

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

February 16, 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 February 16, 2016, at 1:05 p.m. Eric White, Chairman, presiding.

The following members of the Joint Committee were present:

Bruce Corn	Jerry Nagaki
Dan Tschida	Chris Landa
Eric White	Brett Nielson

Also present were: Jay Chamberlin, Manager of the Hydro Projects; Harvey Manser, OID Assistant Manager; Clancy Flynn, South Board Retiring Manager; John Eells, Newly Appointed South Board Manager; Michael W. Horton, Attorney; Frank Ausman, OID Alternate; Larry Meyer, Argus Observer Newspaper; J.L. Eldred, OID Watermaster; Al Barker, South Board Attorney; Roland Springer, USBR Area Manager; Brian Sauer, USBR Engineer; and Ryan Nash, South Board Assistant Manger.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on February 9, 2016.

MINUTES. The minutes of the meeting of the Joint Committee held on January 19, 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 as read.

WATER FORECAST. Brian Sauer of USBR presented a long range water forecast. He said that the low snow is melting and starting to come in. He said the project should get sufficient water to get through the irrigation season even if precipitation quit right now. He said the forecast shows more precipitation to come in.

ROLAND SPRINGER, NEW USBR AREA MANAGER. Roland Springer introduced himself as the new USBR Area Manager. He said he has replaced Jerry Gregg.

MOU WITH OLD OWYHEE DITCH COMPANY. Mr. Chamberlin said that he thinks that even though it looks like we will have a really good water year, he would like to see work continue on the MOU. He said that he would hate to see all of the hard work that has gone into it go away. He said District numbers were used rather than USBR numbers. He explained the problems USBR was having in trying to create flow charts and other mechanisms for keeping track of the numbers under the MOU. He said that USBR agreed to pay to have USGS do water measurements which were done last season. The water measurements were discussed. Mr. Chamberlin said that he was not sure if the evaporation pan numbers were plugged in to a USBR formula yet. Brian Sauer offered some measurement ideas that he will look into which may help.

Mr. Eldred said that Old Owyhee Ditch Company used up their storage in August but they then switched over and ran off of stream flow. Al Barker asked about the plan on incorporating the evaporation pan into the calculations. The matter was discussed.

Discussion then turned to water shutoff last year and John Eells explained why South Board shut off earlier than the North Board. The consensus of the Joint Committee is that post tunnel measurements would be where money would be best spent.

Mr. Horton explained that the MOU was written with the intention of it being a living document which would be subject to updating as more accurate measurement becomes available and as each water season ends to see how it worked. A motion was made by Mr. Nielson, seconded by Mr. Corn, and unanimously carried to continue with the MOU as it is written but with management continuing to work with Old Owyhee Ditch Company and USBR on tweaks.

USBR ISSUES. Mr. Chamberlin explained water releases to the new area manager. Mr. Springer said that there may be Water Smart grant money available for measurement. He said that grant applications are due April 11. Mr. Chamberlin will work with Brian Sauer on possible grant applications.

TUNNEL #1 POWER PROJECT.

Financial Report. Mr. Chamberlin handed out year-end and January financial reports for the Tunnel Power Plant. The Committee members reviewed the reports.

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

Oregon Idaho Utilities	\$112.06
EC Power	<u>319.06</u>
TOTAL	\$431.12

OWYHEE DAM POWER PROJECT.

Financial Report. Mr. Chamberlin handed out year-end and January financial reports for the Owyhee Dam Power Project. The reports were reviewed by the Committee members.

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

Stunz, Fonda, Kiyuna & Horton	\$1,155.00
Oregon Idaho Utilities	<u>304.52</u>
Total	\$1,459.52

WINTER WORK. Mr. Chamberlin gave an update on work being done to the dam and dam compound. He said coatings on the metal works on the dam are being done. Mr. Springer said that Congress is looking at possible funding for aging infrastructure. Mr. Chamberlin then asked for help from USBR in working with the Federal Energy Regulatory Commission.

ADJOURNMENT. There being no further business, the meeting was adjourned at 2:26 p.m.

Respectfully submitted,


Secretary

APPROVED: _____

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

February 16, 2016

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on February 16, 2016, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, at 106 Main Street, Nyssa, Oregon, at 10:00 a.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; Harvey Manser, OID Assistant Manager; Larry Meyer, Argus Observer Newspaper; Tyler Sweet, CPA; and Employee Group.

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on February 9, 2016.

MINUTES. Minutes of the meeting of the Board of Directors held on January 19, 2016, 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.

DISTRICT FINANCIAL REPORT. Tyler Sweet from Nichols Accounting presented a year-ending financial report for 2015. He also handed out the financial report for the month of January. He further handed out a financial report for Mitchell Butte Power Project for 2015. Mr. Sweet went through the reports as the Directors reviewed them. Potential PERS liability for future years was discussed. Mr. Chamberlin said that the State of Oregon is saying there will be a 10% to 20% increase each year over the next few years starting in 2017. Mr. Sweet said that money which is owed to the District from the Joint Committee for the hydros is growing. Mr. Chamberlin said that a good water year is needed to generate the money to pay that back. Mr. Sweet reported that the District came in \$381,736.00 under budget. Director Ausman thanked the staff for the good job they did on the budget. Director Corn said he would like to give a hats off to everyone for making that possible.

2016 PROPOSED BUDGET. Tyler Sweet presented recommendations on the 2016 budget. He said those recommendations were put together in consultation with management. The recommendations were discussed. Mr. Manser presented information on chemical costs. Tyler Sweet said that it has been a great accomplishment of the Board to get the reserves up to where they are now and that a lot of work has been done over the last eight years. Director Tschida said that the District needs to get back to putting money aside for a District shop. Director White asked for a water report before finalizing the budget and setting annual charges.

Mr. Chamberlin gave a report on the water outlook. He said that he thinks the watershed will have a good water season. He said he will try to fly the snow course again next week. He said he flew the course 10 days ago. Mr. Chamberlin said the gophers hit the District hard.

INCURRED WATER CHARGES. The Directors discussed the budget and annual incurred charges at length. After discussion, Director Corn made a motion that the annual incurred charge be increased by \$2.00 per acre. There was no second to the motion. Director Tschida then made a motion to increase the annual incurred charge by \$1.50 per acre with the bill to be due and payable on the earlier of April 15 or prior to water delivery and delinquent after April 15. In addition, a service charge shall be imposed on subdivided and small tract lands consisting of five acres or less at the rate of \$75.00. The motion was seconded by Director Ausman. The Directors discussed the motion. After discussion, a vote was had on the motion and it passed unanimously.

At 11:30 a.m., Tyler Sweet left the meeting.

FUEL STORAGE TANKS. Director Ausman asked about the impact of fuel prices going down. Director White expressed his opinion that the District needs to purchase bulk storage tanks. Mr. Manser said that containment will be needed for any tanks. The Directors expressed their interest in purchasing tanks. Mr. Chamberlin said he will investigate the matter further and come back with numbers.

DISTRICT ACCOUNTS PAYABLE. Two lists of the District's accounts payable for the month were included in the Directors' packets. A motion was made by Director White, seconded by Director Corn, and unanimously carried approving and ratifying payment of the accounts payable.

MITCHELL BUTTE POWER PROJECT.

Financial Reports. The financial report for the month for Mitchell Butte Power Project was in the Director's packets. The report was reviewed by the Directors.

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

Verizon	9.80
Century Link	<u>129.54</u>
Total	\$139.34

EMPLOYEE COMMITTEE 457 PLAN. The Employee Committee presented information on available 457 plans. They said they received four proposals and they will investigate those proposals more in depth. They said right now they prefer the Oregon Growth Plan. They said there are about 27 employees interested in participating in a plan. They said they will have the Oregon Growth people come over and give a presentation to the Employee Committee and then follow that up with a recommendation to the Board.

At 11:40 a.m., the Employee group left the meeting and representatives from Aflac Insurance joined the meeting.

AFLAC INSURANCE PRESENTATION. Representatives from Aflac Insurance gave a PowerPoint presentation on Aflac's Wellness Program which the District could join.

MEETING RECESSED. At 12:30 p.m., the meeting was recessed to reconvene after the Joint Committee meeting later this afternoon.

MEETING RECONVENED. At 2:30 p.m., the meeting was reconvened.

DISTRICT STAFFING. Mr. Chamberlin advised the Board of planned staffing plans with upcoming retirements.

AFLAC INSURANCE PRESENTATION. The Board discussed the Aflac Insurance presentation. The consensus of the Board is that they are not interested in pursuing the plan presented by Aflac.

MALHEUR SIPHON. Mr. Horton said that he received a proposed engineering contract with MWH. He said he had a few issues with the proposed contract and he will negotiate the contract further with them. A motion was made by Director Tschida, seconded by Director Ausman, and unanimously carried authorizing the District to enter into a contract for engineering on the Malheur Siphon subject to Mr. Horton's review and approval.

SNIVELY SIPHON STABILIZATION. Mr. Chamberlin said that work is to start on the Snively Siphon stabilization next week. He said the road to the siphon is ready to go.

NORTHWEST IRRIGATORS CONFERENCE. Mr. Chamberlin said that the Northwest Irrigators Conference is coming up and he and some staff members will attend.

WATER RESERVATION. Mr. Chamberlin said that OID and Vale Irrigation District have their state water reservations expiring soon and those need to be renewed. He said that Burnt River has had a hearing on their Rules Modification Request.

OWYHEE CANYON LANDS PROPOSED MONUMENT. Mr. Chamberlin gave an update on the proposed Owyhee Canyon lands monument. The Board members discussed the proposal. After discussion, a motion was made by Director White, seconded by Director Tschida, and unanimously carried adopting the following resolution:

RESOLVED that the Board of Directors of the Owyhee Irrigation District is opposed to the proposed Owyhee Canyon Lands National Monument designation because of the potential impact to cattlemen and farmers who raise crops for cattle under the project.

ANNUAL PATRON MEETING. Mr. Chamberlin said that the annual patron meeting will be next month. He said it is scheduled for March 22nd. The Directors discussed items to be covered at the annual patron meeting.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 3:00 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____