

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

October 16, 2018

A meeting of the Joint Committee of the Owyhee Project was held at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, at 106 Main Street, Nyssa, Oregon, on October 16, 2018, at 7:00 p.m. Eric White, Chairman, presiding.

The following members of the Joint Committee were present:

Eric White	Frank Ausman
Bruce Corn	Steve Clapier (South Board Alternate)
Jerry Nagaki	

Also present were: Jay Chamberlin, Manager of the Hydro Projects; John Eells, South Board Manager; Harvey Manser, OID Assistant Manger; Michael W. Horton Secretary and Legal Counsel; Dan Tschida, (OID Alternate); Linda Henderson and Darla Sebasto, OID Patrons; Tyler Sweet, CPA; and Larry Meyer, Newspaper Reporter.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on October 11, 2018.

MINUTES. The minutes of the meeting of the Joint Committee held on September 18, 2018, were mailed to the Committee members prior to this meeting. A motion was made by Mr. Ausman, seconded by Mr. Nagaki, 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. The report was reviewed by the Committee members.

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

Oregon-Idaho Utilities	112.52
AT&T	40.06
Stunz, Fonda, Kiyuna & Horton	527.00
Nichols Accounting	<u>680.00</u>
TOTAL	\$1,359.58

OWYHEE DAM POWER PROJECT.

Owyhee Dam Financial Report. Mr. Chamberlin handed out a financial report for the Owyhee Dam Power Project. The Committee members reviewed 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. Corn, seconded by Mr. Ausman, and unanimously carried approving payment of the following accounts:

SDIS	\$3,282.22
Mobility Concepts	7,400.00
Oregon-Idaho Utilities	301.92
Nichols Accounting	<u>340.00</u>
TOTAL	\$11,324.14

TUNNEL BOND PAYMENT. Mr. Sweet said that he and Mr. Chamberlin worked on potential payment options on the Tunnel Bond. He handed out a sheet showing the options and potential savings to the project, along with an email from the Oregon Department of Energy relating to prepayment. The various options were discussed. Mr. Chamberlin said you never know about machinery, but he recommends a large payment being made. After a lengthy discussion and Committee member consideration, a motion was made by Mr. Corn, seconded by Mr. Nagaki, and unanimously carried that a one million dollar prepayment be made on the Tunnel Bond.

RING GATE REPAIR. Mr. Chamberlin said that though the concrete on the ring gate looks sad, he does not think it is in the best interest to make a repair by putting concrete in when it is cold since the damage is not jeopardizing the integrity of the gate seal. He said the damage is just superficial and given the time and resources needed on other projects, he recommends holding off on that repair of at the present time.

OWYHEE DAM COMPOUND BUILDINGS. Mr. Chamberlin said that some of the buildings at the Owyhee Dam Compound need repaired. He said he is going through hoops with Reclamation on getting approval for the repairs. He said the planned repair work is for this fall or winter.

BOAT RAMP AT THE OWYHEE RESERVOIR. Mr. Chamberlin said that with the water down in the reservoir, staff have been able to do some repairs to the ramp. He said the ramp did not have to be closed this season as a whirlpool never developed.

LONG-RANGE WEATHER FORECAST. Mr. Chamberlin said that experts are predicting an El Niño this winter which may funnel precipitation into the area in January and February.

OWYHEE BASIN STEWARDSHIP COALITION LEGISLATION. Mr. Chamberlin said a group is putting together some proposed legislation on the Owyhee Basin and is looking for support. He said he has not yet reviewed their proposal.

BPA LIGHTING GRANT. Mr. Chamberlin said that the project will be receiving a \$22,000 grant from BPA to upgrade to LED lights at Owyhee Dam, Dunaway Pumping Station, and Dead Ox Pumping Station.

B2H POWER LINE PROJECT. John Eells and Jay Chamberlin reported on a meeting they attended on the B2H Power line Project. Mr. Eells said that Idaho Power still knows nothing about the line siting yet.

DATE AND TIME OF NEXT JOINT COMMITTEE MEETING. Mr. Horton noted that the next Joint meeting will be during the daytime instead of at night. It was noted that the next meeting will be at 1:00 p.m., at Mr. Horton's office in Nyssa on Tuesday, November 20.

IDAHO WATER USERS' FEDERAL IN-STREAM FLOW COALITION. Mr. Eells reported on a recent meeting of the Federal In-Stream Flow Coalition of the Idaho Water Users' Association. He said that he is part of that coalition. He said the main topic of discussion was on potential fish reintroduction into the Snake River Basin which would have a huge impact on the irrigation districts being served by the Owyhee Reservoir.

ADJOURNMENT. There being no further business, the meeting was adjourned at 7:48 p.m.

Respectfully submitted,


Secretary

APPROVED: _____

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

October 16, 2018

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on October 16, 2018, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, at 106 Main Street, Nyssa, Oregon, at 7:50 p.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, Assistant Manager; Larry Meyer, Newspaper Reporter; Darla Sebasto and Linda Henderson, District Patrons; Tyler Sweet, CPA; Mark Carpenter, OID Employee; Linda Rowe, NRCS; and Rod Frahm and Spencer Frahm, District Patrons.

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on October 11, 2018.

MINUTES. Minutes of the meetings of the Board of Directors held on September 5 and September 18, 2018, were mailed to the Directors prior to the meeting. A motion was made by Director Tschida, seconded by Director Ausman, and unanimously carried approving the minutes as mailed.

DISTRICT FINANCIAL REPORT. Mr. Chamberlin handed out a monthly financial report for the District. The Directors reviewed the report. Questions on the report were asked and answered.

ACCOUNTS PAYABLE. Two lists of the District accounts payable for the month were included in the Directors' packets. The Directors reviewed the lists. A motion was made by Director White, seconded by Director Corn, and unanimously carried approving payment of the accounts payable. Director Tschida asked about separating out the expenses for the Malheur siphon repair.

MITCHELL BUTTE POWER PROJECT.

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

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:

Century Link	\$145.16
Nichols Accounting Group	<u>120.00</u>
Total	\$265.16

MALHEUR SIPHON UPDATE. Mr. Chamberlin said that District staff have started the prefab work on the siphon project. He said that the contractor got on site yesterday. He said that wrinkle repairs have been ongoing. He said four piers have been drilled and poured. He then gave an update on the project work so far. He said there is some water in the soil which is creating some problems and will need to be addressed. He explained some potential solutions on the water issues including putting steel casings in the holes before the concrete is poured. He said the engineer has presented him with an updated contract that Mr. Horton will need to review. He said the new contract amount is \$82,000.

VISTA VIEW PIPELINE PROJECT. Mr. Chamberlin said that the Frahms and Linda Rowe are present at the meeting with regard to the Vista View Pipeline Project. He said the Frahms have pre-ordered their pivots and have started in on them. He said that if the project is not done this off season, that the Frahms will not be able to use the new pivots. He said this places them in a bind as they were not aware that the District was not going to move forward on this project this season. He said Mr. Carpenter did some analysis on possible options to be able to get the bottom end of the project done in order for the pivots to work. Mr. Carpenter said that he received an estimate on pipe installation of \$85,000 to dig and lay the pipe.

Mr. Chamberlin said the District currently does not have the resources to do the project. He said the Frahms are offering to pay some money up front in order to get the lower part of the project completed. Mr. Carpenter said that the pipe prices are down by approximately 10% of where they were earlier in the year. He said the last 2,600 feet of the pipeline project could be done and the ditch could still be left functional.

A request for proposals and turnouts were discussed. Mr. Chamberlin said that if a third party comes in, that the project could be done this off season. Director Corn said that the project will benefit the District with regard to silt load.

A motion was made by Director White, seconded by Director Ausman, and unanimously carried that the District move ahead with the Vista View Project by putting an RFP out for the lower part of the pipeline with management to work out the details for payment. Linda Rowe said that she sees no problems in getting money for the pipe purchase within thirty days once the pipe comes in. The possibility of the Frahms paying their estimated water bill for next season now as a way to get funds in the budget to pay for this was discussed. The Frahms' said they would be able to do this.

FALL WORK. Mr. Chamberlin gave an update on fall work. He said that ditching and siphon work will make up most of the fall work. Director Corn asked about pump work being done by Riverside Electric. Mr. Chamberlin said he is comfortable where things are at right now, but will be looking at options. He said that one unit at Mitchell Butte will be pulled for repair. Director White asked about turnouts for fire departments on some of the pipelines.

EMPLOYEE PROPOSAL. Mr. Chamberlin said that Mr. Manser and Mr. Sweet hope to have a draft budget put together for next month's meeting. He said the Board will then have numbers to be able to consider the employees' proposal. Mr. Sweet said that PERS is estimated to be up by 5 to 6% which works out to a 50 cent per acre increase with a \$1.00 per acre the following year just for PERS.

HEMP AND MARIJUANA POLICY. Mr. Chamberlin said that he is still working on putting together a hemp and marijuana policy for the District. He explained the issues and said that he will try to get a draft policy put together for Mr. Horton to review.

STATE OF WASHINGTON IRRIGATION CASE EXAMPLE. Mr. Chamberlin explained a Washington State case involving the Rosa Irrigation District where a sewer line broke where it crosses an irrigation canal and contaminated the irrigation water. The matter was discussed.

DIRECTOR POSITIONS. Mr. Horton explained that after publishing notice of submitting petitions for Director positions for the 1st and 3rd Divisions, only one petition for each division was filed. He explained that Oregon law provides that in such event, an election is not necessary and the individuals submitting petitions can be appointed as Directors. He said that Eric White submitted the only petition for the 1st Division and that Bruce Corn submitted the only petition for the 3rd Division. A motion was made by Director Tschida, seconded by Director Ausman, and unanimously carried appointing Eric White as Director of the 1st Division and appointing Bruce Corn as Director of the 3rd Division, each to a three-year term beginning the 2nd Tuesday in January, 2019.

ENGINEERING CONTRACT ON MALHEUR SIPHON PROJECT. A motion was made by Director White, seconded by Director Corn, and unanimously carried authorizing the District to enter into the amended Master Services Agreement with Stantec on the Malheur Siphon Project subject to Mr. Horton's review and approval of the contract.

LINDA HENDERSON COMMENTS. Linda Henderson asked about an old piece of equipment that is sitting out by Dead Ox Pumping Plant. Mr. Chamberlin explained the situation.

EXECUTIVE SESSION. Mr. Horton said an executive session is needed to discuss real estate negotiations and litigation with him as attorney for the District pursuant to ORS 192.660(2)(e) and (h). At 9:40 p.m., the Board entered into executive session and Linda Henderson and Darla Sebasto left the meeting.

At 10:00 p.m., the executive session was adjourned and the Board returned to regular session.

EMPLOYEE PROPOSAL (Continued). The Directors discussed the employee proposal some more. The need for the PERS insurance and budget numbers was discussed.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 10:10 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____