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

July 21, 2026

A regular meeting of the Board of Directors of the Owyhee Irrigation District was held on July 21, 2026, at the Owyhee Irrigation District office located at 422 Thunderegg Blvd., Nyssa, Oregon, at 7:47 p.m. President Frank Ausman presiding.

The following Directors were present:

- Bruce Corn
- Gregory Clark
- Eric White
- Frank Ausman

Also present were:

- Clancy Flynn, District Manager
- Michael W. Horton, General Counsel
- Linda Henderson, Member of the Public
- Darla Sebasto, Member of the Public
- Hank Zurklin, Member of the Public
- Brad Watson, Member of the Public (who joined the meeting at 8:03 p.m.)

MEETING NOTICE.

The meeting agenda showed that public notice of the meeting was given on July 15, 2026.

MINUTES.

Minutes of the meeting of the Board of Directors held June 16, 2026, were mailed to the Directors prior to this meeting. Director Corn made a motion to approve the minutes. The motion was seconded Director Clark. The motion passed with all the Directors present voting in favor of the motion.

DISTRICT FINANCIAL REPORT.

Mr. Flynn handed out a financial report for the month. The Directors reviewed and discussed the report. Mr. Flynn said that the budget has been holding up. He said that having the fuel tanks has been nice and has helped the budget. He said that staffing has been a mess. He said that he has had a few more seasonal people this year than prior years. The potential loan with DEQ was discussed.

DISTRICT ACCOUNTS PAYABLE.

A list of District accounts payable for the month, together with a breakdown of credit card charges, were included in the Directors' packets. The Directors reviewed, questioned, and discussed the accounts payable. Director White made a motion to approve the accounts payable. Director Corn seconded the motion. The motion passed with all the Directors present voting in favor of the motion.

BRAD WATSON.

Brad Watson joined the meeting at 8:03 p.m. President Ausman asked him to address the Board. Mr. Watson said that his company owns property within the District off of Mendiola Road. He said that ordering water this year has been difficult and that he does not feel that the maintenance on the lateral serving the property has been properly performed. He said that the water on this lateral has been shut off more this season than normal. He said that on another parcel off of the Shoestring lateral that they have a headgate that they cannot get water to. He said that he would like to see the District do something different with regard to maintenance throughout the District. President Ausman encouraged Mr. Watson to make written notes of the problems that he is having, along with some suggested fixes. He said those could then get submitted to management. Mr. Watson said that he feels that there is a communication problem within the District. He said that his company is willing to pay a larger water bill in order to fix things. Mr. Flynn addressed the issues which were raised. He said that the District is implementing digital work orders which may improve some things. Mr. Watson said that he would like to see headgates locked. He said that he also has four out of fourteen measuring devices that are not working. He said that he is advocating for more communication and locking headgates. The Directors discussed Mr. Watson's concerns with him. Mr. Watson left the meeting at 8:36 p.m.

MITCHELL BUTTE POWER PROJECT:

Financial Report.

A financial report for the Mitchell Butte Power Project was handed out by Mr. Flynn. The Directors reviewed and discussed the financial report. Mr. Flynn reported that Unit #2 failed to shut off after a power bump. He said that the unit had a bad relay, which was repaired. He said that when the unit was turned back on, it was making a bad noise. He said that more investigation as to the condition of the unit needs to be done.

Accounts Payable.

Accounts payable for the Mitchell Butte Power Project were listed on the agenda. Director White made a motion to approve the accounts payable. Director Clark seconded the motion. The motion passed with all the Directors present voting in favor of the motion.

EMPLOYEE WAGES.

Mr. Flynn said that the Employee Group met on July 16 to discuss wages, but he has not heard anything back from them.

CHEMICAL TREATMENTS.

Mr. Flynn gave a rundown of what chemical treatments have been done this year. Chemical treatments were discussed. The Directors all agreed that the water has been clean this year.

DEQ LOAN.

Mr. Flynn said that DEQ needs a resolution in order to proceed with the loan from them. He presented a proposed resolution, which Mr. Horton read aloud. The matter was discussed and after discussion, Director Corn made a motion to adopt the resolution. The motion was seconded by Director Clark. A vote on the motion was had and all of the Directors present voted in favor of the motion and the following resolution was adopted:

WHEREAS, the District has experienced several infrastructure issues requiring immediate attention, including erosion near the Snively Bench Flume, failure of the Dunaway transformers, and failure of the concrete slide on the Kingman 5.4 Lateral; and

WHEREAS, the costs associated with these repairs could significantly reduce the District's reserve fund but as stated in ORS 545.507 the board of directors can borrow money; and

WHEREAS, the Oregon Department of Environmental Quality administers the Clean Water State Revolving Fund ("CWSRF") loan program; and

WHEREAS, the Owyhee Irrigation District and the proposed repair projects qualify for financing through the CWSRF loan program;

NOW, THEREFORE, BE IT RESOLVED that:

1. That the District hereby approves entering into an agreement with DEQ for a DEQ Loan in the amount of $620,000 on the terms and conditions set forth in the loan documents attached hereto.

2. That the District authorizes Clancy Flynn, acting on behalf of the District, to sign the loan agreement and other related documents necessary to obtain the DEQ Loan.

3. That the District authorizes the appropriate officer or designee to establish a loan reserve account to receive and hold funds needed for the debt service on the DEQ Loan.

4. That the District commits to pay back the DEQ loan through revenue from the Project, current assessments, increased assessments, and/or other revenues.

5. If there is a conflict between this Resolution and prior resolutions, this Resolution controls.

KINGMAN LATERAL 5.4.

Mr. Flynn reported that there was a canal break on the Kingman 5.4 lateral Friday morning. He said that when the piping repairs were being performed, a fuse for the solar panel was disconnected. He said that the solar panel charges the batteries which operate the automated screen. He said that the batteries then failed to charge and the screen clogged with the loss of power. He said that the canal then overflowed and broke. He explained the damage that was done. He said that the pipe which was installed is working really well.

KINGMAN PIPELINE PROJECT.

Mr. Flynn updated the Board on getting grant proceeds for the Kingman Pipeline Project. He explained a setback with SHIPPO.

MARTIN MANUFACTURING BILL.

Mr. Flynn said that he is going to be meeting with George Martin on Martin Manufacturing's bill this week.

BACKHOE TIRE.

Mr. Flynn reported on the backhoe tire that was asked about last month. He said that the District will be trying to sell the tire on consignment.

JERRY BOWMAN'S PROPERTY.
Mr. Flynn said that the headwall for Jerry Bowman has been installed. He said that Mr. Bowman has now ordered and received water on his property.

WORK THROUGHOUT DISTRICT.
Mr. Flynn updated the Board on repairs on Mr. Lomis' property and on Jasmine Road. He also updated the Board on fiberoptics work going on throughout the District.

DITCH RIDER PICKUPS.
President Ausman said that the ditch riders need to be reminded that District pickups are not for personal use.

ADJOURNMENT.
There being no further business to come before the Board, the meeting was adjourned at 9:17 p.m.

Respectfully submitted,

Michael W. Horton, General Counsel

APPROVED: