

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

January 22, 2019

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on January 22, 2019, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, at 106 Main Street, Nyssa, Oregon, at 10:05 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 10:20 a.m.)
Jerry Nagaki	

Also present were: Jay Chamberlin, Manager; Michael W. Horton, Attorney; Harvey Manser, Assistant Manager; Tyler Sweet, CPA, Larry Meyer, Newspaper Reporter; and Linda Henderson, District Patron.

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on January 16, 2019.

MINUTES. Minutes of the meeting of the Board of Directors held on December 18, 2018, and the minutes of the special meeting of the Board of Directors held on January 2, 2019, were mailed to the Directors prior to the meeting. A motion was made by Director Ausman, seconded by Director Corn, and unanimously carried approving the minutes as mailed.

REORGANIZATION. President Nagaki 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.

APPOINTMENT OF LEGAL COUNSEL. Mr. Horton said that his proposal for the upcoming year will be to set his monthly retainer at \$1,475.00 per month and the hourly rate at \$192.00 per hour. A motion was made by Director Tschida, 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 2019, and authorizing that a monthly retainer be paid in the amount of \$1,475.00 which shall be for up to ten hours of work with any additional hours in such month to be billed at \$192.00 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 Corn, seconded by Director Tschida, and unanimously carried to continue with the same depositories.

INSURANCE AGENT OF RECORD. Retaining the current Insurance Agent of Record was discussed. A motion was made by Director Ausman, seconded by Director Tschida, and unanimously carried to continue Ray Waldo and Field Waldo Insurance as the District's Insurance Agent of Record.

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 Dan Tschida, Eric White, Frank Ausman, and Bruce Corn as representatives to the Joint Committee with Jerry Nagaki being the alternate.

DISTRICT FINANCIAL REPORT. Mr. Chamberlin handed out a financial report which the Directors reviewed and discussed. Director Tschida asked about the Malheur Siphon Project increasing the District's net worth. Mr. Sweet said that the project will be added in and depreciated over time. He said that most improvements do get added to the balance sheet.

At 10:20 a.m., Eric White joined the meeting. He expressed his appreciation for the job done on weed control and chemical budget last year. Mr. Manser explained a payment on equipment being resolved.

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

Century Link	\$146.12
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MALHEUR SIPHON PROJECT. Mr. Chamberlin gave an update on the Malheur Siphon Project. He said that a walk through with the engineer and Reclamation staff was done. He said during the walk through, some cosmetic stuff needing cleaned up was noted and will be brought up with the contractor. Mr. Chamberlin explained those items to the Board.

2019 BUDGET. Tyler Sweet handed out a draft 2019 budget. He went through the proposed budget as the Directors reviewed and discussed it. Mr. Sweet pointed out that the cash and reserves totaled 1.4 million at the end of 2018. He said that the goal is to be at 2 million dollars. Mr. Sweet explained that the Malheur Siphon loan has gone through and the funds should be deposited in the next couple of weeks. Mr. Sweet said that the \$1.50 special assessment for the Malheur Siphon would have to continue through 2026 to get the District's reserves fully funded back at 2 million dollars.

Potential cuts in the draft budget were discussed at length. Director White said that if the current fuel prices were factored in, it could potentially save 50 cents per acre. Director Ausman said that bulk fuel storage must be looked at. Fuel storage and purchases were discussed. Director Corn said that the District may be able to work something out with Valley Wide Cooperative on bulk fuel purchase and leasing of space in Valley Wide's tanks. He will provide contact information to Mr. Chamberlin. The potential impact of Oregon's carbon tax on fuel costs was discussed. Mr. Chamberlin said that there are tanks in Ontario that could be plumbed in.

The purchase of the Agri-Service property was discussed in relation to the budget. Mr. Chamberlin said that the purchase should close on January 29, with the District taking possession on February 1.

Discussion on the budget continued at length. The gopher tail program was discussed. The idea of limiting the number of tails that a property owner could turn in was discussed. After discussion, a motion was made by Director White, seconded by Director Corn, and unanimously carried that gopher tails be limited to 400 per month per landowner and that \$6,000 be added to the gopher fund.

INCURRED WATER CHARGES. A motion was made by Director White to set the annual incurred charge at \$66.00 per acre, plus \$1.50 per acre for a special incurred water charge for the Malheur Siphon Project for a total incurred water charge of \$67.50 per acre, with such special incurred water charge going away when the costs of the Malheur Siphon

Project are paid back. The motion was discussed at length. Mr. Sweet said that the total direct costs of the Malheur Siphon Project were \$1,030,000. After discussion, the motion was seconded by Director Corn and passed unanimously.

SMALL ACREAGE CHARGE. A motion was made by Director Ausman, seconded by Director Tschida, and unanimously carried that in addition to the annual incurred charge and special incurred charge, that a service charge be imposed on subdivided and small tract lands consisting of five acres or less at the rate of \$75.00.

2019 BUDGET (Continued). Mr. Sweet was directed to work with management and adjust the budget to reflect the annual incurred charges set today. Mr. Sweet said that he will adjust the budget and present it for approval at next month's meeting. He said that historically the District had a shop fund and an equipment fund and he asked if the shop fund can be taken off the books with the purchase of the shop. The consensus of the Board is that the shop fund can be eliminated with the funds being used to purchase the Agri-Service building, but that the equipment fund remain.

AGRI-SERVICE PROPERTY PURCHASE. Mr. Chamberlin said that he plans on having a building walkthrough with the employees after the purchase of the property is completed.

ANNUAL PATRON MEETING. Director White asked about having an annual patron meeting at the new building. Mr. Chamberlin questioned the need for an annual patron meeting this year. The cost and expense of the patron meeting and the fact that not very many patrons show up for it was discussed. Mr. Chamberlin said that items that are typically covered in the meeting could be covered in the District Newsletter. Director White said that he is fine with not having an annual patrons meeting. Mr. Chamberlin said that he will try to have handouts and information available at the new office for patrons who want them. The consensus of the Directors is not to have annual patron meeting this year.

MALHEUR SIPHON PROJECT (Continued). Director Tschida said that he would like to know the District man hours on the Malheur Siphon Project.

FALL WORK. Mr. Chamberlin said that staff is well ahead of previous years on fall work.

VISTA VIEW PIPELINE PROJECT. Mr. Chamberlin gave an update on the Vista View Pipeline Project. He said that the pipe bid came in and that the pipe has been purchased. He said that an RFP on installation will be coming in the next few weeks.

EMPLOYEE EVALUATION. Mr. Chamberlin said that he has been conducting the employee evaluations and they have been productive.

RETIREMENT DINNER. Mr. Chamberlin said there are five employees who have retired that need to be recognized. He said he would like to have a retirement dinner for those employees. The consensus of the Board is to move forward with a retirement dinner.

EXECUTIVE SESSION. Mr. Chamberlin said an executive session is needed to discuss potential litigation with counsel and to discuss management performance. Mr. Horton said that the Board will enter executive session pursuant to ORS 192.660(2)(h) and (i). At 11:50 a.m., the Board entered executive session and Linda Henderson left the meeting. She was advised that Board would return to regular session after lunch after the Joint Committee meeting.

At 3:10 p.m., the executive session was adjourned and the Board returned to regular session.

MANAGER'S WAGES. A motion was made by Director Corn, seconded by Director White, and unanimously carried that Mr. Chamberlin be given the additional 1% wage increase for 2019, making his total salary increase for 2019 at 2%.

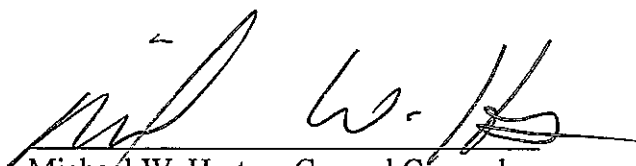
AGRI-SERVICE PROPERTY PURCHASE RESOLUTION. Mr. Horton said that a resolution is needed to allow District officers to sign closing documents on the property purchase. A motion was duly made, seconded, and unanimously carried adopting the following resolution:

RESOLVED that Jerry Nagaki, President, Dan Tschida, Vice-President, or Frank Ausman, Secretary, are authorized to sign all documents necessary to complete the purchase of real property located in Nyssa, Oregon, identified as Tax Lots 5500, 6000, 6100, and 6400, on Map 19S4729CC.

FUEL TANK. Discussion on purchasing a fuel tank or leasing space with a fuel supplier so that bulk fuel can be purchased was further discussed.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 3:20 p.m.

Respectfully submitted,

  
Michael W. Horton, General Counsel

APPROVED: \_\_\_\_\_

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

January 22, 2019

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 January 22, 2019, at 1:05 p.m. Eric White, Chairman, presiding.

The following members of the Joint Committee were present:

Eric White	Frank Ausman
Bruce Corn	Brett Nielsen
Dan Tschida	Rick Smith

Also present were: Jay Chamberlin, Manager of the Hydro Projects; Ryan Nash, South Board Watermaster; Harvey Manser, OID Assistant Manger; Michael W. Horton Secretary and Legal Counsel; Linda Henderson, OID Patron; and Larry Meyer, Newspaper Reporter.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on January 16, 2019.

MINUTES. The minutes of the meeting of the Joint Committee held on December 18, 2018, were mailed to the Committee members prior to this meeting. A motion was made by Mr. Corn, seconded by Mr. Nielson, 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 Dan Tschida, Frank Ausman, Eric White, and Bruce Corn as representatives to the Joint Committee with Jerry Nagaki being the alternate. Brett Nielson said that the South Board has designated Brett Nielson and Rick Smith as representatives to the Joint Committee with John Eells 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. Brett Nielson 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 and that his law firm would agree to act as attorneys for the Joint Committee. These services will be billed at \$192.00 per hour. A motion was made by Mr. Nielson, seconded by Mr. Tschida, 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 all at an hourly rate of \$192.00 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 accountants have not yet completed the financial report for the Tunnel #1 Power 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. Corn, seconded by Mr. Tschida, and unanimously carried approving payment of the accounts payable as follows:

Oregon-Idaho Utilities	\$112.50
AT&T	168.64
Stunz, Fonda, Kiyuna & Horton, LLP	635.50
SDAO	<u>46,385.00</u>
TOTAL	\$47,301.64

OWYHEE DAM POWER PROJECT.

Owyhee Dam Financial Report. Mr. Chamberlin said that the accountants have not yet prepared the financial report for the Owyhee Dam Power Project.

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. Tschida, seconded by Mr. Smith, and unanimously carried approving payment of the following accounts:

AT&T	42.65
Oregon-Idaho Utilities	301.88
SDIS	<u>23,895.00</u>
TOTAL	\$24,239.53

RING GATE WORK. Mr. Chamberlin updated the Committee on maintenance work being done on the ring gate. He said the concrete is being further inspected. He said he believes that it is just superficial damage, but they will have inspections done from inside the chamber. He said there will be some contractors looking at the damage.

TUNNEL POWER PLANT. Mr. Chamberlin said there is nothing showing up for a maintenance concern for the Tunnel Power Plant. He said the computers are still getting straightened out. He explained the maintenance being done on the plant.

CONTROL GATES AT DAM. Mr. Chamberlin said that the control gates at the Dam have been looked at and lubricated.

DAM POWER PLANT. Mr. Chamberlin said that the work crew is just getting into the Dam Power Plant. He said the wicket gates will be looked at. He said staff is working on a Dam Plant starting checklist.

DAM MAINTENANCE CREW. Mr. Tschida asked about education for staff working on the Dam. Mr. Chamberlin said that two staff members are being sent to Denver for Reclamation training in dam maintenance.

OLD OWYHEE PUMP. Mr. Chamberlin said that one of the Old Owyhee pumps at the Dunaway Pumping Plant had a wobble in it. He said the pump was pulled out and repaired and put back in the hole. He said the estimated cost of the repair was \$25,000.

OWYHEE DAM FOUNDATION DRAINS. Mr. Chamberlin said that Reclamation monitoring has noted more drain seepage at lower water levels at the Dam.

HELLS CANYON RE-LICENSING. Mr. Horton gave an update on Idaho Power's re-licensing of the Hells Canyon Dam Complex. He gave a summary of a draft agreement between Idaho Power, the State of Oregon, the State of Idaho, and FERC. The proposed agreement is to settle disputes between the State of Oregon and the State of Idaho on fish reintroduction. He said that Oregon Water Resource Congress is going to be commenting on the proposed re-licensing. He said that the Joint Committee may want to join in those comments. A motion was made by Mr. Nielsen, seconded by Mr. Ausman, and unanimously carried that the Joint Committee join in comments on the proposed Hells Canyon Complex re-licensing and that the Joint Committee supports the re-licensing, but is opposed to any fish reintroduction.

OWYHEE POWER PROJECT RE-LICENSING. Mr. Horton advised the Committee members that they need to start planning for re-licensing the Owyhee Dam and Tunnel Power Plants. He said that the FERC licenses are 50-year licenses and that those licenses were issued around 1985. He explained that the re-licensing process is quite a lengthy process. He explained that another option to re-licensing with FERC would be to seek licensing through Reclamation. The Joint Committee members discussed the matter and the consensus was to have Mr. Horton and Mr. Chamberlin begin exploring licensing the projects through Reclamation when the current FERC license expire.


WATER FORECAST. Mr. Chamberlin handed out water forecasts and reports from USDA. He said the current prediction for February and March predicts warmer and drier than normal weather. The current stream flow forecasts 70% to 90% of average runoff volume for the Owyhee watershed. He said that based upon these forecasts, it looks like a full allotment should be available to the districts this year. He said he will fly the snow course. He noted that pumping early last year helped keep some water in storage for this year.



OWYHEE WATERSHED COUNCIL FIELD DAY. Mr. Chamberlin said that the Owyhee Watershed Council field day will be in April. He said that Ontario School District is wanting to do its own field day in mid May.

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

Respectfully submitted,

  
Secretary

APPROVED: \_\_\_\_\_