

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

September 16, 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 September 16, 2014, at 7:00 p.m. Frank Ausman, Chairman, presiding.

The following members of the Joint Committee were present:

Frank Ausman	Dan Tschida (OID Alternate)
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; and Tom Zittercob, Hydro Electric Supervisor.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on September 10, 2014.

MINUTES. The minutes of the meeting of the Joint Committee held on August 19, 2014, were mailed to the Committee members prior to the meeting. A motion was made by Mr. Tschida, seconded by Mr. White, and unanimously carried approving the minutes as mailed.

TUNNEL #1 POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the Tunnel Power Project for the month of August. The Committee Members reviewed the report.

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. White, seconded by Mr. Smith, and unanimously carried approving payment of the following accounts payable:

Field Waldo Insurance	\$56,384.00
Oregon Idaho Utilities	<u>285.90</u>
Total	\$56,642.90

OWYHEE DAM POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the Owyhee Dam Power Project for the month of August. The Committee Members reviewed the report.

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

Field Waldo Insurance	\$31,596.00
Verizon	30.00
Century Link	47.99
Stunz, Fonda, Kiyuna & Horton, LLP	1,038.68
Oregon Idaho Utilities	<u>168.05</u>
Total	\$32,880.72

GUARD GATE #8. Mr. Chamberlin said that Guard Gate #8 is still not opening. He said that USBR staff came and worked with OID staff to try to get the gate opened up trying different approaches. Despite these efforts, the gate has remained stuck shut. Mr. Chamberlin said that he believes that it may be hydraulic issues and a fix will continue to be explored. Mr. Tschida asked what will happen if they cannot get the gate to open. Mr. Chamberlin said that it is not critical that the gate does not open at this time and that he is confident that eventually a solution will work.

TUNNEL #1 INTAKE STRUCTURE. Mr. Chamberlin said that a coffer dam has been put in place around the outside of the Tunnel #1 intake structure. He said that large rocks have been cleaned up off of the intake structure.

JET FLOW VALVES PENSTOCK COATING. Mr. Chamberlin said that the area around the jet flow valves penstock have been de-watered so that staff can go in and do coatings. He said that materials have been ordered to do the coatings and he estimates the material costs at around \$5,000.

UPGRADED BACKUP GENERATOR AT DAM COMPOUND. Mr. Chamberlin explained the generator work being done at the dam compound. He said that a concrete pad and a roof for a generator are being installed. The generators at the dam and compound were discussed. Mr. Chamberlin said that eventually wiring at the dam compound will need to be replaced.

SDAO RESOLUTION. Mr. Chamberlin presented a resolution on Board policy for the Committee to consider. Mr. Chamberlin said that the resolution came from SDAO and they are wanting boards to adopt board policy through a resolution. Mr. Horton said that he has given the resolution and proposed policies a quick review and he does not recommend adopting the SDAO proposed document at this time. Mr. Manser said that SDAO is wanting a resolution by November 15. Mr. Horton said that he will review the SDAO request and put together a resolution and

policies for the Joint Committee. Mr. Horton said that he will bring a proposal to next month's meeting.

ADJOURNMENT. There being no further business, the meeting was adjourned at 7:45 p.m.

Respectfully submitted,


Secretary

APPROVED: _____

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

September 16, 2014

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on September 16, 2014, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 7:45 p.m. Dan Tschida, Vice-President of the District, presiding.

The following Directors were present:

Bruce Corn	Jerry Nagaki (who arrived at 8:05 p.m.)
Eric White	Frank Ausman
Dan Tschida	

Also present were: Michael W. Horton, Attorney; Harvey Manser, OID Assistant Manager; Jay Chamberlin, District Manager; Tom Zittercob, Hydro Manager; and Nicole Sullivan, Owyhee Watershed Council.

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on September 10, 2014.

MITCHELL BUTTE POWER PLANT. Tom Zittercob gave an update on Mitchell Butte Power Plant. He said that the unit that was broken appears to have some clips that were rusted out and it may be a relatively inexpensive fix. He said that stainless steel clips are being put back in and the unit should work. Mr. Zittercob noted that a number of the guy wires on the Mitchell Butte power line are getting loose. He said that special tools are necessary and that it will probably take a contractor to do the repairs. The matter was discussed. Mr. Zittercob said that he will check on additional loose wires. Mr. Chamberlin said that a contractor will be brought in to make the repairs.

Mr. Chamberlin said that he spoke with Riverside and they are going to put in some rubber bushings in the unit that is being repaired in order to take out some of the vibration.

At 7:50 p.m., Tom Zittercob left the meeting.

MINUTES. The minutes of the meeting of the Board of Directors held on August 19, 2014, were mailed to the Directors prior to the meeting. A motion was made by Director Ausman, seconded by Director Corn, and unanimously carried approving the minutes as mailed.

WATER QUALITY IMPROVEMENT PROPOSAL TWILIGHT ZONE. Nicole Sullivan presented a proposed piping project on lateral 12.4 which is in the Twilight Avenue area. She presented a map of the area which the Directors reviewed. She said that NRCS funding has been secured. She said she is looking for OWEB funding and DEQ funds. She said that she is also looking at a BOR Smart Water Grant for the installation. Mr. Chamberlin said that the District already has some of the pipe which was purchased on the other project and that

this is a sister project to the Fletcher Gulch Project. Director Corn asked if all the landowners in the area are on board. Ms. Sullivan said that she is getting letters from the landowners. She estimated there are approximately ten landowners on this proposed pipeline. She said the total material cost will be around \$390,000 and labor costs will be around \$300,000. Mr. Chamberlin said that it will be a high pressure line running 85 to 90 psi. Ms. Sullivan said that the details on the area are still being worked out. She said that if funding comes through, she will know in November? She said that the project will not start until 2016. It would be a four-year project.

At 8:05 p.m., Jerry Nagaki joined the meeting.

Mr. Chamberlin noted that the proposed pipeline follows the existing lateral. He said this project is more likely to go than the Coyote Gulch Project which the District was looking at earlier. The project was discussed. Ms. Sullivan said that she would like a letter supporting the project. Director Corn asked what the potential cost to the District would be if the funding does not come in. Mr. Manser said that the labor to the District would be around \$60,000. A motion was made by Director White, seconded by Director Corn, and unanimously carried authorizing Mr. Chamberlin to write a letter of support for this project.

At 8:15 p.m., Nicole Sullivan left the meeting.

OWYHEE IRRIGATION DISTRICT 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 said that he would like to see line items in the budget for reserves for proposed pipeline projects. He then asked if any materials have been purchased for fall work. Mr. Chamberlin and Mr. Manser explained the planned fall work. Mr. Chamberlin and Mr. Manser explained the planned fall work. Mr. Chamberlin said he is not sure if there will be much in the way of materials needing purchased as they are working with materials which they already have. Fuel purchases were discussed.

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 accounts payable.

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 Ausman, and unanimously carried approving payment of the following accounts payable:

Field Waldo Insurance	\$15,174.00
Verizon	40.00
Century Link	<u>130.55</u>
Total	\$15,324.00

PUMPING PLANT SHUTOFF DATE. Mr. Chamberlin said that he put a discussion about pumping plant shutoff dates on the agenda in case the Directors wanted to discuss it. Director Tschida asked if water is still being used from the pumping plants. Directors Corn and Nagaki said that there is water still being used and they expect the demand to ramp back up. The matter was discussed with possible shutoff dates of October 3 or October 10 discussed. After discussion, it was the consensus of the Board that setting the shutoff date for the pumping plants will be a management decision.

STATE WATER REPORT. Director Corn who serves on the Oregon Water Resource Commission said that one of the items which came up during state meetings was a letter relating to \$60,000 acre feet being set aside for future development. He said that this set aside goes away in 2016 and he brought a letter for Mr. Chamberlin to review. Mr. Chamberlin said he is familiar with the letter and that it goes back to when potentially raising the reservoir level was discussed. He said that he and Mr. Horton will review the letter and see if anything needs to be done relating to it.

SDAO PROPOSED BOARD POLICIES. Mr. Chamberlin said that SDAO has recommended Board policies which it is wanting districts to adopt. Mr. Horton said that he will review the proposed policies and put together some district specific policies for adoption at next month's meeting.

FALL WORK. Mr. Chamberlin told of work being done throughout the project. He went on to give a report on planned projects. He said that ditching is being done. He said that there has been a lot of work being done at the dam while the water level is down.

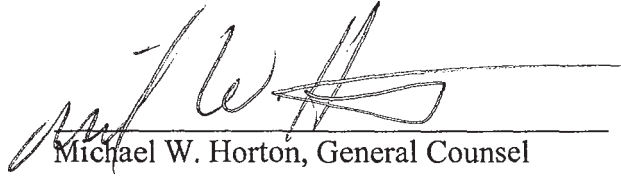
WATER USAGE. Mr. Chamberlin said that some water users are getting creative with regard to water usage. He said the watermaster is getting involved in a couple of creative water user matters.

DEQ GROUNDWATER MANAGEMENT STUDY AREA. Mr. Chamberlin said that he will be attending a meeting on the DEQ Groundwater Management Study area which is coming up. He said that studies are showing that water nitrates have been going down, but that the speed of the decreases are starting to slow down.

POWER BILLING FOR PUMPING. Mr. Chamberlin passed around a billing statement from USBR relating to power for pumping. Mr. Chamberlin noted that the bill is over budget by about \$37,000. He noted that the billing is due October 10.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 9:05 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____