



The regular meeting of the Board of Directors of the Central Oregon Irrigation District (COID) was called to order by Brad Clarno, at 9:01 AM on November 12, 2024, in the district office.

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. Mikaela Watson, Water Rights Specialist, all attended in person. Matt Singer, General Counsel; Heidi Dennison, Finance Consultant; Cary Penhollow, Water Master; Doug Watson, Hydro Manager; participated via zoom. In-person guests are listed in Exhibit "A". Bob McMahon, Patron; and Josh Gordon, Patron, joined via Zoom.

1. OPEN FORUM:

Josh Gordon, COID Patron, joined via Zoom. He requested that the Board consider reducing or waiving the fee for his temporary water transfer and the non-use fee. The unusual and extenuating circumstances were explained to the Board. Board discussion followed. Tom Burke made a motion to waive the fees. Following a second by Jeff Larking the motion was approved unanimously.

2. FORFEITURE HEARINGS:

Jessi Talbott provided details of how the forfeiture hearing process is conducted and the process per the ORS of evaluations that lead to these hearings.

The Hearing began at 9:15 a.m. Mikaela Watson provided a summary of David Shaffer and Rebecca Greer's beneficial use. They have a total amount of 18.78 acres of water rights. The amount of forfeiture is .37 for non-use. Mikaela then provided the timeline and the documentation of the actions of COID and the patron over the past 2 years. David Shaffer then explained that he is new to the process of owning land with water rights and did not understand the requirements for the use. They have owned the property for 2 years and the water was in non-use status at that time. He provided receipts for the Board for planting seed and installing pipes to get the water to the location of non-use. He then answered questions from the Board. Cary Penhollow also provided details from the manager's meeting.

The Board moved into executive session at 9:30 a.m. to discuss the request to bring the water into good standing. Returned to general session at 9:38 a.m.

The Board addressed David and informed him that they will not confiscate to water right of concern. They provided input to in addition to the pasture mix put some dry land alfalfa or triticale as a cover crop. The hearing concluded at 9:41 a.m.

3. MINUTES:

The minutes of the 10/15/24 Regular Meeting and 10/28/24 Special Meeting are provided prior to the meeting. A motion was made by Tom Burke to approve both the meeting minutes as presented. Following a second by Jeff Larkin the motion was approved unanimously.

4. TRANSFERS / INCLUSIONS:

The water rights memorandum was provided to the Board prior to the meeting, Exhibit “B”. Jessi Talbott updated the Board on the transfers. Tom Burke made a motion to approve the transfers as presented. Following a second by Jeff Larkin the motion was approved unanimously.

5. REPORTS:

- A. Watermaster Report –
A written report (Exhibit “C”) was provided to the Board prior to the meeting. Cary Penhollow joined the Board and reviewed the weather since season shut off. Staff is making adjustments at Crane Prairie and watching flows closely. Hoping to make a stock run on the Central Oregon Canal in late November/early December if flows increase.
- B. Operations and Maintenance Report –
A written report (Exhibit “D”) was provided to the Board prior to the meeting. Craig Horrell updated the Board on maintenance projects.
- C. Hydro Report -
A written report (Exhibit “E”) was provided to the Board prior to the meeting. Doug Watson joined the meeting in person and updated the Board on the off-season maintenance status and processes. Board discussion followed.
- D. Internal Operations & Communications-
A written report (Exhibit “F”) was provided to the Board prior to the meeting. Craig Horrell updated the Board that a newsletter is scheduled to go out in December. Craig will go to the editorial board to get the story out about the \$15,000,000 funds and how COID worked to get the funding.
- E. Finance -
The written report (Exhibit “G”) was provided to the Board prior to the meeting. Heidi Dennison also provided the Board an updated
- F. Manager Report-
Nothing in addition to report.

6. BILLINGS & PAYROLL:

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

7. OLD BUSINESS:

- **Merkley PL 566**
EIS Update: Craig Horrell updated the Board.
- **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.

- **USDA Water Savings Grant Program**

Craig Horrell informed the Board that he and Jon Skidmore are still working on the work plan to present to them.

- **2025 Instream Leasing**

The instream leasing lease range for 2024-25 was presented, Exhibit “H”. Tom Burke made a motion to approve as presented in the exhibit. Following a second by Jeff Larkin the motion was approved unanimously.

- **Division 4 Election Update**

Declaration of Judges for the Division IV Election was provided as Exhibit “I”. CB Foss made a motion to approve as presented. Following a second by Jeff Larkin the motion was approved unanimously.

8. **NEW BUSINESS**

- **Endowment Investment Fund Update – Mainspring Wealth Management**

Amber Billeter, Devon Loughlin and Sheila King presented to the Board the current status of the Investment Overview, Exhibit “J”. They provided an overview of the requirements of investments and the restrictions of being a quasi-municipal. Sheila provided the forecast and the rally of increases over the past year and 2025 projections.

- **Financial Forecast Update – FCS Presentation**

Angie Sanchez and Chase Bozett joined the meeting via zoom. Craig Horrell provided the Board with an overview of the FCS services over the past few years and what she is providing today. Angie provided a PowerPoint presentation that began with the history of the 5-year rate increase plan and then provided additional scenarios on what options the Board has moving forward. Board discussion followed. Messaging to patrons if we do an increase (or not) is key. The Board requested a 5-year model with hydro debt paid off. The Board will have a special meeting to discuss the model with more information. Add interest from endowment into revenue model, \$125,000 for 2025.

- **Water Lottery**

Jessi Talbott and Mikaela Watson presented the water lottery drawing. Brad read the summary of the lottery drawing. The drawing was conducted, and the results of the draw are attached as exhibit “K”.

- **Hayden Homes Water Purchase**

Jessi Talbott brought to the Board a development that Hayden Homes is putting together that has water rights appurtenant to the property. This water is on the Pilot Butte Canal. Since we are over budget for 2024 on water purchases, staff is requesting to use funds designated in the 2025 budget to purchase the water by the end of December 2024. The board agreed to purchase the water rights.

EXECUTIVE SESSION:

Brad Clarno recessed the regular session to go into Executive Session at 11:54 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 the general session at 12:57 p.m.

9. BOARD COMMENTS:

None.

The meeting was adjourned at 1:01 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