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## **Harney Soil & Water Conservation District Regular Monthly Meeting May 28, 2026**

Present: Board Chair (BC) Jeff Hussey, Vice Chair (VC) Susan Doverspike, Secretary/Treasurer (S/T) Scott Franklin, Board Directors (BD) Stacy Davies and Ken Bentz; District Manager (DM) Jason Kesling, Rangeland Biologist (RB) April Mack, LIT Coordinator Priscilla Doan, CWMA Tyler Goss, Administrative Assistant (AA) Barbara Pearson

Absent: BD Carol Dunten and Sue Ramsay

Guests: Lowell Goold of O-O, Chad Strain of STC Logging, Tony Hauth of H-Timber Contracting, LLC, Michael Angell of Wild Honey Excavation, Jessy Davies of Jessy Davies Logging

*Historical Note: On the day of the meeting, Harney County sustained a storm with high winds, hail, and lightning. This led to a late start to the meeting and some participants arriving late.*

VC Doverspike called the meeting to order at 3:38 pm.

### **Item #1: Meeting Agenda (action item)**

BD Davies moved and S/T Franklin seconded approval of the meeting agenda as presented. All who were present at the time (VC Doverspike, S/T Franklin, and BD Davies and Bentz) were in favor; no one was opposed. The motion passed.

### **Item #2: April Finance Report (action item)**

Meeting participants received an electronic copy of the financial report before the meeting, and there were hard copies in their notebooks. DM Kesling said there is nothing to report financially. DM Kesling has provided another report based on a previous request by BD Ramsay. He will work with Oster Professional Group to rectify the \$135 unclassified funds.

BD Bentz asked about funds with LGIP and asked about the interest rate. DM Kesling said it began at 5.5% and is currently 4.5%. Discussion followed regarding interest rates and how it is tax free.

DM Kesling referenced last meeting's discussion that the mine and people involved are looking into different ways to fund projects for the 30-year segment on easements and discussing this with BD Bentz. VC Doverspike asked if there are any legal restrictions on this? DM Kesling said no; this is a special opportunity because the District is a Soil & Water Conservation District.

BD Davies moved, and BD Bentz seconded, approving the April Financial reports as presented. VC Doverspike, S/T Franklin, BD Bentz, and Davies voted to approve; there was no one opposed; the motion passed.

### **Item #3: April Meeting Minutes (action item)**

Meeting participants received an electronic copy of the April meeting minutes before the meeting, and there were hard copies in their notebooks. DM Kesling said upon completion by AA Pearson that he, RB Mack, and then AA Pearson reviewed the minutes before submitting to the Board. VC Doverspike, S/T Franklin, BD Bentz, and BD Davies all voted to approve the meeting minutes. No one opposed, and the motion passed.

### **Item #4: Conflict of Interest Declaration (action item)**

DM Kesling said the District has two potential conflicts of interest, one for himself and the other for S/T Franklin. S/T Franklin's project is the Narrows Pipeline, awarded through the small grant process. He must declare the conflict, and another Board member will need to sign checks for the project. Also, S/T Franklin's son, Seth Franklin, has shown interest in future fencing projects, and DM Kesling wants to identify this conflict of interest before any bids are submitted.

Quicksilver recently submitted a bid for the Cottonwood Legacy project (item #8). There is not a lot of piling, but if Quicksilver were awarded the bid, it would subcontract with DM Kesling's company.

BD Davies asked for a refresher; does the Board recognize the conflict? DM Kesling said the Board recognizes and then decides if S/T Franklin to vote on projects his son may be involved in.

Conflicts of interest discussed, identification, and how the Board will act were discussed. VC Doverspike asked if the Board is to award the lowest bid or spread the projects around? LIT Doan said if the Board varies from the lowest bid awarded it must state why. She said presently the score sheet for awarding bids has five different ranking options. New contractors are not listed. DM

Kesling said the award needs to be defensible. The Board often lets the market dictate (re: awarding juniper contracts). If HSWCD staff have a contractor they are concerned with, they will discuss it. CWMA also referred to a contractor's quality of work and referred to the criteria list on the score sheet. If the Board wants the criteria changed, please let staff know.

BD Davies asked about the conflict of interest regarding S/T Franklin and Seth Franklin—how long is the conflict-of-interest form good for, and DM Kesling said it is tied to projects (FS 26PA1106040073 Disaster Relief and BLM L23AC00225 Rangeland).

Regarding Quicksilver, DM Kesling said he wanted to disclose his work with the business. In this role, he could not develop a budget for the project (LIT Doan did).

15 minutes into the meeting, there were no remote participants, so the phone hub was turned off. At 3:43 pm, BC Hussey arrived and took control of the meeting.

After further discussion, BD Davies moved, and BD Bentz seconded that the Board recognized conflicts of interest with DM Kesling and S/T Franklin, and did not see a need to restrict participation in the meeting and S/T Franklin would abstain from voting on any bid submitted by his son's company.

All present were in favor of this; no one was opposed. The motion passed.

**Item #5: Bank of Eastern Oregon Online Access for the District Manager (action item)**

DM Kesling explained the reason for the request. Recently, the District spent \$9K on trail cameras for a project, and knowing the credit card balance would have been helpful (see attached). BD Bentz moved, and S/T Franklin seconded that S/T Franklin provide the approved meeting minutes to the Bank of Eastern Oregon to authorize online access for the District Manager. All present who was eligible to vote were in favor, and the motion passed.

**Item #6: Fuel Card Account for HSWCD (action item)**

DM Kesling explained the need for the request. S/T Franklin asked about the cards being in the vehicle, and Goss said each card has an ID#, so not everyone can use them. BD Davies asked what steps are in place to keep other vehicles from being filled, and DM Kesling said he cross-references fuel used and projects. BD Davies said going by a vehicle odometer is best, and DM Kesling said this process uses the odometer system. BD Bentz said the separate card for each vehicle is good; BD Davies believed it was a step in the right direction. BD Davies moved, and BD Bentz seconded that the SWCD submit a credit

application to Ed Stub & Sons for fuel card for the SWCD's three vehicles. All present who was eligible to vote were in favor, and the motion passed.

**Item #7: Health Benefit (action item)**

DM Kesling presented the proposal on behalf of RB Mack, who was not present at that time. DM Kesling reviewed the proposed HRA VEBA health benefit option and elimination of the employee opt-out provision. It is a VEBA/HRA-style healthcare benefit account available to government employees. Discussion focused on employee participation, long-term sustainability, and use of accumulated funds. DM Kesling notes that other SWCDs are also exploring similar options. A two-options health care plan was proposed: a regular health insurance plan and/or HRA VEBA. The District would eliminate the opt-out. DM Kesling said he spoke to staff who thought it was an acceptable idea. If people don't get sick, the account can build up to fund spouse and children.

VC Doverspike asked if the HRA VEBA funds would stay with the employee? Discussion followed regarding account ownership, retirement implications, and tax considerations.

VC Doverspike asked about the proposed increase in employee contribution. DM Kesling explained that the increase would support employee healthcare needs while remaining within the District's budget. Discussion followed regarding insurance options, employee participation, long-term sustainability, and potential impacts of eliminating the opt-out provision.

BD Bentz moved, and BD Davies seconded approval of the HRA VEBA plan, increasing the employee benefit to \$1,500 per month and removing the employee opt-out provision effective July 1, 2026. All Board members present voted in favor. No one opposed and the motion passed.

**Item #8: HB5006 Cottonwood Bid Approval (action item)**

LIT Doan presented the Cottonwood bids. The location is past Cottonwood Reservoir and is the last part of the project. Seven proposals were submitted. Ill Peaks (out of John Day) was the lowest bidder. Because Ill Peaks did not have any local references and was unfamiliar to LIT Doan, she contacted a few agencies, including the references, and received good responses. There was a landowner's preference (Quicksilver, based on previous work), but was not opposed to any contractor. The Board reviewed and scored the bids, and LIT Doan tallied the results. The highest scoring contractor was Ill Peaks. BD Davies moved to award the bid to Ill Peaks; VC Doverspike seconded. All Board members present voted in favor. There was no one opposed, and the motion passed.

### **Item #9: BLM Fence Bid Selection for Falls Fire (action item)**

CWMA Goss provided an overview of the Falls Fire fencing program through the BLM. Two bids will be awarded to two different projects. For project #1, two bids were received: one from Steve Basey and the other from L&I from Winnemucca. L&I sent the lowest bid and provided an in-depth overview of its crew members, a work plan, and previous work. DM Kesling added that the BLM budget prefers to go with the lowest bid on both projects. The District has an active grant with \$137K; the proposal is approved, but the contract will not be sent out until the District receives funding. The funds have been approved but have not yet been received by HSWCD.

BC Doverspike said L&I did a project on her property. She said they did excellent work and completed on time. She wondered if she should vote or if it would be considered a potential conflict of interest. She was advised there was no conflict, as she was not the landowner of this project and didn't know at the time who submitted bids, and she was only stating her experience with the one bidder.

For the second Falls Fire Fencing project, the contractors who had submitted bids were discussed. CWMA Goss said he did not contact references. While bids were reviewed, scored, and tallied, the Board listened to Item #10. CWMA Goss advised that L&I was the highest-scoring bidder for both fencing projects. Based on this, BD Davies moved, and BD Bentz seconded, awarding both bids to L&I, Inc. There was no one opposed. The motion passed.

### **Item #10: Tony Hauth (discussion)**

Local contractors requested consideration of local preference for projects under \$100,000. The Board discussed legal requirements, funding restrictions, bid scoring criteria, and definitions of "local." Staff were directed to review potential modifications to the bid scoring sheet and present options at a future meeting.

### **Item #11: Mobile Solar System Trailers (action item)**

RB Mack provided a written overview of the request; CWMA Goss provided a verbal background. He hasn't recently had time to maintain the trailers and pumps, and they are getting into worse shape. He also believes some pumps or parts were removed during the time of last year's fuel theft. Today's pump technology is superior to what these pumps are.

RB Mack said no one is renting them, and they are taking up space. She hopes the Board will approve their sale and put the funds toward something else. She noted that several individuals have expressed interest in purchasing the pumps and trailers and retrofitting them to their property. Methods of disposing of the pumps and trailers were discussed. DM Kesling said the sale must be

announced in the paper. CWMA Goss suggested a closed bid process. He will evaluate the trailers and pumps for advertising purposes and then proceed.

BD Bentz said he thought the pumps and trailers should be sold. S/T Franklin asked if the trailers could be used and was advised that there are other trailers in good shape. DM Kesling said the new trailers were dual axles, but these were not. S/T Franklin said that anytime someone needs solar pumps, a grant can be obtained.

**Item # 12: Public Comments**

No public comments

**Item #13: Adjournment (action item)**

BD Davies moved, and BD Bentz seconded, adjourning the meeting. All members present and eligible to vote were in favor; no one was opposed. The meeting adjourned at 5:30 pm

Respectfully submitted,

Barbara Pearson, Admin Assistant

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District Representative

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Date