

**MINUTES OF MEETING OF JOINT COMMITTEE
OF THE OWYHEE PROJECT**

February 20, 2017

A meeting of the Joint Committee of the Owyhee Project was held at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, on February 20, 2017, at 1:10 p.m. Eric White, Chairman, presiding.

The following members of the Joint Committee were present:

Brett Nielson	Eric White
Frank Ausman	Jerry Nagaki
Dan Tschida	Chris Landa

Also present were: Jay Chamberlin, Manager of the Hydro Projects; John Eells, South Board Manager; Michael W. Horton, Secretary; Harvey Manser, OID Assistant Manager; Bruce Corn, OID Alternate; Tyler Sweet, CPA; and Larry Meyer, *Argus Observer* Reporter.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on February 15, 2017.

MINUTES. The minutes of the meeting of the Joint Committee held on December 20, 2016, were mailed to the Committee members prior to the meeting. A motion was made by Mr. Nielson, seconded by Mr. Nagaki, and unanimously carried approving the minutes.

REORGANIZATION. Chairman White stated that this, the first meeting of the year, is the time for the reorganization of the Joint Committee.

Representatives. Mr. Horton said that the OID Board has designated Jerry Nagaki, Frank Ausman, Eric White, and Dan Tschida as representatives to the Joint Committee with Bruce Corn being the alternate. Brett Nielson said that the South Board has designated Brett Nielson and Chris Landa as representatives to the Joint Committee with Ryan Ceriffield being the alternate.

Chairman. Chairman Eric White opened nominations for the office of Chairman. Eric White was duly nominated and elected as Chairman.

Vice-Chairman. Chairman White opened nominations for the office of Vice-Chairman. Brett Nielson was duly nominated and elected as Vice-Chairman of the Joint Committee.

Secretary and Legal Counsel. Mr. Horton stated that he is willing to serve as Secretary of the Joint Committee. Mr. Horton further stated that his law firm would agree to act as

attorneys for the Joint Committee at the same rate as last year, which is \$180.00 per hour. A motion was made by Mr. Nielson, seconded by Mr. Nagaki, and unanimously carried that Michael W. Horton be appointed Secretary and general counsel for the Joint Committee and that his law firm of Stunz, Fonda, Kiyuna & Horton, LLP be appointed as attorneys for the Joint Committee at an hourly rate of \$180.00 per hour, plus expenses.

Depositories. It was the consensus of the Joint Committee members to maintain the same depositories for funds of the Joint Committee as last year.

TUNNEL #1 POWER PROJECT.

Tunnel #1 Financial Report. Jay Chamberlin handed out two financial reports for the Tunnel #1 Power Plant, one being for the month of December and the other for the month of January. The financial reports were reviewed by the Committee members.

Tunnel #1 Power Project Accounts Payable. The Committee members reviewed the accounts payable listed on the agenda for the Tunnel #1 Power Project. A motion was made by Mr. Ausman, seconded by Mr. Tschida, and unanimously carried ratifying payment of last month's accounts payable and approving payment of the following accounts for this month:

WIN-911	495.00
Oregon Idaho Utilities	223.40
Nichols Accounting	<u>325.00</u>
TOTAL	\$1,043.40

OWYHEE DAM POWER PROJECT.

Owyhee Dam Financial Report. Jay Chamberlin handed out two financial reports for the Owyhee Dam Power Plant, one being for the month of December and the other for the month of January. The financial reports were reviewed by the Committee members.

Owyhee Dam Accounts Payable. The Committee members reviewed the accounts payable listed on the agenda for the Owyhee Dam Power Project. A motion was made by Mr. Ausman, seconded by Mr. Tschida, and unanimously carried ratifying payment of last month's accounts payable and approving payment of the following accounts for this month:

Oregon Idaho Utilities	\$589.02
Stunz, Fonda, Kiyuna & Horton, LLP	285.00
South Board	1,232.00
Bruce Corn	684.00
Frank Ausman	698.75
Jerry Nagaki	750.00

Dan Tschida	812.50
Eric White	689.00
WIN-911	495.00
Nichols Accounting	<u>325.00</u>
TOTAL	\$6,560.27

HYDRO UPDATE. Mr. Chamberlin said there is still work being done on the Tunnel Power Plant. He said that it should be ready to run within a couple of weeks. He said that the PLC is down and needs worked on. He said the Dam Power Plant is ready to go.

TUNNEL BOND REFINANCING. Mr. Chamberlin read from a letter from SELP that the proposed refinancing of the Tunnel Bond did not go through because of increases in interest rates. He said the plan is to continue with payment as set out in the Forbearance Agreements with SELP. Mr. Horton said it is his interpretation of the agreements that they remain in place after April 1, though it may be beneficial for the Committee to renegotiate the agreements if the interest rates can be reduced. Mr. Horton said that possible legislation is also being looked at though chances for that are slim given the economic situation the State of Oregon is in.

DAM STORAGE AND INFLOWS. Mr. Chamberlin gave handouts on storage and inflows into the Owyhee Reservoir. The Committee members reviewed and discussed these handouts as Mr. Chamberlin explained them. Mr. Chamberlin said he is yet to fly the snow course because of issues at the airport with the heavy snowfall. Mr. Chamberlin said that snotel sites are still showing snow pack at 126% of normal. He said the current storage in the reservoir is 424,617 acre feet. He said both NRCS and USBR forecasted inflows through July 1 are between 600,000 acre feet and 700,000 acre feet. The Committee members discussed the snow pack in the watershed.

OWYHEE DAM POWER PLANT OPERATION. Mr. Horton read from the policy for operation of the Owyhee Dam Power Plant which the Joint Committee adopted on February 15, 1990. Under the Policy, current conditions, and USBR forecasts, the Owyhee Dam Power Plant would be operated if reservoir storage exceeds 450,000 acre feet prior to March 1 or if that storage level is not reached before March 1, then it would be turned on, on March 1. The policy provides that the operation of the plant prior to the start of the irrigation season would be at maximum. Mr. Chamberlin said that maximum flow through the plant would be approximately 250 cfs. The matter was discussed in detail at length. The possibility of releasing water through the Tunnel system was also discussed. After discussion, a motion was made by Mr. Nielson, seconded by Mr. Ausman, and unanimously carried to operate the Owyhee Dam Power Plant in accordance with the 1990 Joint Committee Policy with the manager having discretion on the specific timing of the turn-on date. Mr. Chamberlin said he will get the word out prior to turning on the Power Plant so that those landowners with property along the river have time to take action. He said he will also notify emergency management officials, Idaho Power, and the county sheriff. The Committee members discussed the current state of the Owyhee River and

that operation of the Owyhee Dam Power Plant should help to scour out the river bed a bit in the event larger releases from the Owyhee Dam are needed later this year for flood control.

DATE, TIME, AND PLACE OF NEXT JOINT COMMITTEE MEETING. The Committee members discussed the next Joint Committee meeting. After discussion, it was determined that the next Joint Committee meeting would be held in conjunction with Owyhee Irrigation District's annual water user meeting with the Joint Committee meeting starting at 11:00 a.m., on March 21.

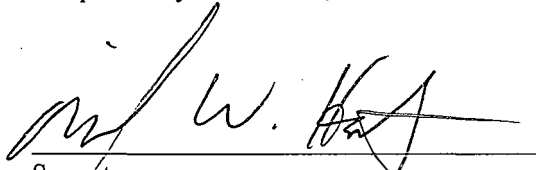
QUAGGA MUSSELS. Mr. Chamberlin said he received a call from Representative Cliff Bentz with regard to possible legislation requiring check stations for boats before they are allowed onto the Owyhee Reservoir. The Oregon State Marine Board would operate the check stations. Mr. Chamberlin explained that the mussels are now in Montana. John Eels reported as to what the state of Idaho is doing with regard to the mussels. Mr. Chamberlin explained the potential damage which the mussels can do. Mr. Chamberlin said the District may end up having to spend some money on this. The matter was discussed.

PROPOSED WATER RIGHT FEE LEGISLATION. Mr. Chamberlin and Mr. Corn updated the Joint Committee on proposed water right fee legislation in Oregon and other proposed Oregon legislative bills affecting water, water rights, and agriculture.

HELLS CANYON DAM RE-LICENSING. Mr. Horton and Mr. Eels updated the Committee on the status of the Hells Canyon Dam re-licensing. Mr. Horton summarized a letter he wrote to Oregon DEQ commenting on their proposed Section 401 Certification requirements. He said the Joint Committee authorized him to write this letter in December objecting to the Oregon proposal to reintroduce certain fish species into the Snake River and its tributaries above the Hells Canyon Dam Complexes. Mr. Eels explained action which the Idaho legislature is taking to try to stop Oregon's attempt at fish reintroduction.

ADJOURNMENT. There being no further business, the meeting was adjourned at 2:32 p.m.

Respectfully submitted,


Secretary

APPROVED: _____