this section is part of the historically designated area for the Central Oregon Canal, it would require additional steps to pipe in the future and is a process. Getting the study could provide critical data supporting the need to pipe and additional funding. Tom Burke made a motion to use funds from the LGIP account to cover the cost in the amount of \$138,00 for the repairs. The Board requested a quote for the full Geotechnical work proposal for consideration. Following a second by CB Foss, the motion was approved unanimously.

- **37 Acre UGB Discussion**

This is 37 acres of COID property in Bend that is potentially eligible to be brought into the UGB. This topic will be discussed in the Executive Session and then brought back to the general session. Tom Burke made a motion to move forward with the process to get the 37-acre parcel into the Bend UGB and authorized using endowment funds up to \$100,000 to cover the costs associated with the process. Following a second by Jeff Larkin the motion was approved unanimously.

- **DBBC Meeting**

There will be a Deschutes Basin Board of Contral meeting September 12th from 5:30-7:30 p.m. at the Powell Butte Community Center. All boards within the DBBC and City of Prineville have been invited and it will be an educational session with presentations from David Filippi, Lane Dickson, and Craig Horrell. Majority of the meeting will be in the DBBC Executive Session.

- **USDA Water Savings Grant Program**

Craig Horrell informed the Board that COID is one of 18 irrigation districts in the 12 western states to be selected for this program, see Exhibit I for press release. COID was awarded this grant because of all the work we have done over the past 10 years and our ability to be shovel ready and complete projects within 3 years. There is zero match

from COID for these funds. Craig Horrell is proposing that COID hire FCA to assist with writing our proposal for two phases of piping for \$50,000,000, each phase would be \$25,000,000. We could potentially conserve 50,000 cfs between the two phases. Getting this into a contract as quickly as possible is a priority.

- **Deschutes Soil and Water Conservation District Levy**

Brian Lepore also serves on the Deschutes Soil and Water Conservation District Board and provided the details of the proposed levy. The voters of Deschutes County will be asked for a \$0.06 tax per \$100,000 assessed values (average is \$14 per property owner) for Deschutes Soil and Water Conservation District. Brian is asking the COID Board to endorse this levy and to be listed as supporters. The Board asked that Brian provide more information to them regarding what the Deschutes Soil and Water Conservation District does and what this funding would be used for.

EXECUTIVE SESSION:

Brad Clarno recessed the regular session to go into Executive Session at 11:32 a.m. under the following ORS:

- 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 12:14 p.m.

9. BOARD COMMENTS:

Tom Burke said he received calls from patrons that have not been able to get through to the office when they don't have water. It is not clear if it occurred after hours or during office hours. Staff will look into this.

The meeting was adjourned at 1:04 p.m. following a motion by Tom Burke and a second by CB Foss.

Craig Horrell, Manager

Tom Burke

Brad Clarno

C.B. Foss

Jeff Larkin

Brian Lepore