

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

July 22, 2014

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 July 22, 2014, at 7:00 p.m. Frank Ausman, Chairman, presiding.

The following members of the Joint Committee were present:

Frank Ausman	Jerry Nagaki
Eric White	Rick Smith
Bruce Corn	Chris Landa

Also present were: Jay Chamberlin Manager of the Hydro Projects; Harvey Manser, OID Assistant Manger; Michael W. Horton, Attorney; Ron Keester, South Board Manager; J.L. Eldred, OID Watermaster; Tom Zittercob, Hydro Electric Supervisor; Dan Tschida, OID Alternate; Larry Myer, Argus Observer; and a number of Owyhee Irrigation District Patrons.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on July 18, 2014.

MINUTES. The minutes of the meeting of the Joint Committee held on June 17, 2014, were mailed to the Committee members prior to the meeting. A motion was made by Mr. White, seconded by Mr. Corn, and unanimously carried approving the minutes as mailed.

TUNNEL #1 POWER PROJECT.

Financial Report. Mr. Chamberlin handed out financial reports for the Tunnel Power Project for the months of May and June. The Committee Members reviewed the reports.

TUNNEL #1 POWER PROJECT ACCOUNTS PAYABLE. The Committee members reviewed the accounts payable for the Tunnel #1 Power Project. A motion was made by Mr. Corn, seconded by Mr. Nagaki, and unanimously carried approving payment of the following accounts payable:

AT&T	\$ 80.00
Oregon Idaho Utilities	107.32
Nichols Accounting	<u>650.00</u>
Total	\$837.32

OWYHEE DAM POWER PROJECT.

Financial Report. Mr. Chamberlin handed out financial reports for the Tunnel Power Project for the months of May and June. The Committee Members reviewed the reports. Mr. Smith asked about the travel and meals listed in the report. He said that \$3,945 seems high. Mr. Chamberlin said that he will check into it.

OWYHEE DAM ACCOUNTS PAYABLE. The Committee members reviewed the accounts payable for the Owyhee Dam Power Project. A motion was made by Mr. Nagaki, seconded by Mr. White, and unanimously carried approving payment of the following accounts payable:

Oregon Idaho Utilities	\$ 161.84
Verizon	100.00
Century Link	47.99
Stunz, Fonda, Kiyuna & Horton, LLP	1,299.27
Nichols Accounting	<u>650.00</u>
Total	\$2,259.10

STORAGE UPDATE. Mr. Chamberlin said that there is currently 23,000 acre feet of water in storage in the reservoir this afternoon. J.L. Eldred reported that water will be stopped at the Malheur Siphon around Friday. Mr. Chamberlin said that Owyhee Irrigation District will continue to ratchet back the water in the North Canal. Mr. Keester reported that water in the South Canal is still reaching the end of their system.

WATER DIVISION BETWEEN NORTH AND SOUTH CANALS. Mr. Landa said that Mr. Keester has done some calculations and according to his calculations the amount of water which has gone into the North Canal is greater than the percentage to which Owyhee Irrigation District is entitled. He said the South Canal has been shorted. He then gave a handout which Mr. Keester prepared which is a calculation of water usage between the two systems and includes the new percentages of lands under both systems under Oregon House Bill 3111. Mr. Smith said that the acreage percentages came to light after a letter was received from the Bureau of Reclamation. Mr. Horton said that the letter was written with regard to power calculations relating to the Old Owyhee Memorandum of Understanding.

Mr. Chamberlin said that Old Owyhee has about 6,300 acre feet currently left in storage. Mr. Landa said that the South Board has done a lot of improvements for water conservation and that their boards do not feel that they are receiving the benefit of their conservation efforts. Mr. Nagaki explained that the Joint Committee set the allotment for all water users receiving water from the reservoir at 1.7 acre feet. He said that apparently the 1.7 acre allotment was set too high because most water users have not used their full allotment and are now running out of water.

Chairman Ausman stated that it seems to be late to be bringing this up as the water has run through the systems and cannot be brought back in. He said that the Joint Committee will need to study this as a group and work out a process for going forward.

SHUTOFF DATE. A possible shutoff date for water under the Owyhee Reservoir was discussed. After a lengthy discussion, a motion was made by Mr. Landa, seconded by Mr. Nagaki, and unanimously carried that the water from the Owyhee Reservoir be shut off when the amount of water which must be left in the reservoir for Old Owyhee is reached.

MALHEUR COUNTY BOAT RAMP. Mr. Chamberlin reminded the Joint Committee members that the first ramp at the Owyhee Dam has been undermined. He said that Malheur County wants to rebuild the ramp. USBR has stated that any work requires meeting American With Disabilities Act standards. He then explained an incident at the boat ramp that triggered USBR's involvement in the discussions. He said there have been meetings between Malheur County and USBR staff. He said that the solution for operation of the boat ramp may be that it has to be shut down when the reservoir gets down to a certain level. Mr. Chamberlin said that the Joint Committee may have to place buoys around the tunnel inlet to prevent boats from getting too close.

TUNNEL OUTLET WORKS. Mr. Chamberlin said that one of the control gates on the outlet structure for the tunnel is stuck shut. He said that it was cycled one year ago but that it is now not opening. He said that there will be a USBR inspection on July 29 and the stuck gate will be discussed with USBR staff at that time. Mr. Chamberlin said that the penstock going into the tunnel needs to be looked at and perhaps the stuck gate could be fixed at that time. Chairman Ausman said that this is a heads up for the Districts for budgeting purposes.

SHUTOFF DATE FOR PUMPING PLANTS. Mr. Keester asked if there are any ideas on when the pumping plants might be shut down. He said that he would like to see the North and South on the same page. Chairman Ausman said that the Joint Committee made a decision on this earlier and that the pumps are to be run based upon demand and water rights. Mr. Keester said that he wants to know how much Old Owyhee used this year. Chairman Ausman said that the Joint Committee should know by the end of the season. Water measurement was discussed.

SUMMARY ON HYDRO ACCOUNTS. Mr. Manser gave a summary on the hydro account balances and budget, as was requested last month. Mr. Chamberlin passed around handouts showing the summary. The summary was reviewed and discussed. It was noted that the insurance amounts listed seem low and are probably an allocation of Mr. Zittercob's health insurance premiums and are not the liability premiums for the facilities. Mr. Horton reported on contact he received from a Bonneville Power representative on Bonneville Power's potential interest in taking over the power contracts on the hydro facilities from Idaho Power.

ADJOURNMENT. There being no further business, the meeting was adjourned at 8:05 p.m.

Respectfully submitted,

  
Secretary

APPROVED: \_\_\_\_\_



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

July 22, 2014

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on July 22, 2014, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 8:06 p.m. Jerry Nagaki, President of the District, presiding.

The following Directors were present:

Bruce Corn	Jerry Nagaki
Eric White	Frank Ausman
Dan Tschida	

Also present were: Michael W. Horton, Attorney; Harvey Manser, OID Assistant Manager; Jay Chamberlin, District Manager; J.L. Eldred, OID Watermaster; Larry Myer, Argus Observer; and Delos Lee, Randy Sartin, Kale Bueller, and other District Patrons.

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on July 18, 2014.

MINUTES. The minutes of the meeting of the Board of Directors held on June 17, 2014, were mailed to the Directors prior to the meeting. A motion was made by Director Ausman, seconded by Director Tschida, and unanimously carried approving the minutes as mailed.

OWYHEE IRRIGATION FINANCIAL REPORT. Mr. Chamberlin handed out a financial report for the month which was prepared by Nichols Accounting. The report was reviewed and discussed by the Directors. Director White asked about the entry in the report on soil and water reimbursement. Mr. Manser said that it is grant reimbursement on the 10% hold-back on the Fletcher Pipeline Project. He said that the money has been spent to purchase pipe. Mr. Chamberlin updated the Board on the pipeline project. Mr. Manser explained that \$66,000 of chemicals have been turned back. In addition, he said that the District did not have to purchase other chemicals to begin the season with.

OWYHEE IRRIGATION DISTRICT ACCOUNTS PAYABLE. Two lists of the District's accounts payable for the month were included in the Directors' packets. The Directors reviewed, discussed, and asked questions about specific items on the lists which Mr. Chamberlin answered. A motion was made by Director White, seconded by Director Corn, and unanimously carried approving payment of the following accounts payable:

Oregon Idaho Utilities	\$161.84
Verizon	100.00
Century Link	47.99
Stunz, Fonda, Kiyuna & Horton	1,299.27
Nichols Accounting	<u>650.00</u>
Total	\$2,259.10

KALE BUELLER ISSUE. President Nagaki opened the floor to District patrons who he understood are attending the meeting to follow up on the Kale Bueller matter which was discussed in May. Mr. Horton read an excerpt from the May Board meeting minutes. Mr. Eldred presented records on water in and water out on the system illustrating that Mr. Bueller's pump system has not impacted other water users. Mr. Chamberlin said that because the North Canal is out of water, Mr. Bueller has proposed to pump out of a drain. Mr. Chamberlin explained the plan on the drain pumping. The patrons present expressed their objections to the pumping.

At 8:45 p.m., Larry Myer left the meeting.

Discussion on the matter continued. It was determined that Mr. Lee will come into the District office to meet with Mr. Chamberlin so that Mr. Lee can be shown how the pumping is not impacting him.

At 9:15 p.m., the District patrons left the meeting.

MITCHELL BUTTE POWER PROJECT.

Financial Report. The regular monthly financial report for the Mitchell Butte Power Project was included in the Directors' packets. The Directors reviewed the report.

Accounts Payable. The agenda for the meeting listed accounts payable for the Mitchell Butte Power Project. The Directors reviewed and discussed the listed accounts payable. A motion was made by Director Tschida, seconded by Director Corn, and unanimously carried approving payment of the following accounts payable:

Verizon	\$55.08
Nichols Accounting	220.00
AT&T	<u>50.00</u>
Total	\$325.08

Mitchell Butte Monthly Expense Calculation. Mr. Chamberlin handed out a monthly expense calculation for the Mitchell Butte Power Project for the Directors to review for budgeting purposes.

FIRE AT 9.3 LATERAL. Mr. Manser reported on a fire at the 9.3 Lateral.

WEED MOWER FIRE. Mr. Chamberlin reported that one of the weed mowers caught on fire and was a total loss. He said that the District has received a \$9,000 check after its deductible.

D6 CAT. Mr. Chamberlin said that he has a standing offer on the D6 CAT which the Board authorized to surplus. He said that the offer is for \$10,000. He said that he is inclined to accept the offer and would like some direction from the Board. The matter was discussed and the consensus of the Board is to accept the offer.

FALL WORK SCHEDULE. Mr. Chamberlin said that with the shortened irrigation season, he is looking at projects for the staff to take up when the water shuts off. He identified some of the major projects. He said that he would like to take money out of the reserves in order to work on the Malheur Siphon given the fact that the low water year has presented an opportunity for the system to be dewatered earlier in the year. He then explained planned work for Mr. Zittercob to be doing. He said that he would like representatives from SELP to come to next month's meeting.

DIRECTOR COMMENTS. Director Tschida said that with the North end drying up, he is wondering if a different startup procedure could be used in order that the North portion of the canal receive as much water as the Southern portion. He said that he is also wondering if during a drought year the shutting off of the water could be moved from front to back rather than reverse. He asked if wells could be drilled by the District itself. All of these items were discussed. Mr. Chamberlin said that Mr. Eldred has worked diligently on getting water to the lower end this year.


EXCESS WATER ON PUMP DITCHES. Mr. Chamberlin said that there have been water users under the Dead Ox Pumping Plant asking if they can get excess water if they run out. He said that some users are beginning to run out and he is inclined not to allow any excess water until all of the other users under the Dead Ox system receive their full allotment. He said that he believes it is a management decision and the Board agreed by consensus.

At 10:10 p.m., the Board entered executive session to discuss potential litigation with counsel pursuant to ORS 192.660(2)(h).

RETURN TO REGULAR SESSION. At 10:49 p.m., the Board returned to regular session.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 10:50 p.m.

Respectfully submitted,

  
\_\_\_\_\_  
Michael W. Horton, General Counsel

APPROVED: \_\_\_\_\_