

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

January 16, 2018

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on January 16, 2018, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, at 106 Main Street, 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	Eric White (who joined the meeting at 10:04 a.m.)
Jerry Nagaki	

Also present were: Jay Chamberlin, Manager of the Hydro Projects; Michael W. Horton, Attorney; Harvey Manser, OID Assistant Manager; Darla Sebasto, Carl Morton, and Linda Henderson, OID Patrons; and Larry Meyer, Newspaper Reporter.

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on January 10, 2018.

MINUTES. Minutes of the meeting of the Board of Directors held on December 19, 2017, were mailed to the Directors prior to the meeting. A motion was made by Director Ausman, seconded by Director Tschida, and unanimously carried approving the minutes.

DISTRICT FINANCIAL REPORT. Mr. Chamberlin said that the financial report for the District is not yet prepared.

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.

REORGANIZATION. Mr. Horton stated that this being the first meeting of the new year, it is the time for the Board to be reorganized.

ELECTION OF PRESIDENT. President Nagaki opened nominations for the election of the President of the District for the ensuing year. Director Jerry Nagaki was duly nominated and elected as President.

ELECTION OF VICE-PRESIDENT. President Nagaki opened nominations for the election of a Vice-President of the District to serve during the ensuing year. Director Dan Tschida was duly nominated and elected as Vice-President.

ELECTION OF SECRETARY. President Nagaki opened nominations for the election of Secretary of the District for the ensuing year. Director Frank Ausman was duly nominated and elected as Secretary.

JOINT COMMITTEE REPRESENTATIVES. Mr. Horton said that representatives from OID to the Joint Committee need to be determined. A discussion was had. After discussion, the Directors appointed Jerry Nagaki, Eric White, Frank Ausman, and Bruce Corn as representatives to the Joint Committee with Dan Tschida being the alternate.

APPOINTMENT OF LEGAL COUNSEL. Mr. Horton said that his proposal for the upcoming year will be to increase his monthly retainer to \$1,450.00 per month and the hourly rate to \$186.00 per hour. A motion was made by Director Corn, seconded by Director Ausman, and unanimously carried appointing the law firm of Stunz, Fonda, Kiyuna, & Horton, LLP, as attorneys for the District for the year 2018, and authorizing that a monthly retainer be paid in the amount of \$1,450.00 which shall be for up to ten hours of work with any additional hours in such month to be billed at \$186.00 per hour, with travel time to be billed at half the hourly rate and that out-of-pocket expenses be paid by the District in addition to the retainer amount.

DEPOSITORIES. A motion was made by Director Ausman, seconded by Director White, and unanimously carried to continue with the same depositories.

INSURANCE AGENT OF RECORD. A motion was made by Director Ausman, seconded by Director White, and unanimously carried to continue Ray Waldo and Field Waldo Insurance as the District's insurance agent of record.

REGISTERED AGENT. A motion was made by Director Ausman, seconded by Director White, and unanimously carried appointing Mr. Horton to continue to serve as the District's registered agent.

MITCHELL BUTTE POWER PROJECT.

Financial Report. The Mitchell Butte Financial report was in the Directors' packets. The Directors reviewed the report. Director Corn asked when the \$1.50 will be coming out of the project. Mr. Chamberlin said it will happen when it is needed.

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

AT&T	\$73.84
Verizon	100.16
Century Link	188.75
Nichols Accounting Group	<u>115.00</u>
Total	\$487.75

MITCHELL BUTTE PLC. Mr. Chamberlin gave a report on the PLC and the computer updates for the Mitchell Butte Power Plant.

POLICY HANDBOOK. A draft of the Policy Handbook was included in the Directors' packets which they reviewed prior to the meeting. The Directors went through the draft Policy Handbook in detail and offered proposed changes. Mr. Horton noted those proposed changes and said that he will make them and get them out to the Directors so that they can review them prior to the next meeting.

SPECIAL BOARD MEETING. The Directors discussed having a special board meeting at which they can review the Policy Handbook changes and the budget. After discussion, it was determined that the Board will meet on January 30, at 10:00 a.m., at Mr. Horton's office.

WATER CONSERVATION PLAN. Mr. Chamberlin said that District staff will be meeting with the contractor who is preparing the District's Water Conservation Plan on January 22. He said he would like to have two Board members attend that meeting.

RECESS. At 12:00 p.m., President Nagaki declared the meeting recessed, to reconvene after the Joint Committee meeting after lunch.

MEETING RECONVENED. At 1:50 p.m., the meeting was reconvened.

MALHEUR SIPHON. Mr. Chamberlin said that he and Mr. Horton met with the engineer prior to this morning's meeting. He said they went through the bid packet and have determined that the pre-bid conference will be on February 5 and the bid opening will be on February 23. He said public notice will go out on January 19. He said there have been meetings with USBR staff on fixing the wrinkles and that such work has been integrated into the proposed contract which will be going out for bids. He said this extra work will increase the estimated cost of the project by about \$20,000. He said he believes the District's reserves, plus a special assessment should allow the District to move forward with the work.

ANNUAL DISTRICT EMPLOYEE TRAINING. Mr. Chamberlin reported on the annual District employee training. He said he thinks that it went well with SDAO participation. He said he thinks the Safety Committee is doing a fine job. At 2:05 p.m., Brian Wolf with SDAO joined the meeting.

SDAO CONFERENCE. Mr. Chamberlin said the SDAO Conference is scheduled for February 9 through 11. He said he understand he will be attending with Director White, Director Ausman, and Mr. Horton. He said he appreciates them going.

NWRA CONFERENCE. Mr. Chamberlin reported on the NWRA Conference. He said that at the meeting they were told that there are billions of dollars coming back into the United States with the Federal Tax Law changes. He then reported on OWRC's involvement in Federal affairs, along with Family Farm Alliance's involvement.

NORTHWEST IRRIGATION OPERATORS CONFERENCE. Mr. Chamberlin said that the Northwest Irrigation Operators Conference will be held in Boise on February 21 and 22.

2017 AUDIT. Mr. Chamberlin said that Brian Richins will be doing the 2017 fiscal audit of the District.

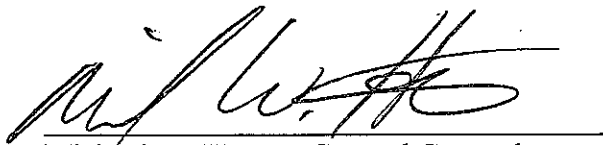
CHEMICAL APPLICATION. Director Ausman asked about night applications of chemical. Mr. Manser said that the State of Oregon is saying that they cannot approve of nighttime applications because of wording on the federal label on the chemical. He said that he is working with OWRC on the federal side of things to see if this can be addressed.

LOADER ACQUISITION. Mr. Horton read a proposed resolution on leasing a loader. Mr. Chamberlin explained the lease provisions. The matter was discussed and after discussion, a motion was made by Director Corn, seconded by Director White, and unanimously carried adopting the resolution attached to these minutes and identified as "Extract from Minutes of Board Resolution."

2018 BUDGET. Mr. Chamberlin handed out a draft budget for 2018. Mr. Manser gave a presentation on the draft budget and explained the chemical portion of the budget. The Directors had a lengthy discussion on chemical applications. They followed that with a lengthy discussion on the draft budget and possible areas where budgeted expenses could be reduced. The modifications which the Directors discussed were noted by Mr. Manser. He said he will take these changes to Nichols Accounting to have them put together a more detailed draft budget.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 4:00 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____

EXTRACT FROM MINUTES OF BOARD RESOLUTION

Lessee: OWYHEE IRRIGATION DISTRICT

At a duly called meeting of the governing body of **OWYHEE IRRIGATION DISTRICT** (the "Lessee"), held on the 16 day of January, 2018 the following resolution was introduced and adopted.

RESOLVED, whereas the governing body of Lessee has determined that a true and very real need exists for the acquisition of the Equipment described in the Municipal Lease Agreement (the "Lease") with **Mountain West Bank, Division of Glacier Bank** (the "Lessor") presented to this meeting. Lessee has determined that it is necessary, desirable and in their best interest to enter into the Lease for the purposes therein specified, and the execution and delivery and hereby approved, ratified and confirmed, and

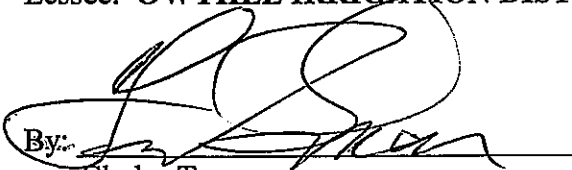
WHEREAS, the governing body of Lessee has taken the necessary steps, including any legal bidding requirements, under applicable law to arrange for the acquisition of such Equipment. Lessee designates and confirms that persons executing this Lease are authorized to execute, deliver and witness any and all related documents necessary to the consummation of this Lease.

NOW, THEREFORE BE IT RESOLVED that:

- a. the governing body of Lessee hereby represents that this Lease is to be a "qualified tax-exempt obligation" pursuant to Section 265(b)(3)(C) of the IRS Code of 1986 (the "Code") as amended; and
- b. Lessee has not issued, and reasonably anticipates that it will not issue Tax-Exempt obligations in the amount exceeding \$10,000,000.00, during the current calendar year.

The undersigned further certifies that the above resolution has not been repealed or amended and remains in full force and effect and further certifies that the above and foregoing Municipal Lease Agreement is the same as presented at said meeting of the governing body of Lessee.

Lessee: **OWYHEE IRRIGATION DISTRICT**

By: 
Clerk - Treasurer

Date: January 16, 2018

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

January 16, 2018

A meeting of the Joint Committee of the Owyhee Project was held at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, on January 16, 2018, at 1:00 p.m. Eric White, Chairman, presiding.

The following members of the Joint Committee were present:

Frank Ausman	Eric White
Jerry Nagaki	Brett Nielson
Chris Landa	Bruce Corn

Also present were: Jay Chamberlin, Manager of the Hydro Projects; John Eells, South Board Manager; Michael W. Horton, Secretary; Harvey Manser, OID Assistant Manager; Dan Tschida (OID Alternate); Linda Henderson, OID Patron; Darla Sebasto, OID Patron; and Larry Meyer, *Argus Observer Newspaper* Reporter.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on January 10, 2018.

MINUTES. The minutes of the meeting of the Joint Committee held on December 19, 2017, were mailed to the Committee members prior to the meeting. A motion was made by Mr. Corn, seconded by Mr. Nagaki, and unanimously carried approving the minutes.

REORGANIZATION. Chairman White stated that this, the first meeting of the year, is the time for the reorganization of the Joint Committee.

Representatives. Mr. Horton said that the OID Board has designated Jerry Nagaki, Frank Ausman, Eric White, and Bruce Corn as representatives to the Joint Committee with Dan Tschida being the alternate. Brett Nielson said that the South Board has designated Brett Nielson and Chris Landa as representatives to the Joint Committee with Ryan Ceriffield being the alternate.

Chairman. Chairman Eric White opened nominations for the office of Chairman. Eric White was duly nominated and elected as Chairman.

Vice-Chairman. Chairman White opened nominations for the office of Vice-Chairman. Chris Landa was duly nominated and elected as Vice-Chairman of the Joint Committee.

Secretary and Legal Counsel. Mr. Horton stated that he is willing to serve as Secretary of the Joint Committee. Mr. Horton further stated that his law firm would agree to act as attorneys for the Joint Committee at \$186.00 per hour. A motion was made by Mr. Corn, seconded by Mr. Nielson, and unanimously carried that Michael W. Horton be appointed Secretary and general counsel for the Joint Committee and that his law firm of Stunz, Fonda, Kiyuna & Horton, LLP be appointed as attorneys for the Joint Committee at an hourly rate of \$186.00 per hour, plus expenses.

Depositories. It was the consensus of the Joint Committee members to maintain the same depositories for funds of the Joint Committee as last year.

TUNNEL #1 POWER PROJECT.

Tunnel #1 Financial Report. Mr. Chamberlin said that the financial report for the Tunnel #1 Power Project is not yet complete.

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. Nagaki, and unanimously carried approving payment of the accounts payable as follows:

Oregon Idaho Utilities	\$100.18
Stunz, Fonda, Kiyuna & Horton	1,080.00
Cable Huston	2,275.00
AT&T	189.12
Nichols Accounting	<u>335.00</u>
TOTAL	\$3,979.30

OWYHEE DAM POWER PROJECT.

Owyhee Dam Financial Report. Mr. Chamberlin said that the financial report for the Tunnel #1 Power Project is not yet complete.

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. Nielsen, and unanimously carried approving payment of following accounts:

Oregon Idaho Utilities	\$100.70
AT&T	42.19
Nichols Accounting	<u>335.00</u>
TOTAL	\$477.89

HYDRO REPORT. Mr. Chamberlin said he would like to see the Joint Committee meeting be held at the Dam Compound in February so that the Committee members can view the crappie egg filter and plumbing. He said the project came in on budget. He reported on the planned work for the Tunnel Power Plant which includes updating the PLC, computer, and entry basket. He said that on the Dam Power Plant that it is ready to go other than the PLC.

ASSISTANT DAM TENDER. Mr. Chamberlin said he is still looking to hire an assistant dam tender. He said interviews are done and they have made an offer to someone. He updated the Committee on the difficulties he has had in finding someone to take the job. Mr. Manser then reported that the person the offer was made to has turned down the offer. The Committee members discussed possible reasons for the difficulty in filling the job, including the wage being paid and the requirement that the employee live up at the Dam Compound.

IDAHO POWER SWITCH GEAR AT OWYHEE DAM. Mr. Chamberlin said that Idaho Power is looking at doing a change out on the switch gear at the Dam Power Plant at some point in the future.

ELEVATOR UPDATE. Mr. Chamberlin said the estimated cost for the elevator repairs has come down quite a bit. He said that after the inspections, they now say the controls do not have to be changed out until well into the future and that the controls will have to be custom made and will not have to be purchased in conjunction with the cables. He said he is now looking at purchasing cables in August of 2018. He said the Committee may want to start looking at setting funds aside for the eventual control replacement.

OWYHEE DAM BUDGET. Mr. Manser presented a revised budget for the Owyhee Dam. The budget was reviewed and discussed.

PARAPET WALL. Mr. Chamberlin said that work is being done on the parapet wall and he gave an update on that work.

WATER SUPPLY OUTLOOK. Mr. Chamberlin gave a handout on the water supply outlook. The handout was an Idaho Water Supply Outlook Report dated January 1, 2018. The Committee members reviewed the report. Mr. Chamberlin said that the next 60 days will determine the storage in the reservoir. He said there is a big storm predicted.

SDAO ENTRY BASKET GRANT. Mr. Chamberlin said staff is still waiting for the entry basket to arrive.

OWYHEE DAM BUDGET (CONTINUED). The Committee members continued discussion of the Owyhee Dam budget. Mr. Manser explained a planned pickup truck purchase. A motion was made by Mr. Nielson, seconded by Mr. Corn, and unanimously carried accepting the Owyhee Dam budget as presented.

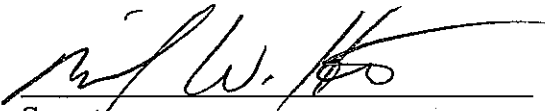
HYDRO INSURANCE. Mr. Chamberlin said he talked to Ray Waldo who told him that the hydro insurance rates are holding. He said Mr. Waldo will be coming to the next Committee meeting to give an update.

FLAG POLE AT OWYHEE DAM COMPOUND. Mr. Chamberlin explained about a flag pole being installed with a memorial at the Owyhee Dam Compound.

DATE AND PLACE OF NEXT JOINT COMMITTEE MEETING. The Committee members discussed having the next Joint Committee at the Owyhee Dam Compound. It was determined that the meeting will held on February 20 at a time to be later determined. Chairman White said that he will be absent from that meeting.

ADJOURNMENT. There being no further business, the meeting was adjourned at 1:50 p.m.

Respectfully submitted,


Secretary

APPROVED: _____