

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

January 21, 2020

A regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on January 21, 2020, at the District office located at 422 Thunderegg Blvd, Nyssa, Oregon, at 10:04 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 10:06 a.m.)
Jerry Nagaki	

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

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on January 16, 2020.

MINUTES. Minutes of the meeting of the Board of Directors held on December 17 2019, were mailed to the Directors prior to the meeting. A motion was made by Director Tschida, seconded by Director Corn, and unanimously carried approving the minutes as mailed.

DISTRICT FINANCIAL REPORT. Mr. Chamberlin handed out a financial report for the District. At 10:06 a.m., Director White joined the meeting. Tyler Sweet answered some questions on the report as the Directors reviewed and discussed it.

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. Mr. Chamberlin handed out a year-end financial report for the Mitchell Butte Power Project which Nichols Accounting prepared. The Directors reviewed and discussed the report. They questioned the liability shown on the report on long-term bonds payable in the amount of \$102,000. Mr. Sweet explained that this liability is showing on the books as a way to track the money which the District initially put into the project when it purchased its own bond issue. The Directors discussed the matter and after discussion, it

was the consensus of the Directors that all of the old transfers of \$67,161 each year should initially show as going towards payment of that liability to zero out the bonds. Mr. Sweet said that he will work on that.

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

AT&T	\$.42
Tekfinity	42.95
Century Link	163.75
Owyhee Irrigation	67,000.00
Nichols Accounting	<u>125.00</u>
Total	\$67,332.12

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, VICE-PRESIDENT, AND SECRETARY. President Nagaki opened nominations for the election of officers. A motion was made by Director Corn, seconded by Director Ausman, and unanimously carried that the current officers be re-elected to their current positions. Mr. Horton stated that the officers of the District are now Jerry Nagaki, President; Dan Tschida, Vice-President; and Frank Ausman, Secretary.

APPOINTMENT OF LEGAL COUNSEL. Mr. Horton said that his proposal for this new year is to set his monthly retainer at \$1,500.00 per month and the hourly rate at \$222.00 per hour. A motion was made by Director Ausman, seconded by Director Tschida, and unanimously carried appointing the law firm of Stunz, Fonda, Kiyuna, & Horton, LLP, as attorneys for the District for the year 2020, and authorizing that a monthly retainer be paid in the amount of \$1,500.00 which shall be for up to 7.5 hours of work with any additional hours in such month to be billed at \$222.00 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 White, seconded by Director Ausman, 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 Tschida, seconded by Director Ausman, 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 Jerry Nagaki as representatives to the Joint Committee with Bruce Corn being the alternate.

DIRECT DEPOSITS FOR EMPLOYEE WAGES. Director White asked about having employees' payroll being directly deposited into their accounts. Mr. Chamberlin said that he will investigate the options, costs, and determine if any employees are interested in direct deposits.

EMPLOYEE WAGES. Mr. Chamberlin said that the employees seem grateful with the wage increase.

EMPLOYEE ACCIDENTS. Director Tschida asked if there were any employee injury incidents last year. Mr. Chamberlin said that there were very little.

EMPLOYEE SICK LEAVE. Mr. Chamberlin asked Director Tschida about how Americold handled sick leave for their employees. Director Tschida explained.

KINGMAN SIPHON. Mr. Manser said that the contractor working on the Kingman Siphon is 80% done. He said he saw pictures of the work and that he was not happy, but they assured him that the work in progress will not reflect the work when it is completed. He said that the contractor's equipment broke down and they should be starting back up once that is repaired. He said the contractor has been informed that they must talk to District management before proceeding with the work.

DEQ INTEGRATED REPORT. Mr. Chamberlin thanked Mr. Horton for getting District comments into Oregon DEQ on their proposed integrated report. He said the proposal from DEQ would classify district laterals and pipelines as impaired waters of the state which would then give DEQ oversight of. Mr. Manser said that this would have a huge effect on the District's ability to get NPDS permits for aquatic weed control. Mr. Chamberlin said that he feels the integrated report is a big overreach on the state's part.

AFLAC. Mr. Manser said that three to four employees currently have insurance through AFLAC. He said the company is offering a new plan to districts for doctor phone consultations but there is a \$15.00 fee to the District per month to sponsor the plan. He said the District's current insurance has a plan which allows calls to nurses. The Directors discussed the matter and after discussion, it was the consensus of the Directors to have staff check into this further and also to check with the employees on their interest in the program.

MORGAN BENCH PIPELINE PROJECT. Linda Rowe told the Board that she wanted to see if she and the District are on the same page on the Morgan Bench and Newell/Overstreet pipeline and drain projects. She said that NRCS will have 5-year funding available for these projects. She explained the potential issue on Fred Hussey's place. Mr. Chamberlin said that the District's next big project will be the one near Sissons. Mrs. Rowe said that the piping on Arabia has already been funded with money coming in the summer of 2020. She said that if the District wants to put in for a project near Hussey that money would be available this fall. Mr. Chamberlin said that he would prefer that the District do the Sisson project in the fall of 2021. He said that he believes the District will need to move on the Hussey project fairly shortly. He said that he and staff members will need to meet with Linda Rowe on these proposed projects to put together some ideas and timelines.

2020 BUDGET. Tyler Sweet handed out a draft budget which the Directors reviewed. He said that 2020 is starting off in a good spot with a \$328,915 carryover. He explained the increases in the budget on PERS and health insurance. Mr. Chamberlin said that he will be making a presentation to the employees as to how much benefits they are actually enjoying. Director White asked if the proposed budget includes a transfer from the Mitchell Butte Project. Director Corn suggested that the Mitchell Butte transfer could be taken now. Mr. Chamberlin said that before a transfer is made, he needs to check on potential weed screen costs. The Mitchell Butte Project and its impact on the budget was discussed. Mr. Sweet noted that the budget he is presenting is a loss budget with the reserves going down. The Directors continued their review through the budget line items. Director Ausman said that the District needs to pump the brakes on new building updates. Mr. Chamberlin said that the furnace improvement is the main expense on that line item. The special assessment for the Malheur Siphon was discussed and it was noted that money is still owed to the State of Oregon on that project. The Directors discussed equipment needs specifically focusing on the need for a new spray rig. Chemical costs were discussed along with carryover product. The Directors discussed the possibility of having ditch riders do mowing on the ditch banks. The gopher fund was discussed.

RECESS. At 11:56 a.m., President Nagaki declared the meeting in recess.

MEETING RECONVENED. At 1:56 p.m., the meeting was reconvened.

DISTRICT STAFFING. Mr. Chamberlin said that he is hoping to hire one additional employee. The matter was discussed.

BUDGET DISCUSSION (CONTINUED). The Directors discussed increasing the gopher funds by \$5,000 and taking out the proposed purchase of a spray rig from the chemical portion of the budget. The Directors went on to discuss moving proposed expenses among different funds and eliminating some of the proposed expenses from the proposed budget. Specifically the gopher fund, equipment fund, building rehabilitation, and chemical fund were discussed. The current employment force for the District was discussed and general consensus on the budget was reached.

INCURRED WATER CHARGES. A motion was made by Director Corn, seconded by Director Ausman, and unanimously carried setting the annual incurred charge at \$67.50 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 \$69.00 per acre, with such special incurred water charge going away when the costs of the Malheur Siphon Project are paid back, and 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.

GOPHER FUND RAFFLE. Director Ausman suggested that management develop a program for raffle entries for gopher tails turned in exceeding 400 per month. The consensus of the Directors is to have management begin developing such a program.

2020 BUDGET (CONTINUED). Mr. Sweet was directed to work with management to 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.

NWRA MEETING. Mr. Chamberlin reported on the recent NWRA meeting. He said the Oregon lobby is back in full membership at the national organization.

NORTHWEST IRRIGATORS OPERATORS BIENNIAL CONFERENCE. Mr. Chamberlin said that the Northwest Irrigators Operators Biennial conference is coming up in Boise on February 19 and 20.

WINTER WORK PROJECTS. Mr. Chamberlin updated the Board on winter work projects. He also reported on upcoming staff training.

PERSONNEL POLICY UPDATE. Mr. Chamberlin handed out a proposed updated Personnel Policy. He went through the updated policy and explained it to the Directors. After review, a motion was made by Director Corn, seconded by Director White, and unanimously carried adopting the proposed policy as presented.

LINDA HENDERSON COMMENTS. Linda Henderson expressed her frustration with the *Argus Observer Newspaper* not correctly reporting the time, date, and place of today's meeting. Mr. Chamberlin explained that the District faxes notice of the meetings to the *Argus* and it is up to them as to what they publish. He said the newspaper has been notified that they are incorrectly reporting this information and that staff will work on that some more. He said the newspaper should be the one that is complained to.

EXECUTIVE SESSION. Mr. Horton said that an executive session is needed pursuant to ORS 192.660(2)(e) and (i) to discuss real estate and management.

At 2:44 p.m., the Board entered into executive session with Linda Henderson, Darla Sebasto, and Harvey Manser leaving the meeting.

The Board returned to regular session at 3:31 p.m.

REAL ESTATE SALE RESOLUTION. A motion was made by Director White, seconded by Director Ausman, and unanimously carried adopting the following resolution:

RESOLVED that Jerry Nagaki, President of Owyhee Irrigation District, is hereby authorized to sign all documents necessary to sell the real property described on Schedule "A" attached hereto for the sum of \$44,500.00, to Fort Boise Produce Co.

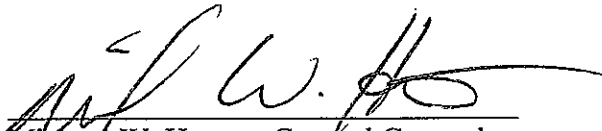
SUMMIT ENVIRONMENTAL BILL. Mr. Chamberlin presented a bill from Summit Environmental in the amount of \$2,516.00 for the phase one assessment on the property being sold. A motion was made by Director Corn, seconded by Director Tschida, and unanimously carried authorizing payment of the bill.

JAY CHAMBERLIN CONTRACT. A motion was made by Director Ausman, seconded by Director Tschida, and unanimously carried that Mr. Chamberlin's contract be renewed and that his salary be increased by 2% effective January 1, 2020.

MANAGER'S POSITION. A motion was made by Director Ausman, seconded by Director White, and unanimously carried that the District begin to advertise for the position of District Manager.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 3:42 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____

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

January 21, 2020

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 January 21, 2020, at 1:00 p.m. Eric White, Chairman, presiding.

The following members of the Joint Committee were present:

Eric White	Frank Ausman
Dan Tschida	Chris Landa
Brett Nielsen	Jerry Nagaki

Also present were: Jay Chamberlin, Manager of the Hydro Projects; Carl Seiders, South Board Assistant; Harvey Manser, OID Assistant Manager; Michael W. Horton, Secretary and Legal Counsel; Tyler Sweet, CPA; Linda Henderson and Darla Sebasto, OID Patrons; and Bruce Corn (OID Alternate).

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on January 16, 2020.

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 Jerry Nagaki as representatives to the Joint Committee with Bruce Corn being the alternate. Brett Nielson said that the South Board has designated Brett Nielson and Chris Landa as representatives to the Joint Committee with Rick Smith 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 and that his law firm would agree to act as attorneys for the Joint Committee. These services will be billed at \$222.00 per hour. A motion was made by Mr. Ausman, seconded by Mr. Nielsen, 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 \$222.00 per hour, plus expenses.

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

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 and discussed. Mr. Nielsen asked if the depreciation line in the financial report included depreciation on the dam. Mr. Chamberlin said that it was just depreciation on the Dam Power Plant.

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. Nielsen, seconded by Mr. Ausman, and unanimously carried:

Oregon-Idaho Utilities	\$299.78
AT&T	24.52
SDIS	26,028.02
Nichols Accounting	<u>350.00</u>
TOTAL	\$53,381.91

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 and discussed.

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

AT&T	\$72.13
SDIS	50,524.98
Oregon-Idaho Utilities	112.80
Stunz, Fonda, Kiyuna & Horton	2,322.00
Nichols Accounting	<u>350.00</u>
TOTAL	\$53,381.91

MALHEUR COMMUNITY EMPOWERMENT FOR THE OWYHEE ACT. Mr. Chamberlin gave an update on the proposed Act. He said that he and Mr. Horton are still trying to get the designation of the wild and scenic portion of the Owyhee River moved downstream from the face of the dam to the Gauging Station. The proposed legislation was discussed.

ELEVATOR AT DAM. Mr. Chamberlin gave an update on the repairs to the elevator at the dam. He said the elevator should be back in service in the next couple of weeks. He said that he does not have a cost estimate yet.

PUMPBACK FERC FILING. Mr. Chamberlin and Mr. Horton reported they have not heard of any activity on the proposed pumpback filing at this time.

WATERSHED REPORT. Mr. Chamberlin said that he has not received a runoff forecast for the watershed from Reclamation yet. He said current storage at the reservoir is 494,000 acre feet. He reported there is 4.5 inches of water equivalent at Mud Flat.

OPERATION OF DAM POWER PLANT. Mr. Chamberlin said that he is waiting to hear from Reclamation for an inflow forecast to determine if the Dam Power Plant operation parameters as adopted in the Joint Committee's 1990 Policy are met. The Committee members discussed the possible operation of the Dam Plant. The 1990 criteria for operation of the plant were reviewed. After discussion, a motion was made by Mr. White, seconded by Mr. Nagaki, and unanimously carried authorizing Mr. Chamberlin to begin operation of the Dam Power Plant once he hears from Reclamation on a forecast report if the 1990 Policy criteria are met. Mr. Chamberlin said he will continue to check with Reclamation on their forecast and he will notify Idaho Power in order to sell any energy produced.

TUNNEL POWER PLANT. Mr. Chamberlin said the wicket gates at the Tunnel Power Plant need coatings. He said that fishermen lifted the grate on the Tunnel entrance. He said that grate needs to be put back in place. He said a diver will probably need to be hired to put the grate back in place. Mr. Chamberlin said that work is being done on the crappie filter. He said that batteries are scheduled to be replaced after this next generation season.

RING GATE. Mr. Chamberlin said the differential valve at the ring gate is being worked on. He said it should be ready to go before the ring gate needs to be operated.


TRIBAL VISIT. Mr. Chamberlin said he received a request on behalf of the Duck Valley Tribe to tour the dam. He said that he told them that a tour could be done perhaps in May.

DAM COMPOUND ELECTRICAL EQUIPMENT. Mr. Tschida asked about the needed work and upgrades on the Compound on the electrical systems there. Mr. Chamberlin said that work and upgrades at the Dam Compound need to be done and this may need to be the time to act. He said that supplies and materials need to be purchased. Once those are

purchased, then he foresees the work being done in stages. He said they are looking at installing underground wiring. He said Reclamation has not objected to this proposal.

ADJOURNMENT. There being no further business, the meeting was adjourned at 1:52 p.m.

Respectfully submitted,


Secretary

APPROVED: _____