

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

January 2, 2019

A special meeting of the Board of Directors of the Owyhee Irrigation District was held on January 2, 2019, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, at 106 Main Street, Nyssa, Oregon, at 10:00 a.m. Jerry Nagaki, President of the District, presiding.

The following Directors were present:

Bruce Corn	Jerry Nagaki
Frank Ausman	Eric White

Also present were: Jay Chamberlin, Manager; Michael W. Horton, Attorney; Darla Sebasto and Linda Henderson, OID Patrons.

MEETING NOTICE. Mr. Horton said that notice of the meeting was published in the Argus Observer on December 8, 2018.

MALHEUR SIPHON LOAN. Mr. Horton said that the loan contract with Oregon Business Development has been worked out and he presented a proposed contract and resolution for the Board's consideration. The matter was discussed in detail and after discussion, a motion was made by Director Corn, seconded by Director Ausman, and unanimously carried adopting the resolution attached to these minutes.

SIGNATURES FOR BORROWING. Mr. Horton said that the state requires signature cards for the borrowing. A motion was made by Director White, seconded by Director Corn, and unanimously carried authorizing signers for the loan and disbursements on the loan to be Jay Chamberlin, Frank Ausman, Bruce Corn, and Eric White.

MALHEUR SIPHON PROJECT STATUS. Mr. Chamberlin updated the Board on issues with Reclamation staff during the Malheur Siphon repair work. He said that the final costs for the project will be about \$850,000.

DATE OF NEXT BOARD MEETING. Mr. Chamberlin reminded the Directors that the next Board meeting will be January 22.

VISTA VIEW PIPELINE PROJECT. Mr. Chamberlin said that pipe bids did come in on the Vista View project. He said the District is now ready to go out for an RFP on the installation on the lower part of the Vista View Pipeline Project. He said the grant money for the pipe did come in. Director Corn said completion of the project will really help water quality even more than a sediment pond would have.

DITCHING. Mr. Chamberlin gave a report on ditching being done throughout the District.

BOAT INSPECTION LEGISLATION. Mr. Horton said that the language the Joint Committee wanted in the proposed boat inspection legislation couldn't get into there and that the bill will not be proceeding at this time. Director White said he would like to see the Joint Committee make a request to reclamation to help prevent mussel infestation.

SDAO MEETING. President Nagaki said he received a notice on SDAO's annual meeting. He said he also received notice on Board training in Hermiston, Oregon. Mr. Chamberlin said that he and Mr. Horton will be attending the annual meeting in February and President Nagaki said that he may be able to go. Mr. Chamberlin said that he will check into the Hermiston Board training to see if it is something that would work for the Board, and if so, he will let them know.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 11:00 a.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____

RESOLUTION OF THE OWYHEE IRRIGATION DISTRICT
AUTHORIZING A LOAN FROM THE SPECIAL PUBLIC WORKS FUND
BY ENTERING INTO A FINANCING CONTRACT
WITH THE OREGON INFRASTRUCTURE FINANCE AUTHORITY

The Board of Directors (the "Governing Body") of the Owyhee Irrigation District (the "Recipient") finds:

A. The Recipient is a "municipality" within the meaning of Oregon Revised Statutes 285B.410(9).

B. Oregon Revised Statutes 285B.410 through 285B.482 (the "Act") authorize any municipality to file an application with the Oregon Infrastructure Finance Authority of the Business Development Department ("OBDD") to obtain financial assistance from the Special Public Works Fund.

C. The Recipient has filed an application with the OBDD to obtain financial assistance for a "development project" within the meaning of the Act.

D. The OBDD has approved the Recipient's application for financial assistance from the Special Public Works Fund pursuant to the Act.

E. The Recipient is required, as a prerequisite to the receipt of financial assistance from the OBDD, to enter into a Financing Contract with the OBDD, number L19002, substantially in the form attached hereto as Exhibit 1. The project is described in Exhibit C to that Financing Contract (the "Project").

F. Notice relating to the Recipient's consideration of the adoption of this Resolution was published in full accordance with the Recipient's charter and laws for public notification.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the Recipient as follows:

1. Financing Loan Authorized. The Governing Body authorizes Jay Chamberlin (the "Authorized Officer") to execute on behalf of Recipient the Financing Contract and such other documents as may be required to obtain financial assistance (the "Financing Documents"), including a loan from the OBDD, on such terms as may be agreed upon between the Authorized Officer and OBDD, on the condition that the principal amount of the loan from the OBDD to the Recipient is not in excess of \$400,000 and an interest rate of 1.87% per annum. The proceeds of the loan from the OBDD will be applied solely to the "Costs of the Project" as such term is defined in the Financing Contract.

2. Sources of Repayment. Amounts payable by the Recipient are payable from the sources described in section 4 of the Financing Contract and the Oregon Revised Statutes Section 285B.437(3) which include:

- (a) The revenues of the project, including special assessment revenues;
- (b) Amounts withheld under ORS 285B.449 (1);
- (c) The general fund of the Recipient; or
- (d) Any other source.

3. Tax-Exempt Status. The Recipient covenants not to take any action or omit to take any action if the taking or omission would cause interest paid by the Recipient pursuant to the Financing Documents not to qualify for the exclusion from gross income provided by Section 103(a) of the Internal Revenue Code of 1986, as amended. The Recipient may enter into covenants to protect the tax-exempt status of the interest paid by the Recipient pursuant to the Financing Documents and may execute any Tax Certificate, Internal Revenue Service forms or other documents as may be required by the OBDD or its bond counsel to protect the tax-exempt status of such interest.

DATED this 2nd day of January, 2019.

OWYHEE IRRIGATION DISTRICT

By: *James Keadle*
Officer Title: PRES.

ATTEST

[Signature]
Officer Title: OID Sec