

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

September 9, 2004

A special meeting of the Board of Directors of the Owyhee Irrigation District was held on September 9, 2004, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 7:30 p.m., Bruce Corn, President of the District, presiding.

The following Directors were present:

Bruce Corn	Fred Schilling
Frank Ausman	Jerry Nagaki

Also present were: Jay Chamberlin, District Manager; Mike Ward of Waldo Insurance Company; and Michael W. Horton, Secretary and General Counsel.

MEETING NOTICE. Mr. Chamberlin reported that notice of the meeting was given in accordance with Oregon law.

EMPLOYEE HEALTH INSURANCE. Mr. Chamberlin said that he requested the special meeting so that he could bring the Board members up to speed on how the proposal on the health insurance went with the employees. He said that the employees did not like the fact that money would be coming out of their checks and into a health reimbursement account for a majority of the employees. He said that it does not sound like the proposal will go over very well with the employees. Mr. Chamberlin said that the employees who receive extra compensation, which the Board intended to equalize the extra money the District pays for health insurance premiums for those employees who elect to insure their spouse or families, see the Board's proposal as a reduction in salary. President Corn stated that the problem is that the employees are confusing salary with benefits. He said that the extra compensation paid was for a benefit and not intended as salary. He said that the problem now is it has been blended in with salary.

Mike Ward passed around handouts on health insurance options for the District. He said that these are similar to the handouts he distributed at last month's meeting except for corrections in savings calculations.

At 7:35 p.m., Director Larry White joined the meeting.

The Directors reviewed the handouts.

Mr. Chamberlin said that the District pays additional premiums for approximately eight employees in the amount of \$101.53 per pay period for each of those employees. He said that the other employees receive the \$101.53 per pay period in their checks. President Corn stated that the District may have to give those eight employees cash instead of paying for the health insurance premiums in order to level the playing field among all of the employees. He said that if the District adopts a flexible spending account, those employees could then elect to have those amounts paid as salary taken out as pre-tax dollars and enjoy the same benefits they are currently receiving. Mr. Chamberlin said that in the meeting with the Employee Committee, he understood that they felt good about the District implementing a health reimbursement account.

At 7:50 p.m., Mr. Horton stated that the Board needs to enter executive session pursuant to ORS 192.660(1)(a) to discuss personnel matters and the Board entered executive session accordingly.

At 8:00 p.m., the Board returned to regular session.

DISCONTINUANCE OF DISTRICT PAYMENTS FOR CERTAIN HEALTH INSURANCE PREMIUMS. Director Schilling made a motion to have the District no longer pay additional health insurance premiums for those employees who elect to insure their spouse and/or family and to instead pay the sum of \$101.53 per pay period to each of those employees who are currently having the District pay such amounts towards their health insurance premiums for their spouse and/or families, with such change to become effective January 1, 2005. The motion was seconded by Director White and was passed by unanimous vote.

Mr. Ward said that the Board has now defined those benefits which the employees were receiving in their paychecks as salary just as the Employee Group had done. He said that he feels that now the Board and the employees are on the same page.

EXECUTIVE SESSION. Mr. Horton said that an executive session was needed to discuss further personnel matters pursuant to ORS 192.660(1)(a) and the Board entered executive session at 8:10 p.m.

At 8:20 p.m., the Board returned to regular session.

INSURANCE DEDUCTIBLE. A motion was made by Director White, seconded by Director Ausman, and unanimously carried setting the deductible amount for health insurance which the District will purchase at \$500.00 per individual covered.

BOUNDARY CHANGES. Mr. Horton said that the Petition to change the District boundaries has been signed by all of those affected land owners and has been filed with him. He said that the Board will need to consider the Petition at a regular monthly Board meeting after proper publication of notice. He said that the first meeting which this can occur will be the October meeting and that he needs a date and time of that meeting so that he can publish notice. A discussion was had and after discussion, it was the consensus of the Board that the hearing on

the boundary change Petition be held at the regular meeting of the Board of Directors on October 26 at 7:30 p.m. A discussion was had on the timing of the September 21 meeting and it was determined that the meeting would be held at 7:30 p.m.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned by President Corn at 8:30 p.m.

Respectfully submitted,

  
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Secretary

APPROVED: \_\_\_\_\_