

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

March 9, 2018

A special meeting of the Board of Directors of the Owyhee Irrigation District was held on March 9, 2018, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 11:00 a.m., Jerry Nagaki, President of the District, presiding.

The following Directors were present:

Bruce Corn	Frank Ausman
Dan Tschida	Jerry Nagaki

Also present were: Jay Chamberlin, Manager; Harvey Manser, Assistant Manager; Michael W. Horton, Attorney; Greg Clark, Engineer; and Tyler Sweet, CPA.

MEETING NOTICE. Mr. Manser said that public notice was given as to the meeting in accordance with Oregon law.

MALHEUR SIPHON BIDS. Mr. Chamberlin said that the bids were opened for the Malheur Siphon Project and that three bids came in. The low responsive bid was from RSCI at \$847,000. Mr. Clark said that this bid exceeded his estimate of \$500,000 for the project.

Mr. Chamberlin made a recommendation to the Board to reject all of the bids and to rebid the project with some changes made in order to get closer to the engineer's estimate. Mr. Horton stated that Oregon Statute 279(C).395 allows the District to reject all bids and rebid a project. Mr. Clark said that if this happens, he estimates additional engineering fees of approximately \$10,000.

Mr. Chamberlin said the new request for bids could change the project to being completed in one year rather than two years. Mr. Clark said that the scope of work could also be lowered. The Directors discussed the matter.

Mr. Sweet said that accepting this low bid would put the District in a cash crunch. He explained options on financing the project. He said that if the project is rebid and the new bids still come in higher than the engineer's estimate, then financing options could be looked at. He said he can reach out to Business Oregon. He said currently they have an interest rate of approximately 4.5%. He recommends that the District use its Bureau reserves and getting a line of credit of approximately \$300,000. Mr. Horton said that written confirmation from USBR is needed in order to access those Bureau reserves.

The Directors continued discussion of the matter. After discussion, a motion was made by Director Ausman, seconded by Director Corn, and unanimously carried that all bids be rejected because they came in higher than the engineer's cost estimate and that management change the

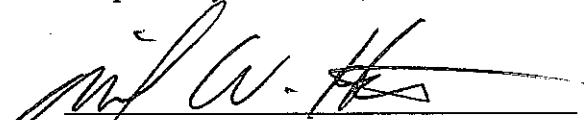
scope of work for the project from two years to one year, along with lowering some of the other areas of the scope of work and rebid the project.

KINGMAN SIPHON. Mr. Manser said that the Kingman Siphon work is done and looks good.

WATER SITUATION. Mr. Chamberlin gave an update on the water forecast.

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

Respectfully submitted,



General Counsel

APPROVED: _____