

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

February 17, 2004

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on February 17, 2004, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 10:30 a.m., Bruce Corn, President of the District, presiding.

The following Directors were present:

Fred Schilling	Frank Ausman
Bruce Corn	Larry White

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, Secretary and General Counsel; and Carl Lee Hill, District Patron.

RESERVOIR STORAGE. Mr. Chamberlin presented an agenda for the meeting. On the agenda, the reservoir storage as of February 10, 2004, shows 84,754 acre feet and storage as of February 10, 2003, was 159,309 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 February 9, 2004.

MINUTES. Minutes of the meeting of Directors held on January 20, 2004, had been mailed to each Director prior to the meeting. Director Ausman noted that his comments on page 2 of the minutes under the heading "Three District Co-op" were related to the Soil and Water Conservation District presentation which was set out in the prior heading of "Soil and Water Conservation District" in the minutes. A motion was made by Director Schilling, seconded by Director White, and unanimously carried approving the minutes with the clarification noted.

DISTRICT ACCOUNTS PAYABLE. President Corn said that he went to a recent Northwest Irrigation Operators Workshop and one of the recommendations at the workshop was to have the Board of Directors review and ratify all accounts payable of the District. He said that in the past the Board receives a list of the accounts payable for the District but formal approval of the accounts has been limited to the Power Project accounts. Mr. Chamberlin said that the list of accounts payable will always be a month behind. He said that he will try to get them in the Director packets prior to each meeting.

The accounts payable for the month of January were reviewed. Director Ausman asked about the payment made to the Payette Rural Fire District. Mr. Chamberlin said that a portion of

the Owyhee Irrigation District is located within the Payette Rural Fire District boundary. A motion was made by Director Ausman, seconded by Director Schilling, and unanimously carried approving and ratifying the accounts paid on February 17, 2004, as presented.

CARL HILL PROPOSED PROJECT. Mr. Chamberlin said that Carl Hill is proposing to put in a 10 inch pipeline from the Kingman Lateral to his place. Mr. Hill said that he would like to use some of the District right of way for his proposed pipeline. He explained the proposed project. Mr. Horton said that he was advised of the proposal prior to the meeting and researched the District's right of way and the right of way is limited to a right of way for power lines and not a pipeline. He said that Mr. Hill will need to get written easements from the underlying landowners and that Mr. Chamberlin may then issue a special use permit for use of the right of way for a pipeline.

President Corn asked if there are others who might participate in the project. He explained that the District wants to look at long-term planning for these projects rather than having a number of smaller projects continue to be installed. Mr. Chamberlin said that this project will not affect other patrons. Director Schilling said that he anticipates that the whole area will eventually be under pressurization systems. Mr. Chamberlin explained a similar project which was done in Montana. Mr. Chamberlin also reported that the proposed project would not affect the power pole footings. The consensus of the Board was to allow Mr. Chamberlin to issue a special use permit to Mr. Hill if he gets easements from the landowners.

Mr. Hill asked what will be needed for the diversion. Mr. Chamberlin said that he will need to review the matter with the ditch rider. He does anticipate having the landowner purchase a flow meter which would then become District property.

Mr. Hill complimented the Board. He said that he appreciates the Board letting Mr. Chamberlin participate in local meetings as his input is very helpful.

OWYHEE WATERSHED COUNCIL. Mr. Chamberlin said that the Malheur Watershed Council pulled away from the local program. He said that Mr. Hill is Chairman of the Owyhee Watershed Council which has decided to stay on with the local Conservation District and NRCS. Mr. Hill explained the situation and provided information about the Owyhee Watershed Council.

At 11:14 a.m., Carl Hill left the meeting.

BOARD OF EQUALIZATION. At 11:14 a.m., President Corn announced that this meeting of the Board of Directors of the Owyhee Irrigation District is the time and place for the Board to sit as a Board of Equalization for the purpose of reviewing and correcting its list of water charges. Mr. Horton read the Notice of Equalization which was published in the *Argus Observer* on February 2, 2004. President Corn stated that the assessments will increase to \$36.00 per acre for operation and maintenance, delinquencies in collection, reserves, and administration expenses. President Corn opened the meeting for public comment. Mr. Chamberlin said that Steve Hess



came by the District office and expressed his concern about the rates going up. Mr. Chamberlin said that Kelly Peterson called the District office and expressed her concern. Director White said that he had a couple of users contact him with concerns on the proposed increase. Director Ausman said that the few people he spoke with did not seem that upset with the increase. At 11:20 a.m., President Corn closed the meeting to public comment. A motion was made by Director White and seconded by Director Schilling that the Board declare the list of water charges equalized and approved. Directors White, Schilling, and Corn voted in favor of the motion. Director Ausman voted against the motion, which passed on a vote of 3 to 1.

NORTHWEST IRRIGATION OPERATORS' WORKSHOP. President Corn reported on the Northwest Irrigation Operators' Workshop which he attended. He said that he was most impressed with new technology relating to the restoration of old pipes and syphons. He said that he met with Jerry Gregg of the Bureau of Reclamation at the workshop and was able to discuss the ring gate status with him. Mr. Chamberlin said that he appreciates President Corn's attendance at the meeting. Mr. Chamberlin said that next year's meeting will be a tour of the Imperial Valley Project.

NEW ACRES. Mr. Horton read portions of a letter from the Regional Director for the Bureau of Reclamation with regard to formally approving the acreage increase. The letter requested the concurrence of the Chairman of the District. A portion of the letter was unacceptable to the Board of Directors and Mr. Horton was instructed to contact the Regional Director's office and see if the objectionable portion can be removed and acceptable language put in. The consensus of the Board was to have President Corn sign the letter if such changes are made.

MITCHELL BUTTE POWER PROJECT.

Financial Report. Jay Chamberlin handed out a financial report prepared by Nichols Accounting Group for the Mitchell Butte Power Project for the period ending January 31, 2004. The Directors reviewed the report.

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

Nichols Accounting Group	\$228.00
Malheur Bell	168.95
Cascade Air	<u>279.00</u>
Total	\$ 675.95

President Corn asked about the Cascade Air bill. Mr. Chamberlin said that an exhaust fan broke and the bill is for a new blade. A motion was made by Director Ausman and seconded by Director Schilling that the accounts payable for the month of February, as listed in the agenda, be

paid. The motion passed unanimously.

RECESS. At 11:58 a.m., President Corn declared the meeting in recess.

MEETING RECONVENED. At 3:42 p.m., President Corn declared the meeting reconvened. All of the individuals present at the meeting at the time it was recessed were present.

MANAGER'S REPORT. Mr. Chamberlin reported that the hydro power plants are ready to go. He said that he has not yet obtained bids on a backhoe. He reported that Locket Gulch was cleaned out and one of the pumping units at Dunaway Pumping Station needs repairs. Mr. Chamberlin reported that a used John Deere 4-wheel drive tractor has been purchased for use at Dead Ox Pumping Plant. He said that no pickups have been purchased yet and that an office staff person still needs to be hired.

RETIREMENT DINNER. Mr. Chamberlin reminded the Directors that the annual retirement dinner is set for February 19, at 7:00 p.m., at the Boulevard Grange.

NATIONAL WATER SEMINAR. Mr. Chamberlin said that he will be attending a National Water Seminar in Washington D.C. at the end of March. He said that Norm Semenko from the Idaho Water Users Association will be the next national president. President Corn asked who will be in charge at the District while Mr. Chamberlin is out of town. He said he is specifically concerned with who will be in charge of keeping an eye on the river flows and calling a meeting of the Joint Committee in order to avert potential flooding. Mr. Chamberlin said that J.L. Eldred will be in charge in his absence.

RECOMMENDATIONS OF THE JOINT COMMITTEE. President Corn stated that the actions of the Joint Committee need to be ratified. A motion was made by Director Ausman, seconded by Director White, and carried unanimously that the recommendations adopted by the Joint Committee at its meetings on January 20, 2004 and February 17, 2004, 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 and ratifying the payment of accounts payable.
2. Authorizing President Corn and Mr. Horton to sign the Bond Amendment Agreement with the Oregon Office of Energy.
3. Calling an emergency meeting of the Joint Committee if prior to next month's regular meeting, reservoir storage exceeds 450,000 acre feet and river flows exceed 15,000 cfs as measured at the Rome gauge.



EXECUTIVE SESSION. Mr. Horton said that an executive session is needed to discuss litigation matters pursuant to ORS 192.660 (1)(h). A motion was made by Director Schilling, seconded by Director Ausman, and unanimously carried authorizing the Board to enter into executive session. At 4:00 p.m., the Board entered executive session.

At 4:11 p.m., the Board returned to regular session.

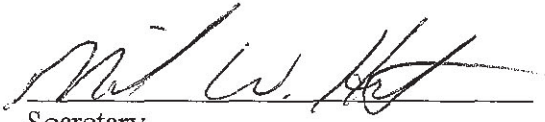
UPPER SNAKE RIVER ESA LITIGATION. Mr. Horton was instructed by the Board of Directors to contact Larry Sullivan, attorney for Owyhee Ditch Company, and see if they would be interested in meeting with the Owyhee Irrigation District Board. A motion was made by Director White, seconded by Director Ausman, and unanimously carried authorizing Mr. Horton to contact Bruce Smith's law firm with regard to him representing the District and intervening in the ESA litigation. Mr. Horton is to make it clear to Mr. Smith that lines of communication must remain open between his office and the District.

MOSS CONTROL. Mr. Chamberlin reported that the NPDES Permit Revocation Appeal is moving forward. He said that for the coming year, the District will continue to treat the canals with moss control chemicals the same as last year. He said that at a recent workshop he got valuable information on chemical use procedures which the District will now be implementing. He said that a bookkeeping area is being set up. He also said that the newsletter which he will be sending out to water users will have information on chemical treatment and request users to contact the District if they have fish in ponds or other concerns with regard to treatment. Director White asked if livestock are affected by drinking water which has been treated. Mr. Chamberlin said that there is some potential effect on livestock and that will be set out in the newsletter. Chemical types and uses were discussed. Mr. Chamberlin said that the District is acquiring measuring equipment which will keep better tabs on chemical use which should help the District obtain more coverage with the chemicals being used.

DUNAWAY SUBSTATION. Mr. Chamberlin said that some oil has leaked from one of the transformers at Dunaway. He said that the bushings and bearings need to be tightened up. He said that samples of the oil in the transformer were taken and show moisture in the oil. He said that the transformer appears to be in good shape internally. He said that the oil does need to be changed out soon. Mr. Chamberlin said that the oil in the transformers can be burned in oil stoves as there are no PCBs or dioxins in it. President Corn said that he would like to wait until the water season is over before spending the money on changing out the oil. He asked Mr. Chamberlin if he thinks there is a high risk of failure if the District waits. Director White said that he is in favor of doing the repairs now rather than risking damage to the transformer. Mr. Chamberlin said that he has been relying on the individual doing the oil analysis and that he could ask his opinion if the unit will be okay to operate the rest of this season with the current oil. A motion was made by Director White, seconded by Director Schilling, and unanimously carried authorizing Mr. Chamberlin to proceed with repairs to the transformer either right away or at the end of the season depending upon the results of his consultation with the individual who performed the oil analysis.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned by President Corn at 4:40 p.m.

Respectfully submitted,

  
Secretary

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