

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

September 20, 2016

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 September 20, 2016, at 7:00 p.m. Michael W. Horton, Secretary, presiding.

The following members of the Joint Committee were present:

Chris Landa	Frank Ausman (OID Alternate)
Bruce Corn	Jerry Nagaki (who joined the meeting at 7:40 p.m.)
Dan Tschida	Eric White (who joined the meeting at 7:48 p.m.)

Also present were: Jay Chamberlin, Manager of the Hydro Projects; Harvey Manser, OID Assistant Manager; John Eells, South Board Manager; and Michael W. Horton, Secretary.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on September 14, 2016.

MINUTES. The minutes of the meeting of the Joint Committee held on August 23, 2016, were mailed to the Committee members prior to the meeting. A motion was made by Mr. Corn, seconded by Mr. Tschida, and unanimously carried approving the minutes.

TUNNEL #1 POWER PROJECT.

Tunnel #1 Financial Report. Jay Chamberlin handed out a financial report for the Tunnel #1 Power Plant. He said that the plant is still running and is generating about one megawatt.

Tunnel #1 Power Project Accounts Payable. Mr. Chamberlin said that Owyhee Irrigation District was not paid for 2014 and the payment reflected on the accounts payable list on the agenda will make the payments to OID caught up as of June of this year. A motion was made by Bruce Corn, seconded by Frank Ausman, and unanimously carried approving payment of the following accounts:

Oregon-Idaho Utilities	\$111.82
Field-Waldo Insurance	6,375.00
Owyhee Irrigation District	60,004.47
Nichols Accounting	<u>325.00</u>
TOTAL	\$66,816.29

OWYHEE DAM POWER PROJECT.

Owyhee Dam Financial Report. Mr. Chamberlin handed out a financial report for the Owyhee Dam which the Committee members reviewed. Mr. Chamberlin said that the Dam Plant is still running and making around two megawatts of power. Winter releases were discussed.

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 approving payment of the following accounts payable:

Stunz, Fonda, Kiyuna & Horton, LLP	\$1,614.00
Field-Waldo Insurance	3,250.00
Oregon-Idaho Utilities	295.59
Owyhee Irrigation District	59,783.49
SDAO	125.00
Nichols Accounting	<u>325.00</u>
TOTAL	\$65,393.08

SELP TUNNEL BOND NEGOTIATION. Mr. Horton updated the Committee members on the negotiations with SELP. He said that he, Tyler Sweet, Jay Chamberlin, and Tom Grim will be going to Salem and meeting with SELP representatives on the negotiation. The Committee members suggested moving the priority of the power line repair and maintenance account up in the payment order.

OWYHEE DAM BOAT RAMP. Mr. Chamberlin updated the Committee members on USBR's position on the boat ramp. He said they appear to be softening on allowing the ramp. He said that a gate has been installed at the ramp. He said OID staff will go back in and make repairs to be able to go in from the ramp to make inspections on the tunnel. He said cuts have been made on the ramp and repairs have begun. He said the county sheriff has been given a key to the gate. He said he was going to come up with a proposal to USBR that the ramp would be closed at certain water levels and that buoys around the tunnel inlet would be installed. He also said that he would propose concrete barriers be placed along the water side of the ramp. He said the ramp closure would be determined by the county and district staff based upon water levels.

B2H POWER LINE. Mr. Chamberlin said that he was contacted by USBR about OID and the Joint Committee's areas of concern with the proposed power line. He said that he took staff members from USBR out and showed them the areas of concern. He said that USBR has a new person working on the matter. He said USBR will be responding based upon the District's concerns.

Jerry Nagaki joined the meeting at 7:40 p.m.

JOHN KEYS, III PARTNERSHIP TRAINING. Mr. Chamberlin said that the young engineers going through the training will be coming back for followup in a couple of weeks. He said the program is very beneficial to the Owyhee Project.

OWYHEE WATER RESERVATION UPDATE. Mr. Corn gave an update on the Owyhee Water Reservation process. He said a vote will be upcoming and that things look promising.

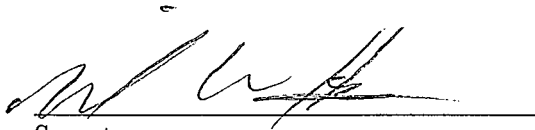
At 7:48 p.m., Eric White joined the meeting. Frank Ausman stepped down from the Committee and Mr. Horton turned the chair over to Eric White.

ELEVATOR AT DAM. Mr. Chamberlin said that the State of Oregon has been in contact with him with regard to the operation of the elevator. He said he advised the state that he has been unable to find a company willing to do any repair work and inspection. He said he was given some names and ended up with a repair company that came and looked at the elevator and laid out the initial needed repairs which can then be followed up with a test of the elevator at an estimated cost of approximately \$40,000 to \$60,000. Mr. Chamberlin said that the elevator is necessary for operation of the Owyhee Dam Power Plant. Mr. Chamberlin said that if the Joint Committee decides to move forward, the company will get Mr. Chamberlin a proposal on an operating manual and test procedures. A motion was made by Mr. Landa, seconded by Mr. Nagaki, and unanimously carried to move forward on the elevator.

LONG-RANGE WATER FORECAST. Mr. Chamberlin said that he received an initial long-range weather forecast from Oregon State University Research staff and their forecast is that this winter may shape up to be a very dry winter. He then handed out a report on water usage. He said that he estimates the reservoir will have between 165,000 and 170,000 acre feet in it when the irrigation season ends.

ADJOURNMENT. There being no further business, the meeting was adjourned at 8:20 p.m.

Respectfully submitted,


Secretary

APPROVED: _____

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

September 20, 2016

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on September 20, 2016, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa Oregon, at 8:22 p.m. Jerry Nagaki, President of the District, presiding.

The following Directors were present:

Jerry Nagaki	Bruce Corn
Dan Tschida	Eric White
Frank Ausman	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, Attorney; and Harvey Manser, OID Assistant Manager.

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on September 14, 2016.

MINUTES. Minutes of the meeting of the Board of Directors held on August 23, 2016, were mailed to the Directors prior to the meeting. A motion was made by Director White, seconded by Director Corn, and unanimously carried approving the minutes.

FINANCIAL REPORT. Mr. Chamberlin handed out Nichols Accounting's financial report for the District. The Directors reviewed the report. Director White said that it looks like the District will have to tap into operating reserves before the end of the year. Mr. Chamberlin said that this is correct due to the chemical costs. Mr. Manser said that all chemicals on hand has been used and there is no carryover.

MOSS CONTROL. The Directors discussed moss control and chemical usage with Mr. Manser and Mr. Chamberlin.

DISTRICT ACCOUNTS PAYABLE. Two lists of the District accounts payable for the month were included in the Directors' packets. The Directors reviewed the lists. Director Tschida asked about the split on Dam expenses and making sure that those expenses are billed out accordingly. A motion was made by Director Ausman, seconded by Director Tschida, and unanimously carried approving and ratifying payment of the accounts payable as presented.

MITCHELL BUTTE POWER PROJECT.

Financial Report. The financial report for the Mitchell Butte Power Project was in the Director's packets. The Directors reviewed the report. Mr. Chamberlin said that the one unit

which had a vibration has been dewatered and put back in. He said J.L. Eldred is recommending pulling the unit and checking it out this off season. He said the cost of doing so usually runs between \$70,000 and \$80,000. Mr. Chamberlin recommends that the unit be pulled and repaired.

Accounts Payable. The agenda listed accounts payable for the Mitchell Butte Power Project. The Directors noted that the District could not afford to pull money out of the Mitchell Butte accounts to put in the District's regular account. A motion was made by Director Corn, seconded by Director Ausman, and unanimously carried authorizing payment of the accounts listed on the agenda, less the proposed payment to Owyhee Irrigation District, resulting in payment of the following listed accounts payable:

AT&T	\$78.96
Field-Waldo Insurance	2,875.00
Verizon	105.36
Century Link	140.20
Nichols Accounting Group	<u>110.00</u>
Total	\$3,309.52

TWILIGHT PIPELINE PROJECT UPDATE. Mr. Chamberlin gave an update on the Twilight Pipeline Project. He said the pipe is starting to be delivered. He said the pipe supplier is requesting ten day payment. He said that Warrington Construction was the low bid on the pipe. He said that on the installation M2 Construction was the low bid at \$58,240 which works out to \$4.55 per foot for installation. Mr. Chamberlin said that the landowners are on board and that staff and the contractor will try to get the pipe in right away.

MALHEUR SIPHON. Mr. Chamberlin said that they just finished drilling the test holes this afternoon. He said that ten test holes were drilled and he reported on the initial findings. He said the District is paying the drilling company \$12,000 for the drilling. He said he does not anticipate much work on the Malheur Siphon this fall. He said he is working on putting together a packet for Mr. Bentz and an "ASK" letter to USBR for possible funding of the Malheur Siphon repairs. Director Corn told Mr. Chamberlin that he needs to contact Mr. Bentz to let him know he is working on the packet.

USBR AUDITS. Mr. Chamberlin reported on upcoming USBR audits.

MITCHELL BUTTE UNIT. The Board discussed pulling the unit at Mitchell Butte for repairs. After discussion, it was the consensus of the Board to have the unit pulled and repairs made.

2017 BUDGET. Mr. Chamberlin said that he and staff are just starting to work on the upcoming budget and looking at equipment needs. Mr. Horton said the Employee Group may need to get a proposal to the Board by next month's meeting.

EMPLOYEE EVALUATIONS. Mr. Chamberlin said employee evaluations are upcoming.

NPDES PERMIT. Mr. Chamberlin said the NPDES permit has been extended by DEQ for one year. He said DEQ still does not have a director.

EMPLOYEE BREAKFAST. Mr. Chamberlin said the employee breakfast is scheduled for Thursday, September 29 at the Ontario shop.

DATE OF NEXT BOARD MEETING. The date of the next Board meeting was discussed and after discussion, it was the consensus of the Board to hold the meeting on October 25 following the Joint Committee meeting that evening.

BENT GRASS. Mr. Chamberlin reported on an upcoming public meeting of the Bent Grass Committee and the county weed board.

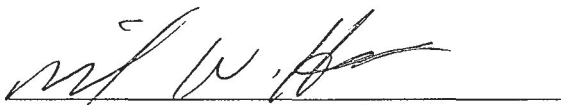
FERC TRAINING. Mr. Chamberlin said FERC training is upcoming.

NYSSA RURAL FIRE SUBSTATION. Director Ausman gave an update on the construction of the Nyssa Rural Fire Substation. He said that bid packets have gone out and that the bid opening is scheduled for October 6. He said the planned substation is for a four-bay building.

NYSSA OFFICE BUILDING. Mr. Chamberlin said that he has been approached by a neighbor about buying property next to the Nyssa office. The matter was discussed.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 10:06 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____