

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

April 8, 2003

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on April 8, 2003, at the District office, 17 South First Street, Nyssa, Oregon, at 9:35 a.m., Bruce Corn, President of the District, presiding.

The following Directors were present:

Fred Schilling	Bruce Corn
Frank Ausman	Larry White
Jerry Nagaki	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, Secretary and General Counsel; Tom Zittercob, Hydro-electric Supervisor; and Elmer Ausman, District Patron.

Mr. Chamberlin announced that the meeting would consist of a tour of District facilities to be followed by a meeting with the Joint Committee of the Owyhee Project.

RESERVOIR STORAGE. Mr. Chamberlin reported that the reservoir storage as of April 8, 2003 is 205,471 acre feet, the storage as of April 8, 2002 was 390,436 acre feet and the reservoir storage as of April 8, 1992 was 172,010 acre feet.

MEETING NOTICE. Mr. Chamberlin reported that he gave notice to the news media as to the time, date, and place of the meeting on March 27, 2003.

MITCHELL BUTTE BONDS. Mr. Horton said that he received a response from Bond Counsel with regard to refinancing the U.S. Bank bonds on the Mitchell Butte Power Plant. He said that the bonds can be refinanced without an election if they are refinanced through SELP. He said that SELP is only willing to refinance the bonds if it also loans at least \$100,000 for new construction or repairs.

At 9:40 a.m., the Directors got into vehicles to begin their tour.

DUNAWAY PUMPING PLANT. At 9:50 a.m., the Directors arrived at Dunaway Pumping Plant and toured the facility. J.L. Eldred and Dave Krause, District employees, explained the pumping plant's operations. The Directors also viewed the recently purchased service truck.

MITCHELL BUTTE POWER PLANT. At 10:15 a.m., the Directors toured the Mitchell Butte Power Plant. Tom Zittercob explained the operation of the facility and conducted the tour.

TUNNEL CANYON. At 11:00 a.m., the Directors toured the canal diversion system at Tunnel Canyon. Jay Chamberlin explained the operation of the diversion and the problems with vandals which have occurred at the site.

MEETING RECESSED. President Corn announced that the meeting would be recessed and reconvened at the Visitor's Center at the Owyhee Dam Compound immediately after the Joint Committee meeting this afternoon.

MEETING RECONVENED. At 12:10 p.m., the meeting was reconvened at the Visitor's Center at the Owyhee Dam Compound. The same individuals present at the meeting prior to its recess were present. In addition, Cecil Wilson, Dam Tender, was present.

MINUTES. Minutes of the meeting of Directors held on March 18, 2003, had been handed out to each Director by Mr. Horton prior to the meeting. A motion was made by Director White, seconded by Director Schilling, and unanimously carried approving the minutes.

RECOMMENDATIONS OF THE JOINT COMMITTEE. President Corn entertained a motion to ratify the actions of the Joint Committee at its meeting just adjourned. A motion was made by Director Ausman, seconded by Director White, and unanimously carried that the recommendations adopted by the Joint Committee at its meeting on April 8, 2003, pertaining to the following items be approved and the officers of the Owyhee Irrigation District be directed to execute the documents necessary to carry out the recommendations of the Joint Committee, and further, that the staff, including the project manager of the Hydro Project, be directed to carry out the steps necessary to perform under the motions adopted by the Joint Committee:

1. Authorizing the payment of accounts payable;
2. Setting the water allotment at 1.8 acre feet; and
3. Setting a tentative water turn-on date of no earlier than April 14, 2003 with the actual date to be in the manager's discretion based upon weather conditions and patron demands.

MITCHELL BUTTE POWER PROJECT.

Financial Report. Mr. Chamberlin said that he does not yet have a financial report for Mitchell Butte Power Project. He

said that a report will be mailed out to the Directors when he receives it from Nichols Accounting Group.

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

Malheur Bell	130.56
AT&T	22.09
Nichols Accounting Group	234.00
Stunz Fonda Law Office	<u>85.50</u>
Total	\$ 472.15

A motion was made by Director Nagaki and seconded by Director Schilling that the accounts payable for the month of March, as listed in the agenda, be paid. The motion passed unanimously.

NOTICE OF CHANGE IN WATER ALLOTMENT. Mr. Chamberlin said that the increase in the water allotment will go out to the water users on their water cards within the next couple of days.

TUNNEL POWER PLANT. Tom Zittercob reported that there is still not enough water in the reservoir to operate the Tunnel Power Plant this season.


SELP. Mr. Horton further explained his conversations with Dave Stevens of SELP with regard to refinancing the Mitchell Butte bonds. He said that Mr. Stevens also told him that SELP is willing to work with the Districts on the reserve accounts for the Tunnel Power Plant this year. Mr. Horton and Mr. Chamberlin will be having further telephone conversations with Mr. Stevens with regard to the Tunnel payments and the reserve accounts. The Board discussed refinancing the Mitchell Butte bonds and borrowing additional sums for other construction. President Corn noted that there is not enough time to make money this year to pay back any additional loans.

MANAGER'S REPORT. Jay Chamberlin explained the new radio system which has been installed. He then reported on his recent trip to Washington D.C. He said that it went well and that he met with John Keyes, the Commissioner of the Bureau of Reclamation, who advised him that federal funds may become available in the near future for water conservation programs. Mr. Chamberlin said that he is looking at the automation of the diversion at Tunnel Canyon. He said that such automation would be quite expensive because of the communication requirements.

Mr. Chamberlin said that the Dunaway Pumping Plant will not be turned on until water is turned out in the canal.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned by President Corn at 12:24 p.m.

Respectfully submitted,


Secretary

APPROVED: _____