

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

December 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 December 18, 2018, at 1:00 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 (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; and Larry Meyer, Newspaper Reporter.

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

MINUTES. The minutes of the meeting of the Joint Committee held on November 20, 2018, were mailed to the Committee members prior to this meeting. A motion was made by Mr. Nielsen, seconded by Mr. Corn, 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 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. Corn, seconded by Mr. Nielsen, and unanimously carried approving payment of the accounts payable as follows:

Oregon-Idaho Utilities	\$245.66
AT&T	124.32
Stunz, Fonda, Kiyuna & Horton, LLP	372.75
OWRD	3,758.04
Nichols Accounting	<u>340.00</u>
 TOTAL	 \$4,840.77

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 the report.

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	85.27
Oregon-Idaho Utilities	168.78
OWRD	2,220.28
Nichols Accounting	<u>340.00</u>
TOTAL	\$2,814.33

TUNNEL POWER PLANT REPAIRS. Mr. Chamberlin said that the relays are being worked on. He said the runners have not been looked at yet. He said that a communications upgrade is also being worked on.

RING GATE REPAIR. Mr. Chamberlin said that in speaking with the firm that recently did the Malheur Siphon repair work for Owyhee Irrigation District, he will be having them look at the ring gate and give an estimate for repair work. He said that \$40,000 was put into the Owyhee Dam budget for the repairs.

OWYHEE DAM BUDGET FOR 2019. Mr. Manser passed out a proposed budget for the Dam for 2019. The proposed budget was reviewed and discussed. Mr. Chamberlin said that he will speak to the county on the boat ramp and paying for the restroom and garbage. A motion was made by Mr. Nielsen, seconded by Mr. Ausman, and unanimously carried approving the budget as presented.

2019 WATER FORECAST. The water forecast for 2019 was discussed. Mr. Corn noted that the Owyhee Watershed is in the best shape of all watersheds in the state of Oregon at the present time.

INVASIVE SPECIES CHECK STATION OREGON PROPOSED LEGISLATION. Mr. Horton gave an update on the proposed Representative Findley bill to allow irrigation districts to do boat inspections. Mr. Horton gave an update on his contact with Representative Findley's office on the concerns the Joint Committee has with the proposed bill. Mr. Chamberlin said that Representative Findley was under the impression that Reclamation would be paying for the inspections and that he may not want to pursue the bill if no Bureau money is available.

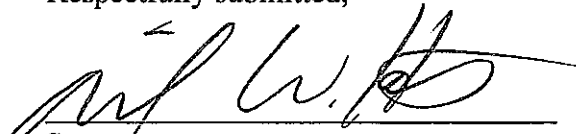
OWRC ANNUAL CONFERENCE REPORT. John Eells reported on the OWRC Conference which he attended with Mr. Manser and Mr. Horton. He said that he is just glad his office is in Idaho and not in Oregon given Oregon's laws. He noted that at one of the sessions on

employee embezzlement he was surprised by the number of irrigation districts that had problems with this issue, but that Owyhee was not one of them. He said that Oregon did back down on the Hells Canyon Dam re-licensing requirement that chinook be reintroduced into the Snake River above the complex.

MISCELLANEOUS MATTERS. Bruce Corn reported on the current happenings with the Oregon Water Resource Commission. Mr. Chamberlin reported on the current farm bill and how it effects hemp.

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

Respectfully submitted,


Secretary

APPROVED: _____

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

December 18, 2018

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on December 18, 2018, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, at 106 Main Street, Nyssa, Oregon, at 10:05 a.m. Dan Tschida, Vice-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.)

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

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

MINUTES. Minutes of the meeting of the Board of Directors held on November 20, 2018, 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.

DISTRICT FINANCIAL REPORT. Mr. Chamberlin handed out a financial report which the Directors reviewed and discussed. The need for fuel storage was discussed. A possible mobile storage option was discussed. Mr. Chamberlin will investigate.

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 Corn, 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. Director Corn said it is most likely there will not be funds available for a transfer to the District.

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

Century Link	\$100.48
OWRD	932.00
Tekfinity	85.90
Nichols Accounting Group	<u>120.00</u>
Total	\$1,238.38

MALHEUR SIPHON PROJECT. Mr. Chamberlin gave an update on work done on the Malheur Siphon Project so far. He said there is about \$176,000 left owing. He said the work will end up coming in about \$118,000 over the bid amount. Mr. Manser said that the plan is to be mostly completed by Friday and then clean up some minor grouting work in February. Mr. Chamberlin said that overall the work has gone good. Director Tschida said that it does look impressive. Director Corn said he noticed some dirt against the Malheur Siphon in a different location that needs to be moved out.

MALHEUR SIPHON LOAN DOCUMENTS. Mr. Horton and Mr. Sweet gave an update on Business Oregon Financing for the siphon. Mr. Horton said that the contract received from the state does not match up with what was discussed and Mr. Sweet will contact the state loan representative about the contract. Mr. Horton said that notice needs to be published of the Board's consideration of entering into the contract. He said that a later meeting will be needed to adopt the resolution.

DISTRICT CASH FLOW. Mr. Sweet handed out a summary of potential cash flow and reserves which he went through with the Board. Mr. Sweet said his concern is cash flowing the District until assessments come in. The matter was reviewed and discussed. Director Ausman said the District will need to rely on reserves to pay for the Malheur Siphon Project. The timing of the real property purchase was discussed and it was the consensus of the Directors that closing not happen until March.

VISTA VIEW PIPELINE PROJECT. Mr. Chamberlin said that the bid for pipe for the Vista View Project has been issued. The project was discussed and it was the consensus of the Board that installation of the pipe not occur until the Frahms prepay their water bill as promised. Mr. Chamberlin said that the grant money for the pipe will come in within 30 days of the pipe being purchased.

2019 BUDGET. Mr. Sweet handed out a draft budget and summary for 2019. The Directors reviewed the draft budget. The chemical budget and planned applications were discussed. Mitchell Butte funds and expenses in setting the budget were discussed. Director White expressed his preference that money be left in the Mitchell Butte fund this next year given the potential costs of Mitchell Butte rather than trying to use the funds to supplement the District's budget.

EMPLOYEE PROPOSAL. Mr. Chamberlin said there are three retirements coming up. The Board discussed the Employee Proposal. After discussion, a motion was made by

Director White, seconded by Director Ausman, and unanimously carried that the employees receive a 1% pay increase with an additional 1% based upon positive employee evaluation and that the HRA contribution remain the same as this year.

ANNUAL LEAVE FOR NEW EMPLOYEES. Mr. Chamberlin said he would like to allow new employees to take accrued leave without the current waiting period. This will help with the employees being available for projects in the fall. A motion was made by Director White, seconded by Director Corn, and unanimously carried approving the proposed change.

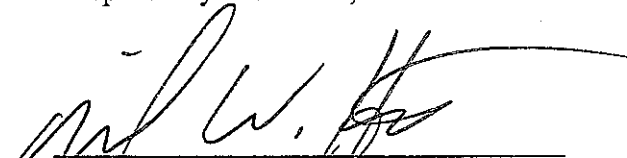
OREGON PAY EQUITY ACT. Mr. Manser and Mr. Horton explained the new Oregon Pay Equity Act and its impact on the District. The matter was discussed.

MANAGER PAY. Mr. Chamberlin's contract was discussed. It was noted that he did not receive a pay increase last year. The Directors discussed the matter and after discussion, a motion was made by Director Corn, seconded by Director Ausman, and unanimously carried that Mr. Chamberlin's salary for 2018 be increased retroactively by 2% so that he is on the same footing as the employee increase and that for 2019, he receive a 1% pay increase with a potential additional 1% based upon the Board's evaluation of him in January.

FCA MODERNIZATION PLAN. Mr. Chamberlin said that FCA and District staff are still plowing forward with the FCA Modernization Plan.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 12:10 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____