



The meeting of the Board of Directors of the Central Oregon Irrigation District (COID) was called to order by Brad Clarno, at 9:00 a.m. on December 9, 2025, in the district office.

The Directors present were Tom Burke, Brad Clarno, Jeff Larkin, and CB Foss. 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 Mikaela Watson, Water Rights Project Assistant, all attended in person. Heidi Dennison, Accounting Consultant; Douglas Watson, Hydro Manager, and Matt Singer, General Counsel participated via zoom. In-person guests are listed in Exhibit "A".

1. OPEN FORUM:

Jim Fields came to the Board to offer to fill the board vacancy in Division 3. He is very interested in serving on the Board for the year. The Board will consider his offer.

Todd Peplin introduced Seth Flanders as his new replacement at DSWD as he is retiring.

Marla Gibson, Terrebonne, J 6 2. came to the Board. She told the Board that she had requested to have a meeting with Craig and said she was denied a meeting and was told to bring her issues to the Board. She presented the photos on her table that show the date stamps in 2010 of her delivery and her fields. Craig Horrell reviewed the history of issues at hand and what the Board offered her at the October 2024 meeting. She did not accept the 2024 offer. The open forum time was called. This matter will be discussed further in the Water Report section and added to the January 13, 2026, meeting agenda and Marla will meet with Jessi Talbott to download the photos she has referenced.

2. MINUTES:

The minutes of the 11/14/25 Regular Meeting were provided to the Board. 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 "B". Mikaela Watson and Jessi Talbott provided a summary of water rights, and projects. 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 meeting and explained that low flows in the Deschutes River and weather patterns are a factor in the ability to run water in the Central Oregon Canal for a stock water run. Staff will watch for increases in the flows in the Deschutes River and will schedule a stock run at that time.

Patron matter, Marla Gibson issues were summarized by Craig Horrell and the offer that was made to her in October 2024 was brought back for consideration. The Board asked some questions and discussion followed. She showed photos in 2010 to prove that they were not getting their water. COID cleaned the ditches in 2011 and they had an abundance of water. COID did not clean the ditch again until July 2015. Marla then gave a summary of what she has done on her property to improve her property. Craig Horrell restated the offer and then proposed putting a hold on filing the lien for unpaid assessments.

The Board would like to pause on filing a lien for 60 days to allow Marla to consider the offer. Craig suggested she could come back with a counter proposal.

- B. Operations and Maintenance Report –
A written report (Exhibit “D”) was provided to the Board prior to the meeting. Baxter Davies informed the Board that we are light staffed due to non-work related injuries and hunting season. He updated the Board on current project status. He reviewed the process for stock water run prep for the Central Oregon Canal.
 - C. Hydro Report -
A written report (Exhibit “E”) was provided to the Board prior to the meeting. Doug Watson joined the Board meeting and updated them He highlighted the REC sales that are going through the end of December.
 - D. Internal Operations & Communications-
A written report (Exhibit “F”) was provided to the Board prior to the meeting. Craig Horrell informed the Board that ShanRae Hawkins is building a communications plan as discussed at strategic planning.
 - E. Finance -
The written report (Exhibit “G”) was provided to the Board prior to the meeting. Heidi Dennison joined the meeting via Zoom during old business to discuss the 2026 Budgets.
 - F. Manager Report-
Will be discussions in old business and new business.
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**
Craig Horrell updated the board that now that the government shut down has ended, things are moving fairly quickly, and things are lining up.
 - **Grant Funding Update**
Craig Horrell reported that we are still moving forward on all our grants.

- **DBWC**
Craig Horrell updated the Board that staff is still participating in the meetings. A draft document is in the work and will be presented to the board when it is ready.
- **Central Oregon Canal –Intake Project**
Craig Horrell updated the Board that FERC is not allowing this repair to be classified as an emergency. It is going to take longer to work through the permitting and design process due to the FERC timelines and process.
- **Water Lottery**
Brad Clarno reviewed the forfeiture and lottery process for the water. Mikaela Watson and Jessi Talbott drew the numbers and will present the lottery winners list. Matt and Jennifer Borlan was the first ticket drawn and it was confirmed that they will take the full 2 acres of water rights.
- **Water Pricing**
Jessi Talbott reviewed the current pricing and the process of water transfers. Board discussion followed. The proposal to have the pricing at \$2,000 per acre on the Central Oregon Canal and \$100 per acre on the Pilot Butte Canal. Tom Burke made a motion to set this pricing for 2026 as proposed. Following a second by Jeff Larkin the motion passed unanimously.
- **2026 Assessment**
The increase options were discussed. CB Foss made a motion to increase the 2026 assessments by 3.5%. Following a second by Jeff Larkin the motion was passed unanimously,
- **2026 Budget Review**
Heidi Dennison joined the meeting, she and Craig Horrell summarized the adjustments made to the Budget discussed at the last board meeting. CB Foss would like to see the quotes on equipment prior to purchase or leases. The Board will then approve. He also asked to see the quotes for private contractors for cleaning ditches, these will go to the equipment committee and then to the Board for consideration. Tom Burke made a motion to approve the 2026 Budgets. Following a second by Jeff Larkin the motion passed unanimously.

8. **NEW BUSINESS**

- **Instream Leasing 2026**
Jessi Talbott reviewed the instream leasing process and the benefits of the program. Alex and Jim with the DRC were introduced as they are partners with us for this program. The cap for instream leasing proposal is 1,400 acres for 2026 due to factors such as the unknow loss cause on the Central Oregon Canal, the upcoming certificate modification, and the possible drought. Tom Burke made a motion that the maximum instream lease amount for 2026 will be 1,400 acres. Following a second by Jeff Larkin the motion passed unanimously.
- **Brian Boughton Request**
At the November Board meeting Brian Boughton brought forward a proposal to harvest the ghost trees on our properties. Matt Singer provided his legal opinion and the

liabilities. Tom Burke made a motion to deny the request. Following a second by Jeff Larkin the motion passed unanimously.

Brad Clarno recessed the regular session to go into the Executive Session at 10:46 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 12:00 p.m.

9. BOARD COMMENTS:

The meeting was adjourned at 12:07 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

Vacant