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

June 19, 2018

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on June 19, 2018, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, at 106 Main Street, Nyssa, Oregon, at 8:00 p.m. Jerry Nagaki, President of the District, presiding.

The following Directors were present:

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| Bruce Corn | Frank Ausman |
| Eric White | Jerry Nagaki |
| Dan Tschida | |

Also present were: Jay Chamberlin, Manager; Michael W. Horton, Attorney; Harvey Manser, Assistant Manager, Brian Richins, Auditor; Mrs. Dan Tschida, Darla Sebasto, and Linda Henderson, OID Patrons; and Linda Rowe, SWCD.

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on June 14, 2018.

MINUTES. Minutes of the meeting of the Board of Directors held on May 22, 2018, were mailed to the Directors prior to the meeting. A motion was made by Director Ausman, seconded by Director White, 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. Director Corn noted that the gopher money has been depleted. The matter was discussed. Director White asked about fuel usage. Director Ausman said he would still like to see the District purchase storage tanks to be able to get fuel at bulk prices.

DISTRICT ACCOUNTS PAYABLE. Two lists of the District accounts payable for the month were included in the Directors' packets. The Directors reviewed the lists. Mr. Chamberlin said that a tractor was purchased to pull a mower. Questions were asked and answered on the bills. A motion was made by Director White, 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. Mr. Chamberlin said that Idaho Power accidentally made payments which were due to the Mitchell Butte Project to the Tunnel and Dam Projects. He said that the mistake is being corrected.

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

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| Century Link | $51.37 |
| Verizon | 29.88 |
| Nichols Accounting Group | 120.00 |
| Total | $201.25 |

2017 AUDIT REPORT. Brian Richins presented his audit of the District's finances for 2017. The audit included a letter and charts. Each Board member received a copy of the audit, audit letter, and charts. Mr. Richins said that the audit went well and there were no issues. He explained the unfunded liability for PERS. He said that overall on the audit, nothing really stood out. He said it is pretty consistent and the books are in good shape. He said District staff and Nichols Accounting have done a good job. He said the only thing he could recommend is that communication at the end of the year be better between Nichols Accounting and District staff on equipment sales and trade-ins. He said it was a clean audit with things being very well documented and the District having good procedures in place. Director Corn said that he asks every year about procedures and he appreciates Mr. Richins answering the question before he has asked it. Mr. Richins reminded the Board that he does tests for internal controls but does not perform a forensic audit. He said that he will need a check to the Secretary of State for $250 to file the audit. He thanked the Board for using him to do the audit.

MITCHELL BUTTE DEBT. Mr. Richins said that money is showing owed for the Mitchell Butte Project back to the District. He said the funds transferred in 2018 could show as a payoff of that debt.

At 8:40 p.m., Brian Richins left the meeting.

SWCD PROJECTS. Mr. Chamberlin said that Linda Rowe is here to see if the District is on track on the Vista View Project, Bishop Project, and the sediment pond. Linda Rowe said that the money is in for these projects. She said that the District has another year to complete construction on the sediment pond which is located by Peterson's sheds. Mr. Chamberlin said that he has commitments to haul the spoil from the new sediment ponds.

Mr. Chamberlin said that on the Vista View Project there are a couple of options available. He said that right now there is no installation money in the budget. He said pipe could be bought and then OWEB could be asked to grant an extension on the project. Linda Rowe said the District can get reimbursed from the grant when the pipe is purchased. The Board discussed the matter. Linda Rowe said that there should be sufficient funds from the grant to purchase the pipe. Storage of the pipe was discussed. A motion was made by Director White, seconded by Director Corn, and unanimously carried to purchase the pipe for the Vista View Project if the grant money is sufficient.

Linda Rowe said that she is looking at the Project on Morgan Avenue. She knows that the District has the Malheur Siphon Project coming up. Mr. Chamberlin said that the plan is to do the Malheur Siphon Project this fall and finish early spring. Mr. Chamberlin suggested the Vista View Project be tackled in the fall of 2019. He said the Morgan Avenue Feedlot may be an idea for 2020. Linda Rowe said that OWEB funding is still holding.

MALHEUR SIPHON UPDATE. Mr. Chamberlin said he had a meeting with the engineer and the contractor on the Malheur Siphon Project. He said they will continue holding regular meetings. He said the planning for construction steps are ongoing. Director Corn asked if the Patrons are aware of the October 1 shutoff. Mr. Chamberlin said that word has continued to have gone out. On the funding for the project, Mr. Chamberlin said that he spoke to USBR about using the reserves and that USBR is now changing their tune on how those reserves can be used. Mr. Chamberlin said that his plan is to use OID funds first and then the USBR reserves.

BOAT RAMP AT OWYHEE RESERVOIR. Mr. Chamberlin said that the County has a new road manager whom he has met with. He said that the new manager has had conversations with him about the boat ramp. He said that the bathroom at the ramp has become an issue.

BPA GRANT FOR PUMP. Mr. Chamberlin said that he will be submitting a grant application for a pump through BPA.

CASCADE CHEMICAL APPLICATION. Mr. Manser said that the chemical Cascade was applied on June 13. He said that weed growth has been slow so far this year so he may be able to cancel the last two skids of product. Mr. Chamberlin said that the plan is to keep treating with Magnacide and other chemicals every four weeks.

FCA TOUR. Mr. Chamberlin said that the FCA Tour went well. He said that Mr. Manser headed up the tour. A discussion on water conservation measures was had. Mr. Chamberlin said that SWCD has greatly benefitted the District with the projects they have helped on.

WATER CONSERVATION PLAN. Mr. Chamberlin said that the Water Conservation Plan has gone through the public comment period. He said that OWRD is reviewing the plan now. He said that OWRD staff wrote thank yous on a recent tour they had of the District. He said that it was good for the OWRD staff to tour the District.

DISTRICT BUILDING MAINTENANCE POLICY. Mr. Chamberlin said there is a proposed District Building Maintenance Policy in the packets. The proposed policy was reviewed by the Directors. Mr. Chamberlin said SDAO is recommending passage of the policy. Mr. Chamberlin said that he himself also recommends the policy. A motion was made by Director Tschida, seconded by Director Ausman, and unanimously carried adopting the proposed Building Maintenance Policy. Director Tschida asked if there is a risk that SDAO may cancel snow coverage.

LINDA HENDERSON QUESTION. Linda Henderson asked if there is a conflict between conservation and aquifer regeneration. Mr. Chamberlin said he hopes the FCA study will address some of these issues.

EXECUTIVE SESSION. At 9:40 p.m., the Board entered executive session pursuant to ORS 192.660(2)(e) to discuss real estate. Everyone, except for the Board, the manager, assistant manager, and the attorney, left the meeting.

The meeting reconvened at 9:49 p.m.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 9:50 p.m.

Respectfully submitted,

Michael W. Horton, General Counsel

APPROVED:_____

# MINUTES OF MEETING OF JOINT COMMITTEE OF THE OWYHEE PROJECT

June 19, 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 June 19, 2018, at 7:00 p.m. Eric White, Chairman, presiding.

The following members of the Joint Committee were present:

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| Frank Ausman | Jerry Nagaki |
| Bruce Corn | Eric White |
| Brett Nielsen | Ryan Criffield (South Board Alternate) |

Also present were: Jay Chamberlin, Manager of the Hydro Projects; John Eells, South Board Manager; Harvey Manser, OID Assistant Manger; Mr. and Mrs. Dan Tschida; Linda Rowe, SWCD; Darla Sebasto and Linda Henderson, OID Patrons; Senator Cliff Bentz; Michael W. Horton, Secretary; and Brian Richins (who joined the meeting at 7:40 p.m.)

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on June 14, 2018.

MINUTES. The minutes of the meeting of the Joint Committee held on May 22, 2018, were mailed to the Committee members prior to this meeting. A motion was made by Mr. Corn, seconded by Mr. Nagaki, 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. Mr. Chamberlin pointed out that the Mitchell Butte Payment to OID went into the Tunnel and Dam Power Plant accounts and will be rectified next month. Mr. Horton said that Tyler Sweet at Nichols Accounting is working with Idaho Power on getting the accounts resolved.

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

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| Oregon Idaho Utilities | $112.10 |
| AT&T | 349.75 |
| Sage Engineers | 4,537.50 |
| Stunz, Fonda, Kiyuna & Horton | 527.50 |
| Nichols Accounting | 340.00 |
| TOTAL | $5,866.85 |

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. Questions on the report were asked and answered.

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. Nagaki, seconded by Mr. Nielson, and unanimously carried approving payment of following accounts:

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| Oregon Idaho Utilities | $305.45 |
| AT&T | 161.32 |
| Sage Engineers | 4,537.50 |
| Nichols Accounting | 340.00 |
| TOTAL | $5,344.27 |

SENATOR BENTZ. Senator Bentz reported on the last legislative session he was involved in. He said there has been 1.2 million dollars allocated to the County which could be used on improvements for the road to the dam. He said that the Committee may want to go to the County to ask for that money to be spent there. He said this money should be coming in every year. Senator Bentz said that on the mussels, the Park Service may be able to do boat inspections and if the Committee is interested, they could have a letter written to him requesting legislation. Senator Bentz said that on carbon tax he is looking for water conservation ideas. He then answered questions on legislative issues. Senator Bentz then left the meeting.

USBR DAM FACILITY ASSESSMENT. Mr. Chamberlin said that USBR staff will be sitting down here to do an assessment of potential risk. Chairman White said that Senator Bentz has asked for a letter requesting legislation on boat inspections if the Committee is interested. He said he would like to consider such a request. The matter was discussed and after discussion, a motion was made by Mr. Nielson, seconded by Mr. Corn, and unanimously carried adopting the following resolution:

> RESOLVED THAT the Joint Committee of the Owyhee Project hereby requests legislation on putting a boat check station on the way to Owyhee Dam to address the threat of mussel infestation.

ELEVATOR CABLE REPLACEMENT. Mr. Chamberlin said that one of the cables which was going to be installed on the elevator was thrown over the downstream side of the dam by vandals. He said a replacement roll is coming. He said the cost of the roll and spool is approximately $3,000. He said a new roll has been ordered which has postponed the project. He said the new target date is around the end of July.

AUDIT REPORT. Brian Richins, auditor said that he is doing the OID audit and part of that audit includes a report on the hydro projects. He handed out charts relating to the hydro project and went through those with the Joint Committee.

CLINT SHOCK REPORT. Mr. Chamberlin said he received a report from Clint Shock with regard to the expansion of the growing season here in the Treasure Valley. He said he has been going through the report.

MOU WITH OLD OWYHEE. Mr. Horton read a letter from Old Owyhee wherein they agreed to comply with the MOU for this irrigation season.

ADJOURNMENT. There being no further business, the meeting was adjourned at 8:00 p.m.

Respectfully submitted,

Secretary

APPROVED:_____