

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

February 4, 2002

A special meeting of the Board of Directors of the Owyhee Irrigation District was held on February 4, 2002, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 10:06 a.m., Bruce Corn, President of the District, presiding.

The following Directors were present:

Duane L. Drydale	Fred Schilling
Bruce Corn	Larry White
Jerry Nagaki	

Also present were: Jay Chamberlin, District Manager; and Michael W. Horton, Secretary and General Counsel.

MEETING NOTICE. Mr. Chamberlin reported that notice was given on February 1, 2002, to the news media, namely the Ontario Argus Observer and Radio Station KSRV, as to the time, date and place of the meeting.

B&M EQUIPMENT PROPERTY PURCHASE. Mr. Chamberlin stated that the reason for the meeting is to consider a counteroffer made by the bankruptcy trustee on the District's offer to purchase the B&M Equipment building. Mr. Horton stated that the bankruptcy trustee had come back with a counteroffer of \$150,000. Mr. Chamberlin stated that he has investigated the site and explained the work which needs to be done there. Mr. Horton stated that he had contacted an environmental engineer and the cost of an environmental assessment will be \$5,000. Mr. Horton explained the environmental assessment process and the risks involved in purchasing property that may have environmental contamination. He stated that a purchaser of property which is contaminated who has knowledge of the contamination, will be financially responsible for cleanup of the contamination. Oregon Department of Environmental Quality has a program whereby a prospective purchaser can buy property without becoming responsible for all of the contamination cleanup costs. The program does entail a lot of red tape and must be approved by the State agency, but this is an alternative if the property shows significant contamination.

President Corn asked if some equipment purchases could be put off in order to facilitate the purchase of the property. Director Drydale asked about the required sewer hookup costs. Whether or not the property has city services was discussed as was the location of the Nyssa Arcadia drain.

President Corn asked Mr. Chamberlin to provide a report on the District's funds and the availability of funds to make the purchase. Mr. Chamberlin provided a list of available resources and anticipated expenditures for the next three months. According to the report, there would be \$940,079.48 in funds available.

Director Drydale asked about the possibility of building on excess land at the Dunaway Pumping Plant. The costs of constructing a new building were discussed as were handicap access issues.

TMDL MEETING. Mr. Horton stated that the public comment meeting on the TMDL's has been moved to April 11<sup>th</sup> at 7:00 p.m. at the Weese Building at Treasure Valley Community College. Mr. Horton stated that he is still awaiting information from Kathy Pratt before putting together written comments. The deadline for written comments is April 19, 2002.

At 10:42 a.m., President Corn declared the meeting in recess in order to view the B&M Equipment building.

At 11:26 a.m., the meeting was reconvened with all of the same Directors and individuals present.

B&M EQUIPMENT PROPERTY COUNTEROFFER. Director Drydale asked Mr. Chamberlin what his plans were with regard to the existing District shop and office in the event the B&M Equipment property is purchased. Mr. Chamberlin stated that the District would attempt to resell those properties.

Mr. Horton stated that the counteroffer received by the bankruptcy trustee included a provision that the trustee would continue offering the property for sale to others pending closing of the transaction with the District.

At 11:45 a.m., Jay Chamberlin left the meeting.

Mr. Horton stated that the District could spend money to have an assessment done on the cost of remodeling the B&M Equipment building as compared to having a new building built. The Directors did not think that this would be money well spent. The Directors noted that the B&M Equipment building and property have