

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

April 20, 2004

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on April 20, 2004, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 8:32 p.m., Bruce Corn, President of the District, presiding.

The following Directors were present:

Fred Schilling	Frank Ausman
Bruce Corn	Jerry Nagaki
Larry White	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, Secretary and General Counsel; and Mr. and Mrs. Pete Echeverria, District Patrons.

MEETING NOTICE. Mr. Chamberlin reported that he gave notice to the news media as to the time, date, and place of the meeting on April 13, 2004.

PETE ECHEVERRIA RIGHT-OF-WAY. Mr. Echeverria said that he has approximately 200 acres around Malheur Butte. The District's canal and access road runs through his property. He said that he is rebuilding fences and wants to move cattle guards. He said that Mr. Chamberlin informed him that a 12 to 14 wide cattle guard would be needed and the cost is approximately \$1,700. He does not think that he should have to pay for the cattle guard but he is willing to work with the Board. Mr. Chamberlin said that to his knowledge, the District has never purchased cattle guards for District patrons since the construction of the canal system. A discussion about the right-of-way and cattle guards was had. Mr. Chamberlin said that he will go out and inspect the right-of-way and see if there is an area where a gate can be installed so that the old cattle guard may be utilized. He said that the District will not allow a gate on the right-of-way. Director White suggested other ways to keep cattle in without a cattle guard. Mr. Echeverria said that he would consider such alternatives.

At 8:50 p.m., Mr. and Mrs. Echeverria left the meeting.

MINUTES. Minutes of the meeting of Directors held on March 16, 2004, had been mailed to each Director prior to the meeting. A motion was made by Director Schilling, seconded by Director Nagaki, and unanimously carried approving the minutes as mailed.

MITCHELL BUTTE POWER PROJECT.

Financial Report. Jay Chamberlin handed out a financial report prepared by Nichols Accounting Group for the Mitchell Butte Power Project for the period ending April 1, 2004. The Directors reviewed the report.

Accounts Payable. Mr. Chamberlin presented the following schedule of accounts payable for the Mitchell Butte Power Project:

AT&T	\$36.33
AT&T	27.57
Nichols Accounting Group	<u>233.00</u>
Total	\$296.90

A motion was made by Director Ausman and seconded by Director White that the accounts payable for the month of April, as listed in the agenda, be paid. The motion passed unanimously. The Board members informed Mr. Chamberlin that they appreciate having the invoices attached to the accounts payable list.

OWYHEE IRRIGATION DISTRICT BILLS. Jay Chamberlin handed out a list of accounts payable for the District which were paid on April 20, 2004. Mr. Chamberlin said that a check was recently issued to the Bureau of Reclamation for the estimated electricity charges on the Pumping Plants and it was approximately \$202,000. The pumping charges were discussed. A motion was made by Director Schilling and seconded by Director Nagaki that the payment of the accounts on April 20, 2004, be ratified. The motion passed unanimously.

AUTOMATION. Mr. Chamberlin said that he has yet to get a bid on a backhoe because he has been working on grant applications for automation projects. He said that one of the grants is over a three-year period and he has put together a three-year automation plan. Locket Gulch would be automated in the third year, Tunnel Canyon in the first year, and Malheur Siphon in the second year. The total equipment costs on Tunnel Canyon automation would be approximately \$60,000. Mr. Chamberlin said the Malheur Siphon gate is a dangerous area where currently boards have to be pulled and automating that site is a priority. He said that, nevertheless, Tunnel Canyon is still the most critical site for automation. He said automation would measure both the north and south canal along with the spillway. Mr. Chamberlin said that at some point, he would like to have the District be able to do the automation in house rather than paying a contractor for the work. He said that the mechanical portions can be done by the staff but the computer part is currently beyond the District's means.

Mr. Chamberlin said that there is an area around Gem Avenue which cannot get enough water when the water first comes on. He said that a structure needs to be built in that area but he is unsure of the proper design.

A discussion was had with regard to the District's share of costs on such automation projects. Mr. Chamberlin said that these projects require congressional approval and he has submitted written reasons why these projects are needed. Mr. Chamberlin said that the Board will need to make a decision this summer on both the Tunnel Canyon and Malheur Siphon projects based upon the District's financial situation at that time.

GEOGRAPHIC INFORMATION SYSTEM. Mr. Chamberlin said that there is another federal grant available for putting the District's maps into a computer system and overlaying the right-of-ways, water rights, and other information into the system. He said that eight Districts in the State of Oregon have gone together through Oregon Water Resources Congress to apply for the grants. If the Board wants to apply for the grant, a Board resolution is needed. Mr. Chamberlin said that just because the District applies for the grant does not mean that it has to follow through on the purchases. The proposal is that the District would pay a company to transfer its information to software which would then be kept at the company's site and accessed by the District through computers. The approximate cost for the District would be \$15,000. A discussion was had as to how the software would help the District. Director Ausman stated that he is in favor of automation but not in favor of spending money on putting District information on a computer. Mr. Chamberlin said that such a system would help the District keep track of right-of-ways, mapping, and water transfers. He said that eventually the state will require all Districts to have such a mapping system. He said that the District currently receives 15 to 20 requests on pipeline locates every week. This requires a District employee to go out and physically check on pipe locations.

Mr. Chamberlin asked Mr. Horton to read the proposed resolution which Mr. Horton read. A motion was made by Director White and seconded by Mr. Nagaki to adopt the resolution. Director Ausman asked how much the annual costs will be for the mapping system after the second year. Mr. Chamberlin said that he does not know at this time but that he feels confident about the company because of other Districts' experiences with it. He said that he will check and report back to the Board on the potential annual costs. He said that if the District becomes unhappy with the company, it will have the ability to get back its' information. After discussion, a vote on the motion was had and it passed unanimously. Accordingly, the following resolution was duly adopted:

OWYHEE IRRIGATION DISTRICT
Resolution No. 04-04

**A RESOLUTION AUTHORIZING AND APPROVING NEGOTIATIONS AND
EXECUTION OF A COOPERATIVE AGREEMENT FOR THE FISCAL YEAR 2004
BUREAU OF RECLAMATION CHALLENGE GRANT PROVIDING
SUPPLEMENTAL FINANCING FOR THE OWRC AND GEO-SPATIAL WATER
RIGHTS MANAGEMENT PROGRAM**

WHEREAS: the Owyhee Irrigation District (OID) desires to enhance its water rights management process pursuant to its Water Conservation and Management Plan; and,

WHEREAS: OWRC and Geo-Spatial are providing a collaborative opportunity to cost-effectively develop and implement a program (Program) intended to streamline water rights transfers and water rights tracking and management in general; and,

WHEREAS: Program will be directly linked to the Oregon Water Resources Department (OWRD) to facilitate cost and time-effective interaction between OWRD and OID; and,

WHEREAS: OID water rights will be further protected through timely and accurate management of its water rights through the benefits provided by Program; and,

WHEREAS, In-house CD and off-site web server backup will protect OID water rights database.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Owyhee Irrigation District that:

Section 1. OID does authorize and approve making application for Challenge Grant funding for Program development with OWRC and Geo-Spatial in cooperation with other irrigation districts; and,

Section 2. OID does authorize and direct the President of OID, acting for and on behalf of OID, to negotiate and execute a cooperative agreement with the Bureau of Reclamation on or prior to August 1, 2004.

IDAHO POWER CONTRACT. Mr. Chamberlin said that now that Peter Nichols is through tax season, he will try to schedule a meeting with Idaho Power.

BACKHOE. Mr. Chamberlin said that Volvo brought a demo model over which the District is testing. He said that this resulted in CAT putting together their own proposal to the District.

ROBERTS' WATER SITUATION. Mr. Chamberlin said that he followed up on the Roberts' water situation discussed at last month's meeting. He said that he told Mr. Roberts that the District will not allow excess water to go to the lands where he was requesting as they are outside of the District.

PIPELINE PROJECTS. Mr. Chamberlin said that John Bezata had a pipeline project planned but got funded late. He then requested the District's help in putting that project in and the timing for the District could not have been worse. Mr. Chamberlin said that the project is close to being done.

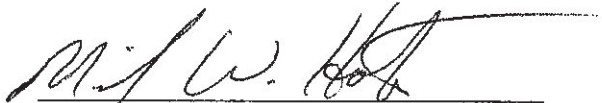
OWYHEE DITCH COMPANY CANAL BREAK. Mr. Chamberlin reported on a recent ditch break on the Owyhee Ditch Company Canal near Gem Avenue. He said that Owyhee Irrigation District staff and equipment are being used to help out on the break. He said that he does not mind helping out if the District has the time and manpower but he noted that the Ditch Company is getting the services of the District for three times less than they would be paying a private contractor. He noted that this is their fourth major break in the last five years. The Board consensus is to continue assisting the Ditch Company when they have ditch breaks as they would do the same if the District were in their position. Mr. Chamberlin noted that last year they reimbursed the District's costs.

Mr. Chamberlin said that the work on the ditch break has shown to him that the District's CATs are barely adequate.

MANAGER'S REPORT. Mr. Chamberlin reported that a tilt-bed trailer was recently purchased at a farm sale. He said that the trailer has been used quite a bit since it was purchased. Mr. Chamberlin further reported that a mechanic has been hired for the Nyssa shop and seems to be working out quite well.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned by President Corn at 10:35 p.m.

Respectfully submitted,


Secretary

APPROVED: _____