

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE OWYHEE IRRIGATION DISTRICT**

November 19, 2013

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on November 19, 2013, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 10:05 p.m. Jerry Nagaki, President of the District, presiding.

The following Directors were present:

Bruce Corn	Dan Tschida (who joined the meeting at 10:19 a.m.)
Eric White	Frank Ausman
Jerry Nagaki	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, Attorney; Harvey Manser, Assistant Manager; Tom Zittercob, Hydro Manager; Kris Ward, Employee; and Matt Sitz, Employee.

MEETING NOTICE. The meeting agenda showed that notice to the news media as to the time, date, and place of the meeting was given on November 14, 2013.

MINUTES. The minutes of the October 22, 2013, meeting of the Board of Directors was mailed to the Directors prior to the meeting. A motion was made by Director Ausman, seconded by Director Corn, and unanimously carried approving the minutes as mailed.

OWYHEE IRRIGATION DISTRICT FINANCIAL REPORT. Mr. Chamberlin handed out a financial report for the District prepared by Nichols Accounting Group for the month of October. The report was reviewed by the Directors. Director Ausman asked about when the grant reimbursement will come in. Mr. Chamberlin said that the process was delayed with the recent government shutdown, but that the reimbursement application has recently been submitted and the funds should come in shortly. Mr. Chamberlin said that an extension had to be filed because Adena Green put the wrong completion date in. He said that pipe is still being laid and approximately 1,000 feet per day are going in.

Director Ausman asked if the District is still in position not to be able to take money from the Mitchell Butte Project this year. Mr. Chamberlin said that is most likely the case. The Mitchell Butte Project was discussed. Mr. Zittercob said that the Mitchell Butte bill from Riverside Electric which the Board members questioned last month was in fact wrong and has been unbilled. He said that he does not anticipate any upcoming expenses for the Mitchell Butte Power Plant.

OWYHEE IRRIGATION DISTRICT ACCOUNTS PAYABLE. At 10:19 a.m., Dan Tschida joined the meeting. Two lists of the District's accounts payable for the month were included in the Directors' packets. The Directors reviewed the lists. President Nagaki said that it is nice to have the breakdown of charges in the report. A motion was made by Director Corn, seconded by Director White, and unanimously carried approving and ratifying payment of the accounts payable.

FIRE ALARMS AT TUNNEL #1. Mr. Zittercob presented quotes on a fire alarm system for the Tunnel Power Plant. \$9,156 was the quoted amount to replace what is currently there. These are laser smoke sensors which would be replaced with a different type of system. He said that the system is most likely not necessary since there are many other alarms which would go off in the event of a fire. Director White asked what the insurance company has to say about the necessity of the alarm. Mr. Chamberlin said that he will ask the District's insurance agent and report back at the next joint meeting.

At 10:37 a.m., Tom Zittercob left the meeting.

MITCHELL BUTTE POWER PROJECT.

Financial Report. The regular monthly financial report for the Mitchell Butte Power Project was included in the Directors' packets. The Directors reviewed the report.

Accounts Payable. The agenda for the meeting listed accounts payable for the Mitchell Butte Power Project. The Directors reviewed the listed accounts payable. A motion was made by Director Com, seconded by Director Tschida, and unanimously carried that the following accounts payable for the Mitchell Butte Power Project be paid:

Verizon	\$105.16
OWRD	932.00
AT&T	77.34
Nichols Accounting Group	<u>110.00</u>
Total	\$1,224.50

TUNNEL #1 POWER PROJECT.

Financial Report. The regular monthly financial report for the Tunnel #1 Power Project was included in the Directors' packets. The Directors reviewed the report. Director Com said that he would like to see Nichols Accounting list the amount of missed payments in the report again. Mr. Chamberlin said that he will instruct them to do so.

Accounts Payable. The agenda showed the following schedule of accounts payable for the Tunnel #1 Power Project:

AT&T	\$49.92
Fastenal	15.75
OWRD	3,758.04
Oregon Idaho Utilities	103.78
Nichols Accounting Group	<u>325.00</u>
Total	\$4,252.49

A motion was made by Director Tschida, seconded by Director White, and unanimously carried that the accounts payable, as presented, for the Tunnel #1 Power Project, be paid.

OWYHEE DAM POWER PROJECT.

Financial Report. The regular monthly financial report for the Owyhee Dam Power Project was included in the Directors' packets. The Directors reviewed the report. Director Corn said that the power line debt needs to be checked to see if it is a revenue bond or a general obligation bond. He said that if it is a general obligation debt, then the District will have to come up with the payment. Mr. Chamberlin said that he will check into the matter further.

Owyhee Dam Power Project Accounts Payable. The Owyhee Dam Power Project accounts payable were listed on the agenda as follows:

AT&T	\$88.02
Oregon Idaho Utilities	155.67
OWRD	2,220.28
Stunz, Fonda, Kiyuna & Horton, LLP	512.50
Century Link	45.99
Verizon	61.10
Nichols Accounting Group	<u>325.00</u>
Total	\$3,408.56

A motion was made by Director White, seconded by Director Ausman, and unanimously carried that the accounts payable for the Owyhee Dam Power Project, be paid.

EMPLOYEE GROUP. Matt Sitz said he is representing the Employee Group and they accept the offer of the District as made at last month's meeting. He said that the employees appreciate the gift cards which they were given for Thanksgiving. He said that there are no complaints among employees. The uncertainty of the health insurance market was discussed. Director Tschida thanked Mr. Sitz and expressed his appreciation with the employees.

At 10:55 a.m., Matt Sitz left the meeting.

DISTRICT HEALTH INSURANCE. Kris Ward addressed the Board with regard to the change in the insurance deductible hurting some employees. She said that the HRA is on a calendar year and that the changeover to a higher deductible occurred in July. She said that she has been told that the HRA amount cannot be amended and that there are some employees who would qualify for the higher reimbursement amount which the Board authorized, but are unable to get any funds through the HRA because of the company's refusal to amend the account in the middle of the calendar year. The Directors discussed the matter. The consensus of the Directors is that the District should make good on its promise to the employees whether it be through an HRA amendment, cash payments, or after tax payments which take into account the additional tax imposed. The consensus of the Directors is to reimburse the employees as promised without an income tax liability being created. Director Ausman suggested that Mr. Chamberlin talk to

the District's health insurance agent before paying the employees to see what other districts are doing. Mr. Chamberlin said that he will check on the alternatives before moving forward.

At 11:15 a.m., Kris Ward left the meeting.

PERS POOL BUY-IN. Mr. Chamberlin said that the District has an opportunity to buy into the PERS pool again. The matter was discussed. Mr. Chamberlin said that he will get information and estimates on joining PERS.

MANAGER CONTRACT RENEWAL. Mr. Chamberlin said that he would like to discuss this matter next month.

2014 BUDGET. Mr. Chamberlin said that the draft budget is not ready yet. He said that he is waiting for employee numbers and PERS information before getting the budget ready for the Directors to review. He said that originally his plan is to try to hold the budget where it was last year, but the PERS and health insurance items may change that.

NEWELL PIPELINE PROJECT. Mr. Chamberlin updated the Board on the work being done on the Newell Pipeline Project. He said that new pivots are going in under the system.

COYOTE GULCH AREA PROJECTS. Mr. Chamberlin said that NRCS is looking at projects in the Coyote Gulch area. He said that a bulge in the North Canal is something he would like to see. Director Corn said that such an idea may qualify as a new storage project under the recent Oregon State House Bill which Cliff Bentz got passed.

RING GATE. Mr. Chamberlin said that the warranty work on the coatings at the ring gate are being done.

TUNNEL INSPECTIONS. Mr. Chamberlin reported on inspections at the Tunnel and work that needs to be done in the Tunnel.

OWRC CONFERENCE. Mr. Chamberlin said that the annual OWRC Conference is scheduled for December 3 through the December 6 and he asked Board members to attend.

MOU WITH OWYHEE DITCH COMPANY. Mr. Horton and Mr. Chamberlin reported on the status of a MOU with Owyhee Ditch Company on the Dunaway Pumping Plant and water usage. Mr. Horton said that inflow measurement will be a key component of the negotiations. How to measure inflow into the reservoir was discussed. Mr. Horton said that there is a meeting with Owyhee Ditch Company at 10:00 a.m., on Monday, which he will be attending.

HEALTH INSURANCE. Kris Ward joined the meeting at 12:10 p.m. She said that in speaking with the District's insurance agent, there is a way to pay the employees' deductible without the payment being subject to income tax. Mr. Chamberlin said that he will check with the District's CPA on such payments. The Board discussed the matter and after discussion, it was their consensus to reimburse the employees when receipts are turned in should Mr. Chamberlin get the go ahead from the District's CPA.

SURPLUS PROPERTY. Mr. Chamberlin said that he would like to declare the District's D6C CAT and 1984 International dump truck as surplus property so that the items can be sold. The matter was discussed. After discussion, a motion was made by Director White, seconded by Director Corn, and unanimously carried declaring the following items as surplus and authorizing District staff to sell the property on such terms and conditions that provide the best benefit to the District:

1976 D6C CAT - VIN #26K1937

1984 International Dump Truck - #2HSVDJSR6ECA13678

WATER FORECAST. Mr. Chamberlin and Director Corn advised the Board on recent weather and water forecasts which they have heard.

OREGON WATER RESOURCE DEPARTMENT COMMISSION. Director Corn updated the Board of Directors on an Oregon Water Resource Department Commission meeting which he recently attended.

EXPERIMENT STATION. The benefits of the local Experiment Station to the area was discussed.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 12:37 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____