

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

February 20, 2018

A meeting of the Joint Committee of the Owyhee Project was held at the Owyhee Dam Compound, on February 20, 2018, at 11:15 a.m. Chris Landa, Vice Chairman, presiding.

The following members of the Joint Committee were present:

Jerry Nagaki	Brett Nielson
Chris Landa	Bruce Corn
Dan Tschida (OID Alternate)	

Also present were: John Eells, South Board Manager; Michael W. Horton, Secretary; Harvey Manser, OID Assistant Manager; Linda Henderson, OID Patron; Darla Sebasto, OID Patron; Tyler Sweet, CPA; Ray Waldo, Insurance Agent; and Mr. Sebasto, Mr. Eldred, Mr. McClay, Mr. Valero and Mr. Smith, OID Employees.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on February 13, 2018.

MINUTES. The minutes of the meeting of the Joint Committee held on January 16, 2018, were mailed to the Committee members prior to the meeting. A motion was made by Mr. Tschida, seconded by Mr. Nagaki, and unanimously carried approving the minutes.

TUNNEL BOND PAYMENT. Mr. Corn asked about the timing of making an extra payment on the Tunnel Bond. Tyler Sweet said that there is \$2.4 million in the Hydro Account. He said the next payment is due November 30. He said that in order to save interest, he recommends making that payment now and then looking again in November about making another payment. The matter was discussed and after discussion, a motion was made by Mr. Tschida, seconded by Mr. Corn, and unanimously carried that \$400,000 be paid now on the Tunnel Bond.

TUNNEL #1 POWER PROJECT.

Tunnel #1 Financial Report. Mr. Manser handed out financial reports for the Tunnel #1 Power Project. One was a monthly financial report and the other was a 2017 year-end report. Tyler sweet gave a presentation on the reports.

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. Nielson, seconded by Mr. Tschida, and unanimously carried approving payment of the accounts payable as follows:

Oregon Idaho Utilities	\$12.38
Stunz, Fonda, Kiyuna & Horton	457.50
Wonderware	2,336.67
WIN-911	495.00
AT&T	80.21
Owyhee Irrigation District	22,500.00
Riverside	74,990.78
Cable Huston	1,137.50
SDAO	24,838.45
Nichols Accounting	<u>335.00</u>

TOTAL \$127,183.49

OWYHEE DAM POWER PROJECT.

Owyhee Dam Financial Report. Mr. Manser handed out financial reports for the Tunnel #1 Power Project. One was a monthly financial report and the other was a 2017 year-end report. Tyler Sweet gave a presentation on the reports.

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. Nielsen, seconded by Mr. Corn, and unanimously carried approving payment of following accounts:

Oregon Idaho Utilities	\$206.55
South Board of Control	1,426.00
Bruce Corn	896.00
Frank Ausman	805.00
Jerry Nagaki	975.00
Dan Tschida	1,050.00
Eric White	728.00
SDIS	46,128.55
WIN-911	495.00
Wonderware	2,336.67
AT&T	1.91
Nichols Accounting	<u>335.00</u>

TOTAL \$55,383.68

INSURANCE REPORT. Ray Waldo gave a report on liability and property insurance for the two power plants. He said that with SDAO now providing insurance coverage for hydroelectric facilities that the annual premiums have continued to go down. He explained how the insurance/reinsurance market works. Mr. Horton said he recently attended an SDAO meeting and one of their focuses was on providing insurance to

districts that have hydroelectric facilities. Mr. Waldo said that one thing that the Power Committee should look at is having the power plants appraised for insurance purposes. He said that when they looked into this in the past the cost of an appraisal was quite high. Mr. Horton suggested that SDAO be contacted to see if they have any appraisers they could recommend. Mr. Waldo concluded his presentation by explaining that the annual premium for the Power Committee is now \$70,967 per year which is down from \$74,841 last year.

WATER OUTLOOK. Mr. Manser gave the Committee members USBR and NRCS Water Outlook Reports. The NRCS report shows a 90% chance that the Owyhee Reservoir will have 42,000 acre feet of inflow for the season while the USBR report estimates inflow at 265,000 acre feet. The snow report shows the snow pack at only 34% of normal. He said he sees no reason to fly the snow course since there is nothing out there according to the Snotel report. He said there is currently 507,000 acre feet of water in the reservoir and that does not quite yet guarantee a full allotment. He said that as soon as water is started from the reservoir that water will most likely be drafted from storage as the stream inflows will not be high enough to keep up. Mr. Corn said that the Joint Committee will need to analyze the pros and cons of pumping more water from the Snake River this year. The Committee determined that they will discuss this at their next meeting.

NEXT MEETING DATE AND LOCATION. Mr. Manser said that the next meeting of the Joint Committee will be held on March 20 at the Cultural Center in Ontario. He handed out a draft agenda for the meeting.

WATER START DATE. Mr. Nielson asked about the start date for water releases from the reservoir. He asked if the releases could start earlier as the ground in his area is very dry. Mr. Horton said that the water right certificates and contract with USBR provides that water cannot be started until April 1 unless there is a drought declaration. Mr. Manser said that Ron Jacobs will be speaking at the March meeting and addressing this very issue. Mr. Manser said that OID will be ready to go April 1. Mr. Eells said that South Board can be ready to go as soon as they are notified as to when to start.

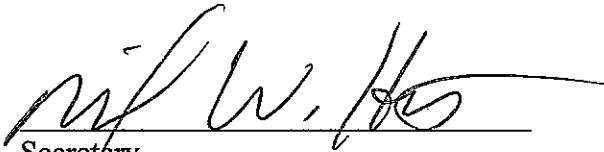
DROUGHT DECLARATION. Mr. Nielson asked about pursuing a drought declaration given the forecasted historic low stream flows. Mr. Manser said that by having a drought declaration in place would allow for some supplemental water to be used, as well as water transfers to be made. The matter was discussed and after discussion, a motion was made by Mr. Nielson, seconded by Mr. Tschida, and unanimously carried adopting the following resolution:

RESOLVED that the Joint Committee of the Owyhee Project declares a drought for the 2017 irrigation season given the current reservoir storage and the forecasted stream inflows for the season and authorizes Owyhee Irrigation District staff to seek a drought declaration from Malheur County and the State of Oregon.

Mr. Manser said that he will start working on the process.

ADJOURNMENT. There being no further business, the meeting was adjourned at 12:08 p.m.

Respectfully submitted,


Secretary

APPROVED: _____

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

February 20, 2018

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on February 20, 2018, at the Owyhee Dam Compound at 10:05 a.m. Jerry Nagaki, President of the District, presiding.

The following Directors were present:

Bruce Corn
Dan Tschida
Jerry Nagaki

Directors Frank Ausman and Eric White were absent.

Also present were: Harvey Manser, Assistant Manager; Michael W. Horton, Attorney; Darla Sebasto and Linda Henderson, OID Patrons; Tyler Sweet, CPA; Terry Buchholz, Integrated Water Solutions; Mr. Sebasto, Mr. Eldred, Mr. McClay, Mr. Valero and Mr. Smith, OID Employees.

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on February 13, 2018.

MINUTES. Minutes of the meeting of the Board of Directors held on January 16, 2018, were mailed to the Directors prior to the meeting. A motion was made by Director Corn, seconded by Director Tschida, and unanimously carried approving the minutes.

WATER CONSERVATION PLAN. Terry Buchholz presented a summary of the Water Conservation Plan for the District which she is working on. She explained Oregon Water Resource Department's requirements for such a plan. She then went through the summary and asked specific questions on certain plan provisions. She focused on short and long-term goals to improve water management. The Directors suggested changes to certain areas in the plan. Ms. Buchholz said she will make some of the suggested changes. She said she expects to wrap up the work in March.

DISTRICT FINANCIAL REPORT. Mr. Manser handed out the December 31, 2017 year-end financial report. Tyler Sweet handed out a summary of the report and gave a verbal report. He said the District is on target of having \$2,000,000 in reserves even though there was a shortfall last year. He said that he is going to work on breaking out piping projects from the regular O&M in the reports starting with February's financial report.

Mr. Manser then handed out the District financial report for the period ending January 31, 2018. The Directors reviewed the report as Mr. Sweet explained it. He said the month of January

had three payroll periods in it which slightly skews the report. Mr. Manser said that chemical money is usually spent earlier in the year when chemicals are ordered rather than spread out through the year and this also skews the report. Mr. Manser said that he is still worried about the accuracy of the estimated pumping costs which the District received from USBR.

DISTRICT ACCOUNTS PAYABLE. Two lists of the District accounts payable for the month were included in the Directors' packets. The Directors reviewed the lists and asked questions about specific bills which were answered. A motion was made by Director Tschida, seconded by Director Corn, and unanimously carried approving payment of the accounts payable.

MITCHELL BUTTE POWER PROJECT.

Financial Report. Mr. Manser handed out a year-end financial report for the Mitchell Butte Power Project which was prepared by Nichols Accounting Group. The Directors reviewed the report. A motion was made by Director Corn, seconded by Director Tschida, and unanimously carried approving the report as presented.

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

AT&T	\$33.56
Verizon	80.28
Century Link	96.64
WIN-911	495.00
Owyhee Irrigation District	134,532.00
Nichols Accounting Group	<u>115.00</u>
Total	\$137,689.14

MALHEUR SIPHON REPAIR. Mr. Manser said there was a pre-bid meeting with prospective contractors and that there were five contractors who showed up. The bid opening has been extended to March 6.

KINGMAN SIPHON. Mr. Manser said the repair work on the Kingman Siphon has begun and the contractor has estimated that the work will be done in a couple of weeks.

SDAO ANNUAL CONFERENCE. Mr. Horton reported that he, Director Ausman, and Director White attended the annual SDAO Conference earlier this month. He said the conference was very informative and he said that Director White suggested that a Board member should try to attend each year. Mr. Horton said the presentation on PERS was one of the best explanations of the PERS System he has ever heard. He gave a summary of what he learned about PERS. Mr. Horton also reported on a couple of other important issues which came up during the conference.

DISTRICT BILLING. Mr. Manser said that District bills are just about ready to go out. He said they have been waiting on the newsletter. He said that he hopes to have the bills out by next week.

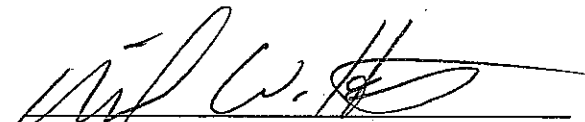
SURPLUS PROPERTY. Mr. Manser presented a list of vehicles that need to be surplus. The Directors reviewed the list and a motion was made by Director Tschida, seconded by Director Corn, and unanimously carried declaring the vehicles listed on the list attached to these minutes as surplus and directing that they be sold.

BOUNDARY CHANGE. Mr. Manser reported that Mr. Clarich wants to move the District boundaries for a pivot which he is installing which sits along the District's boundary and Warm Springs Irrigation District boundary. He said Mr. Clarich is wanting to move some of the boundaries around between OID and Warm Springs so that all of the ground covered by the pivot would be in the same irrigation district. He said there would be no gain or loss to the District of acreages between Warm Springs and OID. He said USBR has to approve of the boundary change also and that it is still in the preliminary stages. He said he is not yet asking for Board approval of the change.

DISTRICT MANAGER STATUS. Mr. Manser gave a status report on when the District Manager may be returning to work.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 11:14 a.m.

Respectfully submitted,


Michael W. Horton, General Counsel

APPROVED: _____

Owyhee Irrigation District
17 South First Street
Nyssa, Oregon 97913



Phone: (541) 372-3540
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Vehicle Surplus

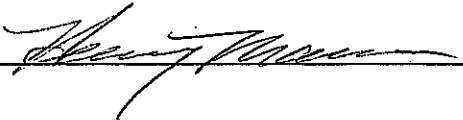
February 20, 2018

This list of equipment is submitted to the Owyhee Irrigation District Board of directors for their approval to surplus. The District will no longer have need of this equipment, at this time they are expected to cost more to maintain than their value to the district.

1996 Dodge 1500	VIN # 1B7HF16Y5TS666090	(Lic # 231888)
1999 Dodge 1500	VIN # 3B7HF16Y9XM579338	(Lic # 235742)
1999 Dodge 1500	VIN # 1B7HF16Y1XS240385	(Lic # 238581)
2001 Dodge 2500	VIN # 3B6KF26Z11M281334	(Lic #233521)

Asst. Manager

Harvey Manser

 Date 2/20/18