

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

December 19, 2023

A meeting of the Joint Committee of the Owyhee Project was held on December 19, 2023, at the Owyhee Irrigation District office located at 422 Thunderegg Blvd., Nyssa, Oregon, at 1:00 p.m. Eric White, Chairman of the Joint Committee presiding.

The following members of the Joint Committee were present:

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|-------------|---------------|
| Eric White | Bruce Corn |
| Dan Tschida | Frank Ausman |
| Chris Landa | Brett Nielsen |

Also present were: Clancy Flynn, Manager of the Hydro Projects; Michael W. Horton, Secretary and Legal Counsel; Gregory Clark, OID Alternate; Steve Clapier, Interim South Board Manager; Don Jarrett, McMillian Engineering; Darla Sebasto and Linda Henderson, Members of the Public.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on December 14, 2023.

PLEDGE OF ALLEGIANCE. Chairman Eric White led the Pledge of Allegiance.

MINUTES. The minutes of the meeting of the Joint Committee held on November 21, 2023, were mailed to the Committee members prior to this meeting. A motion was made by Mr. Ausman, seconded by Mr. Landa, and unanimously carried approving the minutes as mailed.

TUNNEL #1 POWER PROJECT.

Tunnel #1 Financial Report. Mr. Flynn handed out a financial report for the Tunnel #1 Power Project which was reviewed by the Committee members. The Committee members celebrated the fact that the hydro loan with the state of Oregon is now paid off. Mr. Flynn pointed out that the balance sheet now identifies the money put in to start the project as contributed capital instead of as a loan to the project.

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

| | |
|-----------------------|-------------------|
| AT&T | \$69.72 |
| Five Rivers Law, P.C. | 480.00 |
| OID | 3928.71 |
| E4 Connect | 114.12 |
| ODOE (SELP Bond Loan) | <u>951,000.94</u> |
| | |
| TOTAL | \$955,546.49 |

OWYHEE DAM POWER PROJECT.

Owyhee Dam Financial Report. Mr. Flynn handed out a financial report for the Owyhee Dam Power Project which was reviewed by the Committee members. The Committee members discussed appointing a committee next month to review the revenue sharing contract and work on a plan for handling hydro revenue now that the loans are paid off.

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

| | |
|-----------------------|---------------|
| AT&T | \$73.85 |
| E4 Connect | 114.12 |
| OID | 3,928.71 |
| Five Rivers Law, P.C. | <u>440.00</u> |
| | |
| TOTAL | \$4556.68 |

PROPOSED PUMP BACK SYSTEM. Mr. Flynn and Mr. Horton reported on a meeting with the pump back company, FERC, and interested agencies to provide comments on the pump back company's proposed studies. Mr. Horton said it was helpful to hear other agencies' positions on needed studies as we get closer to re-licensing our own projects.

Mr. Flynn said that he was able to review the irrigation charges of the Wyoming irrigation district which has a contract with the company behind the proposed pump back system. He said they charge \$600 for the first acre and \$6.00 per acre for each additional acre. He said they provide water to around 28,000 acres of farm ground, none of which is row crop.

HYDRO RE-LICENSING. Mr. Clark introduced Don Jarrett who works for McMillian, an engineering firm which assists with re-licensing hydro projects. He said Mr. Jarrett worked on the Owyhee hydro projects earlier in his career and offered to come to today's meeting and provide insight into the re-licensing process. Mr. Jarrett provided handouts on the Owyhee Project history and the FERC re-licensing process which he went through as he gave a video presentation on the re-licensing process.

POWER RATES. Mr. Flynn reported on the power rates for power sold to Idaho Power from the Dam and Tunnel Power Projects for this year and last year. He said the rates did go up slightly.

UPCOMING INSPECTIONS. Mr. Flynn said that USBR staff will be doing inspections on the tunnel intake and the jet flow valves at the dam tomorrow. He said a diving team will be used for the tunnel intake inspection.

WORK AT DAM. Mr. Flynn reported that the jet flow valves are getting recoated.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 2:10 p.m.

Respectfully submitted,

Michael W. Horton, Secretary

APPROVED: _____

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

December 19, 2023

A regular meeting of the Board of Directors of the Owyhee Irrigation District was held on December 19, 2023, at Owyhee Irrigation District office located at 422 Thunderegg Blvd., Nyssa, Oregon, at 10:00 a.m. President Dan Tschida presiding.

The following Directors were present:

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|--------------|---------------|
| Bruce Corn | Gregory Clark |
| Eric White | Dan Tschida |
| Frank Ausman | |

Also present were: Clancy Flynn, District Manager; Michael W. Horton, Attorney; John Wilks, Property owner; Don Jarrett, McMillen Engineering; and Darla Sebasto and Linda Henderson, Members of the Public.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on December 14, 2023.

PLEDGE OF ALLEGIANCE. President Dan Tschida led the Pledge of Allegiance.

MINUTES. Minutes of the meeting of the Board of Directors held November 21, 2023, were mailed to the Directors prior to the meeting. A motion was made by Director Corn, seconded by Director Clark, and unanimously carried approving the minutes as mailed.

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

DISTRICT ACCOUNTS PAYABLE. Two lists of District accounts payable for the month were included in the Directors' packets. Clancy Flynn also handed out a breakdown of the credit card charges. The Directors reviewed the accounts payable and asked questions about specific bills. A motion was made by Director White, seconded by Director Clark, 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 the report.

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

| | |
|--------------------------|-----------------|
| AT&T | \$47.86 |
| FATBEAM (Tekfinity) | 42.95 |
| Century Link | 201.62 |
| Spiegel & McDiarmid, LLP | <u>3,928.70</u> |
| TOTAL | \$4,221.13 |

JOHN WILKS. John Wilks addressed the Board. He said he received a non-use water forfeiture letter and he is here to appeal that decision. He said he would like to find a way to get water on the place he inherited from his mother and not have his water right taken by the District. He explained his situation. The Directors asked questions and Mr. Wilks explained his proposed plan to bring the account current and get water on the place. The Directors discussed the matter and after discussion, a motion was made by Director Corn, seconded by Director White, and unanimously carried that the District delay taking back the water right and delay filing a lien at this time, if Mr. Wilks pays ½ of the water bill due, by April 15, and reassess the situation at that time.

JAKE SPIELMAN POINT OF DELIVERY. Mr. Flynn explained that Jake Spielman is buying some places and wants to put in a pivot. He is wanting to change the point of water delivery, put water in a drain, and pick it back up. Mr. Flynn explained the situation. The Directors asked questions about the proposal which Mr. Flynn answered. Mr. Flynn said he proposes using a special use permit in this situation. The matter was discussed along with the conditions to require in the permit. After discussion, a motion was made by Director White, seconded by Director Clark, and unanimously carried, to allow the proposed moving of the point of delivery under the terms of a special use permit which shall include all conditions that management requires.

KINGMAN COLONY SURPLUS PROPERTY. Mr. Flynn gave an update on the Kingman Colony real property by Director White's place. Mr. Horton explained that the last deed of record for the property is in the name of the Kingman Colony Irrigation District. He said some more investigation needs to be done to determine actual ownership of the property before it can be declared surplus and put up for sale. The Directors discussed the matter at length with Director White abstaining. After discussion, it was the consensus of the Directors (excluding Director White) to have Mr. Horton conduct a brief investigation into the matter and report back.

2024 BUDGET. Mr. Flynn handed out a draft budget for the District for 2024. The Directors reviewed and discussed the draft budget. Operating reserves were discussed in determining the need to continue the additional charge for the Malheur Siphon Project. Mr. Flynn said that the reserves are projected to be at \$1,900,000. Keeping the extra charge in place for one more year was discussed. Getting a second fuel tank was discussed. Mr. Flynn gave an update on the fuel tank which has been ordered. The consensus of the Board is to not to budget for a second fuel tank in this budget. Mr. Flynn will continue to work on the draft budget and try to keep any needed increase to balance the budget at \$3.00 or less.

SUMMER CANAL BREAK. Mr. Flynn said that the landowners affected from the canal break earlier this year are all taken care of and are good.

RILEY PEASTER DRAIN RELOCATION REQUEST. Mr. Flynn said that USBR is okay with Mr. Peaster's proposed drain relocation.

INSURANCE. Mr. Flynn reported that he spoke with Dellas Waldo and the District cannot get insurance on the powerlines through SDIS. He said he will be coming to next month's meeting to make a presentation on insurance.

KINGMAN PIPELINE PROJECT. Mr. Flynn said that staff is holding off on work on the Kingman Pipeline Project until he hears back from the federal government on cost share.

MEETING RECESSED. At 11:53 a.m., President Tschida declared the meeting in recess to reconvene after the Joint Committee meeting this afternoon.

MEETING RECONVENED. At 2:14 p.m., the meeting was reconvened.

EXECUTIVE SESSION. Mr. Flynn was asked if he wanted to have his manager evaluation done in executive session or open session. Mr. Flynn said executive session. Mr. Horton said the Board would be going into executive session pursuant to ORS 192.660(2)(i) to conduct the manager evaluation. At 2:15 p.m., the Board entered executive session pursuant to ORS 192.660(2)(i) to conduct the manager evaluation and the audience left the meeting.

RECONVENED REGULAR SESSION. At 2:45 p.m., the Board returned to regular session.

MANAGER SALARY. A motion was made by Director White, seconded by Director Ausman, and unanimously carried to give Mr. Flynn a salary increase effective January 1, 2024 of 4% which includes a performance incentive.

EQUIPMENT UPDATE. Mr. Flynn gave an update on equipment repairs and running the District shop more like a for-profit business.

RADIAL GATE. Mr. Flynn requested authorization to order the materials to rebuild the radial gate at the tunnel bifurcation this calendar year. He said he estimates the materials to cost around \$59,000. The matter was discussed, and after discussion, a motion was made by Director Corn, seconded by Director White, and unanimously approved authorizing Mr. Flynn to order the materials.

CHRISTMAS BONUSES. Mr. Flynn said that the crew received Christmas bonuses. The matter was discussed, and after discussion, a motion was made by Director Ausman, seconded by Director Corn, and unanimously carried approving the bonuses.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 3:08 p.m.

Respectfully submitted,

Michael W. Horton, General Counsel

APPROVED: _____