

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

March 19, 2019

A meeting of the Joint Committee of the Owyhee Project was held at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, at 106 Main Street, Nyssa, Oregon, on March 19, 2019, at 1:00 p.m. Eric White, Chairman, presiding.

The following members of the Joint Committee were present:

Eric White	Frank Ausman
Bruce Corn	Brett Nielsen
Dan Tschida	Rick Smith

Also present were: Jay Chamberlin, Manager of the Hydro Projects; John Eells, South Board Manager; Harvey Manser, OID Assistant Manger; Michael W. Horton, Secretary and Legal Counsel; J.L. Eldred, OID Watermaster; Linda Henderson and Darla Sebasto, OID Patrons; and Jerry Nagaki, OID Alternate.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on March 12, 2019.

MINUTES. The minutes of the meeting of the Joint Committee held on February 19, 2019, were mailed to the Committee members prior to this meeting. A motion was made by Mr. Tschida, seconded by Mr. Nielsen, and unanimously carried approving the minutes.

TUNNEL #1 POWER PROJECT.

Tunnel #1 Financial Report. Mr. Chamberlin handed out a financial report for the Tunnel #1 Power Plant. The Committee members reviewed the report. Mr. Chamberlin said that the Tunnel Power Plant is close to being ready to run.

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. Corn, seconded by Mr. Ausman, and unanimously carried approving payment of the accounts payable as follows:

Oregon-Idaho Utilities	\$242.93
Stunz, Fonda, Kiyuna & Horton, LLP	672.00
Nichols Accounting	<u>350.00</u>
TOTAL	\$1,264.93

OWYHEE DAM POWER PROJECT.

Owyhee Dam Financial Report. Mr. Chamberlin handed out a financial report for the Tunnel #1 Power Plant. The Committee members reviewed the report.

Owyhee Dam Accounts Payable. The Committee members reviewed the accounts payable listed on the agenda for the Owyhee Dam Power Project. A motion was made by Mr. Nielsen, seconded by Mr. Tschida, and unanimously carried approving payment of the following accounts:

Oregon-Idaho Utilities	168.75
FERC	25.00
Nichols Accounting	<u>350.00</u>
TOTAL	\$543.75

WATER FORECAST. Mr. Chamberlin said that he has not received a water forecast from Reclamation yet. He said that he will lean on them to get one out. He gave a handout on water storage. He said the reservoir needs 360,000 acre feet to fill. He said there is still lots of room in the reservoir. He said that all of the watershed sites are still below freezing at night. He said he flew the snow course and it looks good. He said that snow coverage is far reaching throughout the watershed. He then handed out a stream flow report which the Committee members reviewed. He said that his observations when flying over Mud Flat is that there is still snow coverage there. He then handed out an NRCS forecast as of March 1 which the Committee members reviewed.

Mr. Chamberlin said that he has been preparing the dam operators for a high water year. He said that things are setting up for a good water year this year and next year. He said things have completely changed in the last 30 days.

The Committee members expressed their concern about not getting a report from Reclamation. Mr. Ausman said that he heard that Bully Creek Reservoir was getting directives from Reclamation on their fill schedule. Mr. Chamberlin said the Owyhee Project does have a fill schedule in its standard operating procedure, but the trigger levels for that have not yet been reached. Mr. Ausman and Mr. Chamberlin both expressed their concern with the turnover of Reclamation staff recently. Mr. Chamberlin said he will contact Reclamation and request a report.

OPERATION OF DAM POWER PLANT. Mr. Horton read aloud the Joint Committee policy on operation of the Dam Power Plant. The triggers for operation of the plant are not met yet. Operation of the plant was discussed.

WATER ALLOTMENT. The setting of the water allotment for the season was discussed. Mr. Chamberlin said that he is comfortable with setting the allotment at 4 acre feet. He said that water users need information as early as they can for planting. After a lengthy discussion, a motion was made by Mr. Nielsen and was seconded by Mr. Ausman to set the allotment at 4 acre feet with excess water to be determined at a later date. Mr. Corn, Mr. Ausman, Mr. Nielsen, and Mr. Smith voted in favor of the motion. Mr. Tschida and Mr. White voted against and the motion passed on a vote of four to two.

WATER TURN ON DATE. The Committee members discussed setting a tentative water turn on date. Mr. Corn expressed his opinion that the Committee should wait to set a date until the time gets closer. Mr. Nielsen said that South Board wants to have the water turned on April 1. Mr. Nielsen made a motion to set the turn on date for April 1. Mr. Smith seconded the motion. Mr. Nielsen and Mr. Smith voted in favor of the motion. Mr. Corn, Mr. Ausman, Mr. Tschida, and Mr. White voted against the motion, which failed on a vote of four to two. The matter was discussed at length and after discussion, a motion was made by Mr. Ausman and was seconded by Mr. Nielsen setting a tentative turn on date for April 8 with the managers to have discretion. Mr. Corn, Mr. Ausman, Mr. Smith, and Mr. Nielsen voted in favor of the motion. Mr. White and Mr. Tschida voted against the motion which passed on a vote of four to two. Mr. Chamberlin said that OID will be ready to turn on by April 8.

DUNAWAY PUMPING PLANT OPERATION. Mr. Chamberlin made a recommendation to wait and see about turning on the Dunaway Pumping Plant until the first or second week of June.

RECLAMATION RESERVE POWER MEETING. Mr. Eells reported on a recent Reclamation Reserve Power meeting he attended. He said that at the meeting he learned that the power rate is going to go up from 27 mils to 28 mils this fall. He said this will affect the Districts by requiring assessment increases of \$1.00 per acre. The matter was discussed.

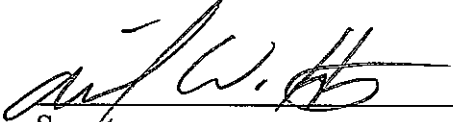
BATTERY SYSTEM AT TUNNEL POWER PLANT. Mr. Chamberlin said that the batteries at the Tunnel Power Plant have been tested and that some batteries need replaced. He said overall the testing went well. The Committee members discussed the potential for new battery technology to lessen the need for the number and cost of batteries.

WATER SMART RECLAMATION LETTER. Mr. Chamberlin read from a letter from Reclamation requesting applications for grants which could be used for basin studies. The consensus of the Committee members is not to apply for these grants at this time.

CLEMENTS FILTERS. J.L. Eldred said that the clements filters which were purchased were worth the investments. He said they have been doing their job. Mr. Chamberlin said that the filters will also help if quagga mussels end up in the reservoir.

ADJOURNMENT. There being no further business, the meeting was adjourned at 2:00 p.m.

Respectfully submitted,


Secretary

APPROVED: _____

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

March 19, 2019

A regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on March 19, 2019, 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:

Bruce Corn	Frank Ausman
Dan Tschida	Eric White
Jerry Nagaki	

Also present were: Jay Chamberlin, Manager; Michael W. Horton, Attorney; Harvey Manser, Assistant Manager; J.L. Eldred, OID Watermaster; Linda Henderson and Darla Sebasto, District Patrons; and Gary Faw and Lynn Larsen, SWCD.

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on March 12, 2019.

MINUTES. Minutes of the meeting of the Board of Directors held on February 19, 2019, 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.

DISTRICT FINANCIAL REPORT. Mr. Chamberlin handed out a financial report which the Directors reviewed and discussed. The Directors discussed the gopher program.

ACCOUNTS PAYABLE. Two lists of the District accounts payable for the month were included in the Directors' packets. The Directors reviewed the lists and asked questions. The insurance billing was reviewed and discussed. A motion was made by Director Corn, seconded by Director White, and unanimously carried approving payment of the accounts payable.

MITCHELL BUTTE POWER PROJECT.

Financial Report. A financial report for the Mitchell Butte Power Project was included in the Directors' packets. Mr. Eldred said that the unit which is being repaired is almost ready to go.

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

Takfinity	\$85.90
Riverside	30,458.28
Nichols Accounting	<u>245.00</u>

Total \$30,664.18

MALHEUR SIPHON PROJECT. Mr. Chamberlin gave an update on the Malheur Siphon Project. He said it is still too muddy to do the dirt work. He said they are looking at buttoning things up to get ready for water. He said he would like to have some work done on it next fall. He gave a summary of what needs to be done before the water comes in.

NYSSA BUILDING. Mr. Chamberlin said that the phone company has moved back the switch date and it now looks like April 1 will be when the office move occurs. He said a lot of the moving will have to wait until this fall.

VISTA VIEW PIPELINE PROJECT. Mr. Chamberlin said that the project on the bottom end is in and went well. He said that District staff still need to put in some turnouts. He said the renter is now wanting the pipe put in deeper and will require a change order. He said that he will be passing this cost onto the landowner. He said the rest of the project will be completed this fall. He said a lot of the pipe for the next part of the project has come in and there is still more to come.

FCA MODERNIZATION PROJECT. Mr. Manser gave an update on the FCA Modernization Project. It said that FCA staff had meetings with the ditch riders and now have that component completed. He said that they are continuing to work on the plan. He said the grant is now up to \$340,000. He said the completion of the plan is scheduled for the end of 2019. The Directors and managers discussed the benefits of the plan and potential piping projects.

DEQ UPDATE. Mr. Chamberlin gave a report on a recent public meeting he attended with DEQ on the Clean Water Act. Temperature issues were explained. The lack of three-phase power to allow more pumping for projects was discussed. Mr. Chamberlin explained the problems the Sisters' area irrigation districts are having with getting micro generation projects hooked into the power grid to be able to sell their power. Potential impacts of the proposed Oregon Cap and Trade Carbon Bill were discussed.

CLARICH PROJECT. Gary Faw with SWCD made a presentation to the Board on a complicated project with possible transfers between Warm Springs Irrigation District and OID. He said that the project would involve Reclamation changing District boundaries between the two districts. Mr. Chamberlin said that a temporary transfer could be done until the boundary change is completed. Mr. Faw explained that the project is on steep ground with potential to clean up the water quality. He said it will eliminate a lot of ditch issues for Warm Springs. He said it would be a fall project with an estimated cost of \$320,000, not including excavation. He said that he is seeking a letter of support for the project from the District. The proposed project was discussed at length. After discussion, a motion was made by Director White and was seconded by Director Ausman authorizing Mr. Chamberlin to write a letter in support of the project. A vote on the motion was had. Directors Ausman, Tschida, White, and Nagaki voted in favor and Director Corn voted against. The motion passed on a vote of four to one.

SURPLUS VEHICLES. Mr. Manser handed out a list which is attached to these minutes identifying vehicles which need to be surplus and disposed of. A motion was made by Director Corn, seconded by Director Tschida, and unanimously carried authorizing the vehicles listed to be surplus and disposed of in compliance with the District's surplus property policies.

LINDA HENDERSON. Linda Henderson said that she still has questions on the budget and assessment. She handed out two pages to the Directors. One of the pages was a printout from Nichols Accounting on annual incurred charge increases and the second handout was a spreadsheet which she created. She said the billings and newsletter were confusing and created questions with regard to the budget and assessments. Darla Sebasto said that the bills are difficult to read. She said she wants to have the District bills specifically say how much the O&M went up. Linda Henderson said that she feels there needs to be better truth in advertising. Mr. Chamberlin said this is the first concerns on the bills being confusing he has heard. The Board of Directors explained the reasons for the incurred charge increases over the years. They discussed Linda Henderson and Darla Sebasto's concerns with them. They then thanked them for their input and said that they will take their comments under advisement.

MEETING RECESS. At 12:05 p.m., President Nagaki declared the meeting in recess to reconvene for an executive session after the Joint Committee meeting this afternoon to discuss negotiation of real estate.


MEETING RECONVENED. At 2:00 p.m., the meeting was reconvened.

EXECUTIVE SESSION. At 2:02 p.m., the Board entered executive session pursuant to ORS 192.660(2)(e) to discuss real estate.

At 2:25 p.m., the executive session was adjourned and the Board returned to regular session.

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

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____