

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

September 18, 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 September 18, 2018, at 7:05 p.m. Michael W. Horton, Secretary, presiding.

The following members of the Joint Committee were present:

Frank Ausman Steve Clapier (South Board Alternate)
Bruce Corn
Dan Tschida (OID Alternate)

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; Linda Henderson and Darla Sebasto, OID Patrons; Tyler Sweet, CPA; and Larry Meyer, Newspaper Reporter.

Mr. Horton called the meeting to order. He then turned the chair over to Bruce Corn.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on September 12, 2018.

MINUTES. The minutes of the meeting of the Joint Committee held on August 21, 2018, were mailed to the Committee members prior to this meeting. A motion was made by Mr. Ausman, seconded by Mr. Tschida, 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 and discussed 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. Tschida, seconded by Mr. Clapier, and unanimously carried approving payment of the accounts payable as follows:

Oregon-Idaho Utilities	111.86
Stunz, Fonda, Kiyuna & Horton	497.05
Nichols Accounting	<u>340.00</u>

TOTAL \$948.91

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 and discussed the report. Mr. Horton said that last month Mr. Corn asked for an explanation on the falling water entry. Tyler Sweet, CPA, said that the entry was an estimated accrual entry and where the estimated amount was higher than the actual amount then the financial report shows it as a credit. He said that this is only a credit in the report and is not actually money owed back from FERC.

Mr. Sweet said the Committee members need to consider making a bond payment in November. He said November's payment has already been prepaid but that the project would benefit from making another payment. The benefits of making a payment were discussed. Mr. Sweet said that in his correspondence with SELP they said that prepayments will forgive future payments. The matter was discussed further and it was determined that Mr. Chamberlin and Mr. Sweet will look at the current numbers and put together some optional payments for the Committee members to consider at next month's meeting.

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

AT&T	\$300.62
Nichols Accounting	<u>340.00</u>
TOTAL	\$640.62

WATER USAGE REPORT. Mr. Chamberlin handed out a water usage report which the Committee members reviewed. Mr. Chamberlin said that he estimates that there will be over 200,000 acre feet of water in the reservoir at the end of the irrigation season.

FIRE IN WILDHORSE WATERSHED. Mr. Chamberlin said that he received a report that there was a fire in the Wildhorse Watershed which may effect water quality next year.

OLD OWYHEE PUMP REPAIR. Mr. Chamberlin said the Old Owyhee pump had an issue and has been torn apart and is being repaired.

POWER COSTS FOR 2018 (2019 BUDGET). Mr. Chamberlin said he had a meeting with Reclamation and power costs will be up some for 2019.

RELAY AT SUBSTATION TUNNEL #1. Mr. Chamberlin said a relay at Substation Tunnel #1 tripped off a few times during the season. He said staff were able to get the system back online fairly quickly but that the relay will be repaired after the power plant is shut off.

NEW CLEMENTS FILTERS. Mr. Chamberlin said the new clements filters installed during the off season are working well to protect the crappie egg filter. He said the clements filter caught a couple of large rocks that would have damaged the crappie egg filter.


RING GATE CONCRETE REPAIR. Mr. Chamberlin said he has contacted some concrete repair contractors and received ideas on a repair. He said that some demo work will need to be done to see how far back the damage is. He said that he does not think the current damage is jeopardizing the integrity of the ring gate seal. He said staff now have some idea of the repair needed. Mr. Chamberlin said that he does feel that the work needs done. He then asked John Eells of South Board if they could dedicate a crew to help with some of the repair work. Mr. Eells said that they could and that they could also help with scaffolding.

USBR MUSSELS ASSESSMENT REPORT. Mr. Chamberlin said that Reclamation has issued a facility assessment report on mussels for the Owyhee Project. He said he now has the report and will be going through it.

HEMP. Mr. Chamberlin said that there are increasing growers in Oregon who are looking at growing hemp. He said that other Oregon irrigation districts are passing policies to deal with the use of Reclamation water to grow hemp. He gave a report on what the other districts are doing. He also gave a report on Reclamation's policies on hemp and marijuana.

ADJOURNMENT. There being no further business, the meeting was adjourned at 7:46 p.m.

Respectfully submitted,


Secretary

APPROVED: _____

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

September 18, 2018

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on September 18, 2018, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, at 106 Main Street, Nyssa, Oregon, at 7:49 p.m. Dan Tschida, Vice-President of the District, presiding.

The following Directors were present:

Bruce Corn	Frank Ausman
Dan Tschida	Jerry Nagaki (who arrived at 8:10 p.m.)

Director Eric White was absent.

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; and the employee group representatives.

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on September 12, 2018.

EMPLOYEE GROUP. Brad Goul representing the employee group presented the employee group's proposal for 2019. A copy of the proposal is attached to these minutes. Director Corn asked how the HRA is working for the employees and Mr. Goul said it is working well. Director Tschida asked how the employees are liking the employee review process and Mr. Goul said the employees are liking it. Director Tschida asked if the work crew wage differential has gotten straightened out and Mr. Manser said that it has. Director Tschida asked about the top wages being paid, insurance costs, and PERS. Director Tschida said that those items will need to be looked at before the Board can make a decision on the proposal. He said the Board should be able to vote on the proposal in the November meeting. At 8:58 p.m., the employee group representatives left the meeting.

MINUTES. Minutes of the meeting of the Board of Directors held on August 21, 2018, were mailed to the Directors prior to the meeting. A motion was made by Director Corn, 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. Mr. Manser said that the District was able to make it through the season on chemicals with one less skid. Directors Tschida and Ausman commended the District staff on water quality. Mr. Chamberlin said that the good water quality was a result of a combination of things. He said the weather with the

smoke cover and clean runoff, together with the change in chemical applications contributed to the good water quality.

Mr. Chamberlin said there were expenditures this month for the Malheur Siphon Project which will show up in next month's report. He said lots of materials and supplies for the project are being purchased now. Materials for the siphon project were discussed.

ACCOUNTS PAYABLE. Two lists of the District accounts payable for the month were included in the Directors' packets. The Directors reviewed the lists. Questions were asked and answered on the bills. A motion was made by Director Corn, seconded by Director Ausman, and unanimously carried approving payment of the accounts payable.

At 8:10 p.m., President Jerry Nagaki joined the meeting and took over chairmanship of the meeting.

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 Tschida, seconded by Director Ausman, and unanimously carried authorizing payment of the following accounts payable:

Century Link	\$145.47
Tekfinity	85.90
Nichols Accounting Group	<u>120.00</u>
Total	\$351.37

MALHEUR SIPHON UPDATE. Mr. Chamberlin said that things are forging ahead in a big way. He said that most of the steel materials are in. He said the struggle has been with the Bureau of Reclamation, but things seem to be in order now. He said that problems have been inside Reclamation between the regional and area offices. Mr. Chamberlin explained the proposed Reclamation oversight of the project. He said that dirt work, road work, and gates have been done. He said the contractor will start mobilizing in the next couple of days. He explained the planned worked schedule. Security for the construction repairs was discussed.

FCA PLAN PROGRESS. Mr. Chamberlin said there is not a lot to update the Board on the FCA Plan progress. He said FCA staff is currently working on gathering data.

WATER CONSERVATION PLAN. Mr. Chamberlin said that OWRD requested changes to the plan which have been made.

NEWELL AND TWILIGHT PIPELINE GRANTS. Mr. Chamberlin said that the grants for the Newell and Twilight pipeline projects have closed out and about \$75,000 will be coming back into the District from the grants.

MITCHELL BUTTE UNIT #2. Mr. Chamberlin said that JL Eldred is concerned with the lower bearing in Mitchell Butte Unit Number #2. He said that Mr. Eldred is proposing to pull the unit and rehab the lower bearing once the water shuts off.

KINGMAN PUMP. Mr. Chamberlin said that the Kingman pump needs rehabed this off season.

SOUTH ADVANCEMENT PUMP. Mr. Chamberlin said that the South Advancement pump has mudded up and has been pumping slurry and will need worked on this off-season.

HEMP POLICY. Mr. Chamberlin said that a number of districts are passing policy with regard to the growing of hemp within District boundaries. He said he will work on proposed policy with Mr. Horton which the Board may be able to review in November.

OWEB GRANTS. Mr. Chamberlin said that OWEB's new policy is to hold up grant funding on projects that have water rights transfers which are not completed at the time of the grants. He said that growers on the grant projects may have to pay for the water rights transfers up front. He said that this will increase costs to the growers. Mr. Chamberlin said that the District will not be purchasing pipe this year for the grant projects because of the holdup.

EXECUTIVE SESSION. Mr. Chamberlin said an executive session is needed to discuss real property negotiations and legal matters with counsel. Mr. Horton said that the Board will enter executives session pursuant to ORS 192.660(2)(e) and (h). At 8:40 p.m., the Board entered into executive session and Darla Sebasto and Linda Henderson left the meeting.

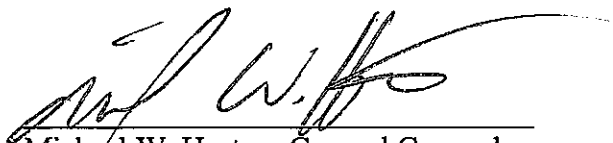
The Board returned to regular session at 9:15 p.m.

PROPERTY PURCHASE. Mr. Chamberlin presented a proposed Purchase Agreement for the District to purchase the Agri-Service property. He said that Agreement has been signed by Agri-Service. He said that the Agreement has been worked on and approved by Mr. Horton. A motion to purchase the Agri-Service property in Nyssa for \$350,000 and authorizing President Jerry Nagaki to sign the purchase agreement for the property purchase was made by Director Ausman, seconded by Director Corn, and unanimously carried. Desired inspections of the property were discussed.

FUEL TANK. Director Tschida asked Mr. Chamberlin if he had an opportunity to check on insurance coverage for fuel stored in a bulk tank and if he had the opportunity to check on double walled versus single walled tanks. Mr. Chamberlin said he has not done that yet.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 9:20 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael W. Horton", written over a horizontal line.

Michael W. Horton, General Counsel

APPROVED: _____

Owyhee Irrigation District
Employee Committee
Wage and Benefit Proposal for 2019

Committee Members:

Brad Goul

J.J. Eldred

Rob Bair

Scott Lawrence

The members of the Employee Committee met with the staff of the Owyhee Irrigation District and after some deliberation would like to propose the following wage and benefit for 2019:

- 2% increase in hourly rate for all employees
- 2% incentive increase to be determined by annual evaluation

The employees would also like to request that the HRA amounts remain the same for 2019; \$4,250 for individuals and \$8,500 for families.

Sincerely,

Brad Goul

James J. Eldred

Robert S. Bair