

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

November 19, 2019

A meeting of the Joint Committee of the Owyhee Project was held at the Owyhee Irrigation District office at 422 Thunderegg Boulevard, Nyssa, Oregon, on November 19, 2019, at 1:00 p.m. Eric White, Chairman, presiding.

The following members of the Joint Committee were present:

Eric White	Frank Ausman
Bruce Corn	Rick Smith
Dan Tschida	

Also present were: Jay Chamberlin, Manager of the Hydro Projects; John Eells, South Board Manager; Jerry Nagaki, OID Alternate; Michael W. Horton, Secretary and Legal Counsel; Darla Sebasto and Linda Henderson, OID Patrons; Steve Smith, Dam Employee; Brule Lehman, OID Employee; Tyler Sweet, CPA, and Larry Meyer, Newspaper Reporter.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on November 14, 2019.

MINUTES. The minutes of the meeting of the Joint Committee held on September 17, 2019, were mailed to the Committee members prior to this meeting. A motion was made by Rick Smith, seconded by Mr. Ausman, and unanimously carried approving the minutes.

TUNNEL #1 POWER PROJECT.

Tunnel #1 Financial Report. Mr. Chamberlin handed out a financial report for the Tunnel #1 Power Project which the Committee members reviewed.

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

AT&T	\$5.40
Oregon-Idaho Utilities	113.72
Stunz, Fonda, Kiyuna & Horton	256.75
OWRD	3,758.04
Nichols Accounting	<u>350.00</u>
TOTAL	\$4,483.91

OWYHEE DAM POWER PROJECT.

Owyhee Dam Financial Report. Mr. Chamberlin handed out a financial report for the Owyhee Dam Power Project which the Committee members reviewed.

Owyhee Dam Accounts Payable. The Committee members reviewed the accounts payable listed on the agenda for the Owyhee Dam Power Project. A motion authorizing payment of the following accounts payable was made by Mr. Corn, seconded by Mr. Ausman, and unanimously carried:

Oregon-Idaho Utilities	\$301.62
McGowan Computers	246.35
OWRD	2,220.28
Nichols Accounting	<u>350.00</u>
TOTAL	\$3,118.25

HYDRO MAINTENANCE ITEMS. Steve Smith reported on needed maintenance on the hydros. He presented quotes on batteries with SBS batteries being the lowest quote. Mr. Chamberlin said that he is getting quotes on maintenance for the hydros. Steve Smith said that he does not see any other major maintenance items for the hydros on the horizon.

WEATHER FORECAST. Mr. Chamberlin said the weather forecasts which he has heard are still unclear. He said that the project should have a good generation season next year.

BOND PAYMENT TO STATE. Tyler Sweet gave a presentation on bond prepayment options. He gave a handout to the Committee Members. A copy of the handout is attached to these minutes. The Committee Members discussed the potential bond payment options. After discussion, a motion was made by Mr. Ausman, seconded by Mr. Corn, and unanimously carried that a payment of \$1,500,000 be paid on the hydro bond to the state of Oregon.

BATTERIES FOR TUNNEL #1. Steve Smith recommended that batteries be purchased under the lowest quote which came in at \$68,063, plus freight. The matter was discussed. Chairman White said that if the Committee approves the purchase from SBS, he would still like to have Steve Smith investigate the cheaper option which SBS presented. A motion was made by Mr. Tschida, seconded by Mr. Corn, and unanimously carried authorizing the purchase of batteries for Tunnel #1 from SBS for up to \$68,063, plus freight.

HYDRO REPORT. Steve Smith said that overall everything appears to be in good shape on the hydros.

IDAHO POWER SUBSTATION REPAIR. Mr. Chamberlin said that Idaho Power is delayed out on the substation repair and they won't be able to do the repair this off-season. The road to the Dam Power Plant was discussed.

PROPOSED MALHEUR COMMUNITY EMPOWERMENT FOR THE OWYHEE ACT. Mr. Chamberlin gave a report on a proposed federal bill on Owyhee Wilderness which includes designating a portion of the Owyhee River below the dam as wild and scenic with recreation. He said that Senator Wyden's office drafted the bill. He said the Duck Valley Tribe is wanting to visit the dam in response to the proposed bill. The Committee members discussed the proposed bill as Mr. Chamberlin summarized it.

RING GATE REPAIRS. Mr. Chamberlin said that repairs to the ring gate are on hold while the storage levels in the reservoir are up. He said the current state of the ring gate does not present an integrity issue.

TUNNEL INSPECTION. Brule Lehman gave a video presentation on a recent inspection of Tunnel #1. He noted that the coatings on the runners are showing a little wear. He said the gates look good.

OWYHEE ENERGY, LLC, FERC FILING. Mr. Horton reported on a recent FERC filing from Owyhee Energy, LLC, to study the potential installation of a pumpback storage system at the Owyhee Reservoir. He said the project is very similar to the one which another company submitted back in 2011. He said that the attorneys who helped file documents on behalf of the Joint Committee have been retained to file documents and comments on this recent filing.


OREGON GOVERNOR'S ONE HUNDRED-YEAR WATER VISION. Mr. Chamberlin reported on recent meetings on the Oregon Governor's One Hundred-Year Water Vision.

OREGON DEQ PUBLIC COMMENT PERIOD ON WATERWAYS. Mr. Chamberlin reported that DEQ has put out for public comment a document which appears to list irrigation district drains as impaired waters of the state. He said that Oregon Water Resource Congress will be commenting in opposition of the proposal.

IDAHO WATER RESOURCES DEPARTMENT RECENT PUBLIC MEETING. Mr. Chamberlin reported on information he learned attending a recent public meeting put on by the Idaho Water Resources Department. He said that he will share information learned from that meeting next month.

ADJOURNMENT. There being no further business, the meeting was adjourned at 2:15 p.m.

Respectfully submitted,


Secretary

APPROVED: _____

Tunnel PP #1
 SELP Bond Payment Options

Bond Balance

10/31/2019	Principal Balance	3,580,983.26
10/31/2019	Accrued Interest	184,339.09
	Total Balance	<u>3,765,322.35</u>

Cash Flow

10/31/19 YTD	Free Cash Flow - Tunnel	635,987.45
10/31/19 YTD	Free Cash Flow - Dam	462,823.83
		<u>1,098,811.28</u>

Pre-Payment Options

	<u>Bond Pre-Payment</u> November 30, 2019	<u>Next Bond Pmt.</u> Due Date	<u>Cash &</u> <u>Receivables</u>
Option #1	-	11/30/2021	3,042,705.05
Option #2	1,000,000.00	11/30/2023	2,042,705.05
Option #3	1,250,000.00	11/30/2024	1,792,705.05
Option #4	1,500,000.00	11/30/2024	1,542,705.05

*Bond payment set at \$395,493.71

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

November 19, 2019

A regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on November 19, 2019, at the District office located at 422 Thunderegg Blvd, Nyssa, Oregon, at 10:00 a.m. Jerry Nagaki, President of the District, presiding.

The following Directors were present:

Bruce Corn	Frank Ausman
Dan Tschida	Jerry Nagaki
Eric White	

Also present were: Jay Chamberlin, Manager; Michael W. Horton, Attorney; Harvey Manser, OID Assistant Manager; Darla Sebasto, and Linda Henderson, District Patrons; Tyler Sweet, CPA; and Brule Lehman, District Employee.

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on November 14, 2019.

MINUTES. Minutes of the meeting of the Board of Directors held on October 22 2019, 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 as mailed.

DISTRICT FINANCIAL REPORT. Mr. Chamberlin handed out a financial report for the District. The Directors reviewed and discussed the report.

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. A motion was made by Director White, seconded by Director Tschida, and unanimously carried approving payment of the accounts payable.

MITCHELL BUTTE POWER PROJECT.

Financial Report. The Mitchell Butte Power Project financial report was in the Directors' packets. The Directors reviewed the report. The net payments from Idaho Power for the year were \$193,132.81.

Accounts Payable. The agenda listed accounts payable for the Mitchell Butte Power Project. A motion was made by Director Ausman, seconded by Director White, and

unanimously carried authorizing payment of the following accounts payable:

AT&T	\$86.91
OWRD	932.00
Nichols Accounting	<u>125.00</u>
Total	\$1,143.91

FCA. Mr. Chamberlin said that he will be meeting with FCA representatives on December 1 with regard to the District Modernization Plan. He said they informed him that they will not meet the year-end deadline and as a result, the grant is being bumped up to \$500,000. Mr. Chamberlin said that he will need to sign the extension and grant increase. He said he has not yet heard when the deadline is being moved to. He said he should learn that at the meeting on December 1. The potential benefits of the plan were discussed. Mr. Manser showed completed maps as a sample of what work has been done. A motion was made by Director Corn, seconded by Director White, and unanimously carried authorizing Mr. Chamberlin to sign the grant increase and deadline extension.

INSPECTIONS. Mr. Chamberlin said that inspections were completed on the Black Willow Siphon, Snively Siphon, Owyhee River Siphons, Tunnel #1, China Wall flumes and concrete linings. Mr. Lehman gave a video presentation of the inspections as Mr. Chamberlin provided commentary. Potential repairs were explained. The Board of Directors discussed the fact that the District does not have the resources to make all of the potential repairs. Mr. Chamberlin proposed that the China Wall be repaired next fall with the Snively Siphon repaired this winter. Mr. Lehman said that a Reclamation representative went along on the inspections and was impressed with the proactive approach of the District on inspections.

EMPLOYEE WAGE PROPOSAL. Mr. Manser handed out a calculation of the potential impact on the annual incurred water charges to the District patrons from the requested wage increases. Mr. Chamberlin said the health insurance premiums are expected to increase about 15%. Mr. Sweet said that the PERS increase will be the same as half of last-year's increase. Directors White and Corn asked if the Board could receive a calculation on the potential impact on annual water charges from potential health insurance and PERS increases. Mr. Chamberlin provided numbers owed to OID from the hydros by the year end. He said these will be billed out by the year end. He said he will bring information on potential annual incurred charge impacts from wage increases, insurance, and PERS to next month's meeting.

OWRC ANNUAL MEETING. Mr. Chamberlin said that OWRC annual meeting is scheduled for the first week in December and asked any Board members who wish to attend to notify him.

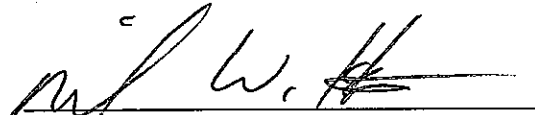
KINGMAN SIPHON. Mr. Manser said that a quote was received on lining the Kingman Siphon. He said the quote came in at \$99,000 and that only one supplier can do the

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job. Columbia Pumping & Construction provided the quote. The Directors discussed the proposal. Mr. Manser said that this is a job which District staff cannot do. A motion was made by Director Corn, seconded by Director Ausman, and unanimously carried awarding the contract to Columbia Pumping & Construction.

OREGON DEQ INTEGRATED REPORT DRAFT. Mr. Chamberlin said that he just received information from OWRC that DEQ has released a draft of its integrated report which lists canals and drains of the District as impaired waterways over which DEQ will be asserting jurisdiction. The comment deadline is December 2. Mr. Chamberlin said that OWRC will be submitting comments for the District.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 11:50 a.m.

Respectfully submitted,



Michael W. Horton, General Counsel

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APPROVED: _____