

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

January 18, 2022

A regular meeting of the Board of Directors of the Owyhee Irrigation District was held on January 18, 2022, at Owyhee Irrigation District office located at 422 Thunderegg Blvd., Nyssa, Oregon, at 10:05 a.m. Jerry Nagaki, President of the District presiding.

The following Directors were present:

Dan Tschida Bruce Corn
Eric White Frank Ausman
Jerry Nagaki (who was present by speaker telephone)

Also present were: Clancy Flynn, Manager of the Hydro Project and Jay Chamberlin, Outgoing Manager; Michael W. Horton, Attorney (by speaker telephone); Brian Bachelder, District Patron; Linda Henderson, District Patron; Leslie Thompson, Newspaper Report for Argus Observer (by speaker telephone); and Greg Clark, District Patron, (who joined the meeting at 10:10 a.m.).

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on January 13, 2022.

PLEDGE OF ALLEGIANCE. The meeting was started with the Pledge of Allegiance.

MINUTES. Minutes of the meeting of the Board of Directors held on December 21, 2021, were reviewed by the Directors. A motion was made by Director Corn, seconded by Director White, and unanimously carried approving the minutes.

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 president. Dan Tschida was duly nominated and elected as president. Newly elected President Dan Tschida then took over as Chairman of the meeting.

ELECTION OF VICE-PRESIDENT. President Tschida opened nominations for the election of vice-president. Frank Ausman was duly nominated and elected as vice-president.

ELECTION OF SECRETARY. President Tschida opened nominations for the election of secretary. Bruce Corn was duly nominated and elected as secretary.

APPOINTMENT OF LEGAL COUNSEL. Mr. Horton said that his proposal for this new year is to remain the same as last year, but with the name of his law firm changing to Five Rivers Law, P.C. A motion was made by Director Corn, seconded by Director Tschida, and unanimously carried appointing the law firm of Five Rivers Law, P.C., as attorneys for the District for the year 2022, 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.

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

DEPOSITORIES. Mr. Flynn said that the District has accounts at Umpqua Bank and U.S. Bank. A motion was made by Director Ausman, seconded by Director Corn, and unanimously carried to continue with the same depositories.

JOINT COMMITTEE REPRESENTATIVES. Mr. Horton said that representatives from OID to the Joint Committee need to be determined. A discussion was had. After discussion, a motion was made by Director Corn, seconded by Director White, and unanimously carried appointing 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. 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. The lists were reviewed and discussed. The Directors asked questions about a couple of bills which were answered by Mr. Flynn. A motion was made by Director Ausman, seconded by Director White, 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. The Directors discussed moving some of the funds from the account towards the annual assessment. Mr. Flynn said that he does not yet have an estimate on the cost of the trash rack repair. He said he would guess between \$10,000 and \$20,000.

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

AT&T	\$37.35
Tekfinity	42.95
Nichols Accounting Group	<u>185.00</u>
TOTAL	\$265.30

WATER ACCOUNT SOFTWARE. Mr. Flynn said that he is moving forward with changing the water accounting software for the District. He said the District is moving from True Point which costs \$18,000 per year and switching to Storm which costs \$6,000 per year after the first three years while the startup costs are phased over the first three years. He said the money

will be saved in year four. He said that the ditch riders will have iPads which will be tied in to their Verizon wireless accounts. The possibility of accepting credit cards was discussed. Mr. Flynn said that he will investigate that possibility and the potential costs further. Mr. Flynn said the computers do need updated. A motion was made by Director White, seconded by Director Corn, and unanimously carried ratifying Mr. Flynn's action to change the water accounting software and purchase iPads.

EMPLOYEE PROPOSAL. Mr. Flynn said that the employees accepted the proposed salary increases.

PROPERTY EVALUATION. Mr. Flynn said that he checked with Richard Beck on the value of the property which the District owns across the highway from the office. He said the estimated values are between \$215,000 to \$250,000. He said that if the land could be split in half, then the potential value of each half would be between \$130,000 to \$160,000 each. He said there are folks interested in purchasing the land. The Directors discussed the need for the land at this time.

At 10:45 a.m., Leslie Thompson left the meeting.

The Directors continued discussion on the potential property sale. Mr. Flynn said that he will continue to investigate the potential for splitting the property and report back next month.

DELINQUENT ACCOUNTS. Mr. Flynn said that letters went out to delinquent account holders. He said that liens have been filed on a couple of the accounts. He said those individuals who had special agreements to bring their accounts current with the District did not follow through.

DEAD OX PUMPING PLANT CONSTRUCTION. Mr. Flynn gave an update on the Dead Ox Pumping Plant construction project. He said the project is moving forward and is going good. He said it looks like completion of the project will line up good with water coming in. He then showed some photos of the project. He said he hopes to eliminate half or all of one-day shift job position. The project was discussed, along with ideas for removing the material which will be collected by the screens.

OFF SEASON WORK. Mr. Flynn gave an update on the Kingman Lateral repair. He then reported on the status of the pipelines which are being installed. He said that the Esplin feed lot owner has not yet gotten pipe purchased.

FUEL STORAGE. Mr. Flynn gave an update on his investigation on purchasing bulk fuel. He said that if the District had a 10,000 to 12,000 gallon tank, the District could save \$21,700 annually. In that event, the payback to the District would be 8 years given the current costs of tanks. He said there are some smaller fuel cubes that could potentially save the District \$17,100 per year for fuel. He said he is still checking on options and that he will talk to the Co-op about bulk fuel purchases from them.

BLM FIRE UPDATE. Mr. Flynn said there is a meeting coming up in February with the BLM and USBR about the fire situation.

DIRECTOR SUCCESSION PROCEDURE. Mr. Flynn said that he put some materials together on a process to appoint a replacement Director should a vacancy arise. The proposed materials were in the Directors' packets. Director Nagaki said that February will be his last meeting. A motion was made by Director White, seconded by Director Ausman, and unanimously carried adopting the proposed procedures for filling Director vacancies. The process for filling Director Nagaki's position when he resigns in February was discussed in detail. After discussion, a motion was made by Director White, seconded by Director Corn, and unanimously carried that a press release go out stating that applications for Director Nagaki's position with details on the application process included in the release.

USBR LOANS. Mr. Flynn said that there are USBR loans available for extraordinary maintenance items. He said that right now the interest rates on the loans are ambiguous. He said he understands that 35% of the loans are non-reimbursable. He said the deadline for filing for a loan is January 31. He said he is reluctant in going into further debt. He said that in order to move forward with a loan application now, the District would have to identify a project and that the loan repayment would be between 30 to 50 years. He said the loan program will also be available next year. He said that the PPP loan has not yet been forgiven. The Directors discussed the potential loans and determined that there is not enough detail in order to make an application in this cycle.

MEETING RECESSED. At 12:00 p.m., President Tschida declared the meeting in recess to reconvene after the Joint Committee meeting.

MEETING RECONVENED. At 1:36 p.m., the meeting was reconvened.

2022 BUDGET. Mr. Flynn handed out a proposed budget for 2022. He said the District had good carryover from last year. He said the payroll amount in the budget has been adjusted to reflect the increase in wages. He said the fuel costs and cell phone costs have also been adjusted from the last draft of the budget. He pointed out other changes which have been made from the last draft. The Directors discussed potential equipment purchases and needs for the District. The possibility of renting a concrete pump was discussed. The Directors noted that a lot hinges on the PPP loan being forgiven.

INCURRED WATER CHARGES. The Directors discussed setting the annual incurred water charges. After discussion, a motion was made by Director Ausman and was seconded by Director Corn to increase the assessment \$1.00 over last year's assessment and to take \$.50 per acre out of the Mitchell Butte project, and that in addition to the annual incurred water charge, that a service charge be imposed on a subdivided and small tract lands consisting of five acres or less at the rate of \$75.00. The motion was discussed. Linda Henderson asked about the \$1.50 special assessment, which the Directors said they will next address. A vote on the motion was had and it passed unanimously.

SPECIAL ASSESSMENT. Mr. Chamberlin said there are two more years left on the loan for the Malheur siphon. A motion was made by Director White, seconded by Director Corn, and unanimously carried imposing a special \$1.50 per acre incurred water charge for the Malheur siphon project. It was noted that the total incurred water charges for the District, with the regular incurred water charge and the special incurred water charge will be \$70.00 per acre.

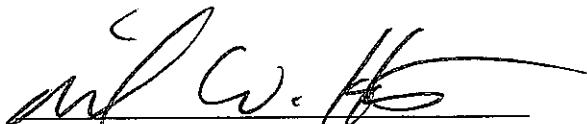
2022 BUDGET (Continued). A motion was made by Director White, seconded by Director Corn, and unanimously carried to adopt the budget for 2022 as amended.

JAY CHAMBERLIN. Mr. Chamberlin provided an update on the time he is planning on staying with the District.

MANAGER REPORT. Mr. Flynn reported on staffing for District positions. The employee breakfast was discussed. Mr. Flynn explained ditch rider phones, and acquiring a new backhoe, along with the old one going up to the dam was discussed.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 2:16 p.m.

Respectfully submitted,


Michael W. Horton, General Counsel

APPROVED: _____

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

January 18, 2022

A meeting of the Joint Committee of the Owyhee Project was held on January 18, 2022, 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:

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

Also present were: Clancy Flynn, Manager of the Hydro Projects and Owyhee Irrigation District; Jay Chamberlin, Outgoing Manager of Owyhee Irrigation District; Michael W. Horton, Secretary and Legal Counsel (by speaker telephone); Jerry Nagaki, OID Alternate (by speaker telephone); and Brian Bachelder and Linda Henderson, Members of the Public.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on January 13, 2022.

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

MINUTES. The minutes of the regular meeting of the Joint Committee held on December 21, 2021, were reviewed by the Committee members. A motion was made by Mr. Ausman, seconded by Mr. Landa, 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 Chris Landa as representatives to the Joint Committee with Steve Clapier 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 Nielsen 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 all on the same terms as last year. A motion was made by Mr. Tschida, seconded by Chairman Landa, and unanimously carried that Michael W. Horton be appointed Secretary and general counsel for the Joint Committee and that his law firm of Five Rivers Law, P.C., be

appointed as attorneys for the Joint Committee all at an hourly rate of \$222.00 per hour, plus expenses.

TUNNEL #1 POWER PROJECT.

Tunnel #1 Financial Report. Mr. Flynn handed out financial reports for the Tunnel Power Project which were 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. Tschida, and unanimously carried approving payment of the accounts payable as follows:

Nichols Accounting Group	\$1,000.00
AT&T	91.75
Stunz, Fonda, Kiyuna & Horton, LLP	727.25
Spiegel & McDiarmid	<u>7,233.10</u>
Total	\$9,052.10

OWYHEE DAM POWER PROJECT.

Owyhee Dam Financial Report. Mr. Flynn handed out financial reports for the Owyhee Dam Power Project which were reviewed by the Committee members.

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

AT&T	\$59.22
Nichols Accounting Group	<u>425.00</u>
Total	\$484.22

EQUIPMENT FOR DAM MAINTENANCE. Mr. Flynn said that the tractor up at the dam is wearing out and needs replaced. He said it has a broken axle. He said that OID has a backhoe that may work up there that would be more useful than a tractor. Chairman White asked about the possibility of OID renting the backhoe for dam usage. Mr. Flynn said that he will find out on values for a backhoe and potential purchase or rental amounts.

SNOW COURSE FLIGHT. Mr. Flynn reported on the recent snow flight he and Mr. Chamberlin took. He said that it looks like there was good coverage, but not a lot of snow depth. Mr. Chamberlin said the watershed is at the tipping point right now. He said the snow pack is starting to evaporate. He said the fact that it rained before the snow came in did help. He said that right now the high pressure system is hurting. He said the current reporting stations are showing between 110% to 103% of normal. The Committee members discussed the matter. Mr.

Chamberlin said that he and Mr. Flynn are planning on flying the snow course again this week or next.

HYDRO MAINTENANCE UPDATE. Mr. Flynn updated the Committee members on the ongoing maintenance on the hydro projects. He said that staff got into the wicket gates and things are looking good so far.

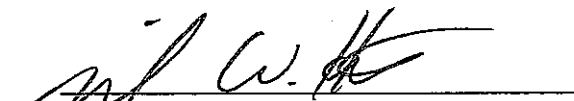
DAM TENDER POSITION. Mr. Flynn said that he has received a lot more applicants for the vacant dam tender position since the last time he put out notice for the job vacancy. He said there are a couple of interviews coming up.

RING GATE REPAIRS. Mr. Flynn said that the repairs to the ring gate are done for this year.

PUMP BACK STORAGE FERC FILING. Mr. Flynn said that representatives from the company who filed the application for a pump back storage system with FERC will be meeting with him and Jay Chamberlin to gather information. He said they have agreed to pay for any district information they receive and applicable staff time. He said they are proposing a 3,500 acre reservoir. The matter was discussed.

ADJOURNMENT. There being no further business to come before the Committee, the meeting was adjourned at 1:35 p.m.

Respectfully submitted,


Secretary

APPROVED: _____