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The meeting of the Board of Directors of the Central Oregon Irrigation District (COID) was called to order by Brad Clarno, at 9:04 a.m. on August 12, 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; and Jessi Talbott, Water Rights Director all attended in person. Heidi Dennison, Accounting Consultant; Cary Penhollow, Water Master; Baxter Davies, Operations Manager; Doug Watson, Hydro Manager; Mikaela Watson, Water Rights Project Assistant; and Matt Singer, General Counsel participated via zoom. In-person guests are listed in Exhibit "A". Laural Moss joined via Zoom.

**1. OPEN FORUM:**

A large group of Alfalfa residents came to the Board to protest COID land being considered for the landfill.

Karen Kelley, 61260 Obernolte Road. She is a patron that is opposed to the COID land being considered for the landfill. She said she has come across more information and expressed concerns about the way they vent the methane. It is a scavenger system, and it is of concern. They are also concerned about the wells in the area. Asking the Board to consider asking the County to remove the COID land from the list of potential sites.

The Board agreed to move to the New Business topic to vote on the issue of the COID Property being considered for the landfill site. Tom Burke made a motion to request that Deschutes County remove the COID property on Dodds Road from the list for consideration for the potential landfill site. Following a second by Jeff Larkin the motion passed unanimously.

AJ Rosengarth addressed the Board to provide additional information about the property that he is requesting to do a permanent water rights transfer to (in New Business). He informed the Board of the current zoning and what his challenges are.

Kate Fitzpatrick with DRC came in to thank the Board for the continued partnership.

**2. MINUTES:**

The minutes of the 7/8/25 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.

**3. TRANSFERS / INCLUSIONS:**

The water rights memorandum was provided to the Board prior to the meeting, Exhibit "C". Jessi Talbott provided a summary of water rights and projects.

4. **REPORTS:**

- A. Watermaster Report –  
A written report (Exhibit “D”) was provided to the Board prior to the meeting. Cary Penhollow joined the Board and informed them that we have been watching flows closely. The Central Oregon Canal has returned to full flow. Staff have not been able to locate any sinkholes or areas of loss. Since the drop and restoration in river flows in partnership with the Deschutes County Sheriff's department and OWRD for the search for the missing person we are not experiencing the loss that we saw prior to. The plan is to continue to monitor the levels.
- B. Operations and Maintenance Report –  
A written report (Exhibit “E”) was provided to the Board prior to the meeting. Baxter Davies updated the Board on upcoming projects and staffing. The equipment committee will meet prior to the September Board meeting to review equipment needs in the upcoming years. The Central Oregon Canal headworks repair estimate is \$550,000 - \$1,250,000, it will be put out to bid and the work will begin once water is off for the season. Board discussion followed. Baxter also brought up a resolution to charge patrons for excessive calls that are non-emergency after hours.
- C. Hydro Report -  
A written report (Exhibit “F”) was provided to the Board prior to the meeting. Doug Watson joined the meeting and informed the Board that he is in negotiation with PacifiCorp on the Power Purchase Agreement. He is planning to meet with them in the next week or so.
- D. Internal Operations & Communications-  
A written report (Exhibit “G”) was provided to the Board prior to the meeting. Craig Horrell informed the Board that we will be discussing the communication needs at the fall strategic planning.
- E. Finance -  
The written report (Exhibit “H”) was provided to the Board prior to the meeting. Heidi Dennison joined the meeting and updated the Board on the findings in cash flow analysis since paying off the ODOE loan. She also discussed projections on hydro revenue. The Board discussed what to do with the funds.
- F. Manager Report-  
Nothing to report.

5. **BILLINGS & PAYROLL:**

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

6. **OLD BUSINESS:**

• **Merkley PL 566**

Craig Horrell updated the board that a public meeting is expected to begin in early fall. The EIS is expected to be finalized by December.

- **Grant Funding Update**  
Craig Horrell reported that our funds are still there, and we are still working through getting everything released. He also discussed the RCPP funds and how they can be used. Craig discussed partnerships and the need for unification.
- **DBWC**  
Craig Horrell updated the Board that COID staff are still involved in these meetings. They still have a lot of work to do. We are not sure if the tribes will continue to participate moving forward.
- **Central Oregon Canal – Future Intake Project**  
This was discussed during the Operations and Maintenance report earlier in the meeting.

## 7. NEW BUSINESS

- **2024 Audit Review**  
Richard Winkle reviewed the audit report with the Board, Exhibit “I”. He highlighted the process of the audit and the findings. Tom Burke made a motion to approve the 2024 audit report as presented. Following a second by Jeff Larkin the motion was approved unanimously.
- **COID Property / Landfill**  
This was discussed and voted on in the open forum section of the meeting.
- **COID Property Surplus**  
Jon Skidmore presented the map in regard to the land swap with Larsen’s. The Board needs to declare the larger portion of the lot 300 as surplus so that we can move forward with the swap, see Exhibit “J”. Tom Burke made a motion to surplus the property. Following a second by CB Foss the motion passed unanimously.
- **Patron Request – Rosengarth**  
Jessi Talbott provided the map and the details of the request. Cary Penhollow also provided the history of the development and the requirements of the transfer of water rights. Board discussion followed. The 2008 policy was also discussed. The board decision was to stay with the policy. Anything within urban or urban reserve cannot have transfers. They can continue to use temporary water.

Brad Clarno recessed the regular session to go into the Executive Session at 10:47 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:

None

The meeting was adjourned at 12:00 p.m. following a motion by Tom Burke and a second by Jeff Larkin.

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Craig Horrell, Manager

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Tom Burke

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Brad Clarno

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C.B. Foss

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Jeff Larkin

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Brian Lepore

APPROVED