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Harney Soil & Water Conservation District Regular Monthly Meeting

Present: Board Chair (BC) Jeff Hussey, Secretary/Treasurer (S/T) Scott Franklin, Board Directors (BD) Ken Bentz and Stacy Davies; District Manager (DM) Jason Kesling, Assistant Manager (AM) April Mack, SONEC Partner Biologist Braden Morris, LIT Priscilla Doan, SONEC Partner Biologist Breanna O'Connor, Admin Assist (AA) Barbara Pearson

Remote: BD Sue Ramsay

Guest: Contractor Lowell Goold

Absent: BD Carol Dunten and BD Susan Doverspike

BC Hussey called the meeting to order at 3:30 pm.

Item #1: Meeting Agenda (action item)
DM Kesling requested an agenda addition, 8a: Discussion on Ducks Unlimited Procurement Process. BD Bentz moved, and S/T Franklin seconded, to approve the agenda with the proposed addition. All present and eligible to vote were in favor. No one was opposed, and the motion passed.

Item #2: July Financial Report (action item)
DM Kesling said BD Ramsay had asked him whether the financial reports coincide with the reconciliation dates. He reviewed them and said yes. The Board received the July Financial Report before the meeting. He said there were no problems financially; the District is moving a lot of money. He is invoicing one to two times per week.

BD Ramsay asked about the size of receivables and payables and asked if the District Manager could attach a report to explain. DM Kesling said he would discuss this with Janae Trindle of Oster Professional Group (OPG). He said he would speak to BD Ramsay following the meeting to make sure he understood her request.

BD Ramsay also asked how the retained earnings went from negative to positive. DM Kesling said that OPG did that for the audit. He can bring Ms. Trindle or the OPG CPA in to explain if needed.

The District's fiscal year begins in July. We are currently in fiscal year 2026-2027.

S/T Franklin moved, and BD Bentz seconded, to accept the July 2026 Financial Report as presented. All present who was eligible to vote were in favor; no one was opposed. The motion passed.

Item #3: July Meeting Minutes (action item)
The minutes were reviewed and sent to the board shortly after last month's meeting. There were no proposed corrections. BD Bentz moved, and S/T Franklin seconded, to approve the minutes as presented. All present who was eligible to vote were in favor; no one was opposed. The motion passed.

Item #4: Muddy Creek Juniper Bid (action item)
LIT Doan provided a project overview. The bids submitted came in over budget. She contacted the BLM and showed staff the bids. The BLM staff said it could increase the budget total to $242K. One contractor was within that amount, and the BLM was familiar with and recommended Quicksilver. The board scored the bids submitted; DM Kesling asked BD Ramsay to scan and email her score sheet to the District office. As LIT Doan processed the scoring sheets, the meeting moved on to item #5.

Reviewing scoring sheets showed that Quicksilver had the highest score. BD Davies moved, and S/T Franklin seconded, awarding the Muddy Creek Juniper Bid to Quicksilver at $241,368. All present who was eligible to vote were in favor; no one was opposed. The motion passed.

Item #5: Staff Salary Payment Schedule (action item)
DM Kesling said he was advised by AM Mack that the Assistant Manager position has not been formally created. The salary schedule presented was a part of this. BD Ramsay asked about the incremental salary being presented to the board. Why is anyone listed on the schedule beyond the District Manager? DM Kesling said the board approves staff salary and all positions in the office. Yes, the board approves the District Manager's rate; he, as DM, sets the rate for others. Every April, the board votes on salary increases and cost-of-living allowances. An action such as this needs to be on record for auditing purposes, and this agenda item reflects the conversation the board had in April 2026.

Following discussion, BD Davies moved and BD Bentz seconded to accept the updated chart with incremental salaries that includes the Assistant Manager position. BC Hussey, S/T Franklin, BD Davies, and BD Bentz voted in favor; BD Ramsay abstained, and no one voted in opposition. The motion passed.

Item #6: Board Member to Serve on the Interview Panel (discussion)
This is for the newly created position of Ag and Natural Resources Precision Technology Specialist. Representatives from the Eastern Oregon Agriculture Research Center and the US Fish and Wildlife will participate. An interview has not yet been scheduled. Two people have applied for the position as of last week. BD Davies asked if the applicants were local, and DM Kesling said yes, and he expected other local applicants to come forward. He said he would work the interview schedule around whoever is appointed or volunteers. Discussion followed as to who might be available. BD Davies volunteered. What was originally put on the agenda as an action item moved to discussion.

Item #7: Board Member for Audit Interview (discussion)
DM Kesling said the audit has been scheduled. The District will be using a new accounting firm and is scheduled to be in Harney County on September 3, 2026. As part of the process, the auditor typically interviews a board member, and DM Kesling asked the board to either appoint a member or have someone volunteer. Following discussion, BD Ramsay volunteered to be interviewed. This was also changed to a discussion instead of an action item, as the agenda indicated.

Item 8: Sage Grouse Mitigation (discussion)
Historical note: previous meetings reported that the Paramount Mine in Malheur County is required to provide mitigation funds for conservation. Tony Svecjar and Andy (get her last name) represented the mine. They met with private and public conservationists last week to discuss whether its program could fit with the existing CCAA program.

DM Kesling said the CCAA program may not provide "good wiggle room" to incorporate mine mitigation and BioArmor. He saw this as an opportunity to give landowners more choices. DM Kesling said this issue in the county has nationwide ramifications with other conservation programs such as those for Mule deer and Trout, and he would like to see if the programs could be "married." Svejcar and Andy may try to negotiate with USFWS.

Ultimately, DM Kesling thought more conservation could be implemented, but with fewer CCAA participants. The benefit of the CCAA is protection for landowners if the bird is listed as endangered. Still, programs such as the mine mitigation or BioArmor can provide more financial resources more quickly and more consistently.

BC Hussey asked DM Kesling about his feelings on the subject, and DM Kesling said he is championing this. LIT Doan said District staff are here to provide the best options for landowners. DM Kesling said he would like to provide multiple options for landowners, including projects using state money, federal money, and private money, and allow landowners to choose.

The lifespan of various easement programs was discussed. Some are 30 years in duration, others are in perpetuity, and how a landowner could best utilize the duration for financing projects. BioArmor funds landowners, and if a landowner decides to leave the program, he or she is obligated to pay back the past three years of funding. BD Davies said he believed BioArmor assesses the property per acre and then pays on the acreage under the program. He didn't think money put toward improvements needed to be repaid.

BD Davies added there may be another future mitigation with the proposed lithium mine.

BC Hussey asked about landowners already involved with CCAA and who have had projects completed through that program. BD Davies said the landowner needs to submit in writing and provide 30 days' notice if he or she plans to leave the CCAA. He also spoke about his experience in Florida with CCAA programs for manatees and scrub jays.

Item 8a: Ducks Unlimited Procurement
DM Kesling provided background for the discussion topic. There are currently two wetland projects with FIP in the Harney wetlands. Landowners are interested in updating infrastructure. The project involves the High Desert Partnership (HDP), the District, and Ducks Unlimited (DU). The District and DU have their specific procurement process, which is causing delays and complicating the process.

One project (the Riggs Dam) is hoped to be completed this year. DM Kesling said the District is not trying to hold up the project, but it is also compelled to follow local rules. A DU representative will attend next month's board meeting to present on the project and may have a different scoring sheet for the board.

DM Kesling said the HDP pays DU for its engineering work but the District works with landowners. In May or June, he spoke to a DU representative about the Riggs Dam as to what falls within District fiscal responsibility and how we have to follow it.

Discussion followed as to each agency's role and responsibility. Based on experiences relayed by Board Members and the meeting guest, DU does not have the best reputation with some landowners in the Basin. DM Kesling was cautioned to protect or at least warn the landowners about signing off on control of their land and water rights.

While there has been a previous good relationship with DU, a recent staff change at DU has led to a shift in the office environment. Currently, the DU rep is in Bend, and the engineers are in Portland. DM Kesling said DU staff often travel to Harney County.

BC Hussey asked DM Kesling how he is handling this conflict, and DM Kesling said he wanted the board to be aware this involves a different process. He doesn't want to hold up the project for the landowner. BD Bentz asked how the original agreement was worded, and was told DU didn't like our procurement method for who gets to select.

BD Davies said he has worked with DU on multiple properties where he has worked and emphasized the need for the District to be careful in protecting landowner water rights—there could be some real problems.

BC Hussey asked how the District can do that, and DM Kesling said the District takes on the liability when it develops the grant—that is how he interpreted it. DU is the contractor, and we're paying for engineering and contracting. BD Davies asked if the landowner signs anything legal with DU, and DM Kesling said no, not to his knowledge. BD Bentz asked who generates the grant, and DM Kesling said it's an OWEB form.

BD Bentz said the issue is "It doesn't take long for things to go sour with DU. We have had some experience there." He suggested DU obtain its own grant or produce what it has been paid to do.

BD Davies urged DM Kesling to stand strong; protect the landowners. BC Hussey asked if this could give the District a black eye if things don't work out. DM Kesling said he can follow up with landowners to see what they are doing with DU, and BD Bentz offered to participate in those meetings.

S/T Franklin admitted he was uneasy about this. DM Kesling said this is the first time he has heard this much anxiety working with DU; for the past three years the District has had good experience with the organization. BD Bentz said DU has changed—Colson is gone.

BD Davies told DM Kesling to make sure landowners read the fine print as to what and who they give access to and how it affects their water rights now and in the future. New points of diversion can be significant. DM Kesling said he is unaware if DU has submitted any paperwork to the landowner.

#9 Public Comment

Lowell Goold thanked the board for "Putting out these projects I think it's great." He also provided an anecdotal landowner experience with DU. After the landowner's attorney looked at a proposed project and DU agreement, he elected to pay for the project himself and not involve the organization. His attorney said it was all about controlling the water supply.

BD Bentz moved to adjourn the meeting. S/T Franklin seconded. All eligible to vote were in favor; no one was opposed. The motion passed, and the meeting adjourned at 4:28 pm

Respectfully submitted,

Barbara Pearson, Admin Assistant

District Representative	Date