

**MINUTES OF MEETING OF JOINT COMMITTEE
OF THE OWYHEE PROJECT**

December 22, 2020

A meeting of the Joint Committee of the Owyhee Project was held on December 22, 2020, at 1:00 p.m., by teleconference due to Covid-19. Eric White, Chairman, presiding.

The following members of the Joint Committee were present:

Eric White	Frank Ausman
Jerry Nagaki	Dan Tschida
Chris Landa	

Also present were: Jay Chamberlin, Manager of the Hydro Projects; Michael W. Horton, Secretary and Legal Counsel; John Eells, South Board Manager; Mark Carpenter, OID Employee; Bruce Corn, OID Alternate; and Ray Waldo and Dellas Waldo, Insurance Agents.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on December 17, 2020.

MINUTES. The minutes of the meeting of the Joint Committee held on November 17, 2020, were reviewed by the Committee members prior to this meeting. A motion was made by Mr. Nagaki, seconded by Mr. Tschida, and unanimously carried approving the minutes.

TUNNEL #1 POWER PROJECT.

Tunnel #1 Financial Report. The financial report for the Tunnel #1 Power Project was included in the Committee members' meeting packets. The Committee members reviewed and discussed the financial report.

Tunnel #1 Power Project Accounts Payable. The Committee members reviewed the accounts payable listed on the agenda for the Tunnel #1 Power Project. A motion was made by Mr. Ausman, seconded by Mr. Tschida, and unanimously carried approving payment of the accounts payable as follows:

Stunz, Fonda, Kiyuna, Horton	\$444.00
Oregon Idaho Utilities	245.54
OR Dept. of Energy	1,250,000.00
Nichols Accounting	<u>375.00</u>
Total	\$1,251,064.54

OWYHEE DAM POWER PROJECT.

Owyhee Dam Financial Report. The financial report for the Owyhee Dam Power Project was included in the Committee members' meeting packets. The Committee members reviewed and discussed the report.

Owyhee Dam Accounts Payable. The Committee members reviewed the accounts payable listed on the agenda for the Owyhee Dam Power Project. A motion was made by Mr. Tschida, seconded by Mr. Nagaki, and unanimously carried approving payment of the accounts payable as follows:

Oregon Idaho Utilities	\$171.36
Nichols Accounting	<u>375.00</u>
Total	\$546.36

INSURANCE ON HYDRO FACILITIES. Ray Waldo gave a presentation on the insurance renewal for the hydro facilities. He explained the difference in the annual premium in going from a \$25,000 deductible to a \$50,000 deductible. Mr. Horton said that the Idaho Power Contracts will need to be reviewed to confirm that higher deductibles would be allowed. Mr. Waldo explained about Mr. Lombardo who approached Mr. Chamberlin with regard to providing lower rates for hydro insurance. Mr. Waldo said that he checked with other companies and could not find a better price in coverage than what the District is currently receiving through SDAO. He said he contacted Mr. Lombardo and he was unwilling to say what price he could get and was further unwilling to work with Mr. Waldo on providing information on the company he was claiming to be able to get the lower coverage through.

Mr. Waldo then went through a detailed explanation of the coverages. He explained that both earthquake and flood are covered. He then advised the Committee members as to what the premiums would be with a \$50,000 deductible versus a \$25,000 deductible. The cost savings would be approximately \$6,000 per year. The Committee member discussed the current insurance coverages and deductibles. After discussion a motion was made by Mr. Ausman, seconded by Mr. Landa, and unanimously carried that the District renew the insurance and increase the deductible to \$50,000 contingent upon complying with the Idaho Power Contracts. Mr. Horton said that he will check the contracts and that if it is allowable, he will notify Mr. Chamberlin and Mr. Waldo. The Committee members thanked Mr. Waldo for being Agent of Record for the Committee. At 1:35 p.m., Ray and Dellas Waldo left the meeting.

FERC FILING ON OWYHEE PUMPBACK STORAGE. Mr. Chamberlin said that he had a conference call with a gentleman from Gridflex who filed an application for a pumpback storage system on the Owyhee River with FERC. He reported on the conference call and said that Gridflex is now proposing a 600 megawatt underground facility by the State Park. He said the proposal is for a 1.2 billion dollar project. Mr. Chamberlin said that Gridflex was required to explain their proposal under the FERC filing.

RING GATE CONCRETE REPAIR. Mr. Chamberlin reported on the concrete repair work being done on the ring gate. He said that phase one of the work has been completed. He said that Owyhee Irrigation District staff formed a bucket brigade using five-gallon buckets for the concrete. He said that he estimates the project will be a five-year project. He said that he anticipates installing educational signage at the new parking area which was constructed to assist in the repair work. He said the new working area has really contributed to worker's safety by getting them off the road. The construction project was discussed by the Committee members.

SNOW FORECAST. Mr. Chamberlin said that the snowpack is currently 84% of normal for the watershed. He said the forecast is for above-normal precipitation with a strong La Niña if the jet stream moves to the south. He said the second half of the storm season should pick up. He said that Lidar is starting to be used for forecasting.

TUNNEL POWER PLANT BATTERIES. Mr. Chamberlin reported on the installation of the batteries at the Tunnel Power Plant. He said the batteries are installed and are being charged up. He said the old batteries are being sold and hauled away.

HYDRO PLANT REPAIRS. Mr. Chamberlin reported on repairs needed for the hydro facilities. He said there is a hydraulic pump that needs repaired.

ADJOURNMENT. There being no further business to come before the Committee, the meeting was adjourned at 2:00 p.m.

Respectfully submitted,



Secretary

APPROVED: _____

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

December 22, 2020

A regular meeting of the Board of Directors of the Owyhee Irrigation District was held on December 22, 2020, telephonically due to the ongoing Covid-19 pandemic in compliance with the State of Oregon orders and laws on gatherings, at 10:00 a.m. Jerry Nagaki, President of the District, presiding.

The following Directors were present:

Bruce Corn	Jerry Nagaki
Frank Ausman	Eric White
Dan Tschida	

Also present were: Jay Chamberlin, Manager; Michael W. Horton, Attorney; Kenny Kimball, Brian Hartley, and Mark Carpenter, OID Employees; and Ray Waldo and Dellas Waldo, Insurance Agents (who joined the meeting at 11:05 a.m.).

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on December 17, 2020.

MINUTES. Minutes of the meeting of the Board of Directors held on November 17, 2020, were mailed to the Directors prior to the meeting. Director White noted that the paragraph in the minutes regarding the employee proposal left out the two days of funeral leave. The minutes were corrected and a motion was made by Director White, seconded by Director Corn, and unanimously carried approving the minutes as corrected.

District Financial Report. A financial report was provided to each Director in their packets. The Directors reviewed the report.

District Accounts Payable. Two lists of District accounts payable for the month were included in the Directors' packets. The lists were reviewed and discussed. A motion was made by Director White, seconded by Director Ausman, and unanimously carried approving payment of the accounts payable.

MITCHELL BUTTE POWER PROJECT:

Financial Report. A financial report for the Mitchell Butte Power Project was included in the Directors' packets. The Directors reviewed and discussed the report. Mr. Chamberlin said that there will be bills coming for the trash rack work which is still being done. He explained anticipated further work to be done at the plant.

Accounts Payable. The agenda listed the accounts payable for the Mitchell Butte Power Project. A motion was made by Director White, seconded by Director Corn, and unanimously carried approving payment of the following accounts payable:

Tekfinity	\$42.95
Nichols Accounting	<u>125.00</u>
TOTAL	\$167.95

EMPLOYEE PROPOSAL. Kenny Kimball said that the Employee Committee accepted the Board's proposal for 2021 and are all very happy. He thanked the Board on behalf of the employees for the Thanksgiving hams.

PUMPING PLANTS. Jay Chamberlin and Kenny Kimball gave an update on work being done at the pumping plants. Mr. Kimball said that repair work is needed at the Dead Ox Pumping Plant and he gave an update on those needed repairs. He said they are getting competitive quotes for the work to be done. Mr. Chamberlin said that the costs should be within budget. Mr. Chamberlin said that the Dunaway Pumping Plant did not run that much this year. He said that he is starting to worry about parts availability and that it may be a good idea to have some parts on inventory for the pumping plants, especially shafts. The Directors discussed this idea.

OWYHEE DAM RING GATE REPAIR. Mr. Chamberlin gave an update on the ring gate repair work. He said the employees did a nice job on the handrail at the dam. He estimates five years to complete the ring gate concrete repair work. He gave a detailed report on the work done so far and said that 30 feet of area has been done. Mr. Kimball and Mr. Hartley left the meeting at 10:45 a.m. The Board members discussed the good work being done by the crew and the good relationship they are having with each other. Mr. Chamberlin said that the whole crew worked on the ring gate repair work.

TRASH RACK FOR JACOBSON GULCH. Mr. Chamberlin said he received a phone call on a trash rack which Aqua Systems delivered to Northern California that a district down there decided they did not want. Aqua Systems is now offering the trash rack to the District if it will pick it up. Mr. Chamberlin proposed sending a crew down to check out the trash rack and see if it can be made to work for the District and possibly bring it back up. Mr. Chamberlin said that the rack will be for the Jacobson Gulch area. The matter was discussed and after discussion, it was the Board consensus to have staff go down and take a look at the trash rack and get it if they think it will work. Mr. Chamberlin reported that he has also heard that there is gate that may be available down at the Duck Valley Reservation.

INSURANCE REVIEW. Ray Waldo and Dellas Waldo joined the meeting at 11:05 a.m. They gave an update on insurance coverage for the District and provided a written report on the coverage. Mr. Waldo said that overall he has pretty good news on the insurance renewal.

He provided the proposed quote and said that the District can save \$4,000 in premium by increasing the deductible to \$5,000 on equipment. He explained that on the Mitchell Butte Power Plant the District could save \$2,000 per year going to \$25,000 deductible. The matter and proposals were discussed at length. After discussion, it was the consensus of the Directors to change the equipment deductible to \$5,000 and the Mitchell Butte policy deductible to \$1,000.

Ray Waldo explained how SDAO works and encouraged the Board members to access trainings to save on premiums. He then went through each coverage item for the District and explained those items at length. He explained the option of having the hydros appraised at no cost. He said that an appraisal has been requested and the timing has been hung up because of Covid.

The Directors engaged in a lengthy discussion the Dunaway and Dead Ox insurance coverages. Ray Waldo proposed insuring Dead Ox for more than Dunaway. Reasons for insuring Dead Ox for more than Dunaway because of extra transformers and potential replacement costs were discussed at length. During the discussion, the Directors weighed the costs and risks involved in deciding to insure Dead Ox for more than Dunaway. After Discussion, a motion was made by Director White, seconded by Director Corn, and unanimously carried to insure the pumping plants as proposed by Ray Waldo.

MEETING RECESSED. At 12:11 p.m., President Nagaki declared the meeting in recess to reconvene after the Joint Committee meeting this afternoon.

MEETING RECONVENED. At 2:00 p.m., the meeting was reconvened.

NPDS PERMIT. Mr. Chamberlin reported on a new state permit now adopted by the State of Oregon for chemical application. He said the new permit comes with a lot of restrictions and testing requirements. He explained the new requirements and said the District is keeping the old permit in place until the new permit is granted. He said the District will have to apply for the new permit after the first of the year.

SYSTEM IMPROVEMENT PLAN FROM FCA. Mr. Chamberlin said that he received the draft System Improvement Plan from FCA. He said that Mark Carpenter has gone through the plan and Jay is getting through it now. He said that staff have created a list of projects, which Mr. Carpenter then went through and explained. He pointed out the projects which are listed and are already funded. He explained the hold up on installations because of the pipe shortage. He then asked the Board to prioritize the projects. The consensus of the Board is that they agree with the staff's ranking of the top five projects.

2021 BUDGET. Mr. Chamberlin said that he will have a draft budget for the Board to review at next-month's meeting. He said that he is working on submitting the PPP Forgiveness Application.

NYSSA TO ADRIAN PATHWAY. Director White reported on group working on a walking trail from Nyssa to Adrian. The matter was discussed.

SAFETY AWARDS. Director Tschida said that he would like to see each employee receive a \$200 safety award for their excellent safety record. The matter was discussed and after discussion, a motion was made by Director Tschida, seconded by Director Corn, and unanimously carried that each District employee receive a one-time \$200 safety award.

EXECUTIVE SESSION. Mr. Chamberlin said that an executive session is needed to discuss real estate matters. Mr. Horton said that the Board will enter into executive session pursuant to ORS 192.660(2)(e). The Board entered executive session at 2:50 p.m., and Mark Carpenter left the meeting.

MEETING RECONVENED. At 3:01 p.m., the Board returned from executive session.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 3:02 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____