

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

April 22, 2008

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on April 22, 2008, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 7:52 p.m., Bruce Corn, President of the District, presiding.

The following Directors were present:

Jerry Nagaki  
Bruce Corn

Curt Sisson  
Dan Tschida

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, General Counsel; and Tom Zittercob, Hydro Electric Manager.

MEETING NOTICE. Mr. Chamberlin reported that he gave notice to the news media as to the time, date, and place of the meeting on April 17, 2008.

MITCHELL BUTTE HYDRO REPORT. Tom Zittercob reported that both units at Mitchell Butte are running and seem to be running good. He said that he is still worried about the trash rack.

At 7:56 p.m., Tom Zittercob left the meeting.

MINUTES. The minutes of the regular meeting of the Board of Directors held on March 18, 2008, were mailed to the Directors prior to the meeting. A motion was made by Director Tschida, seconded by Director Nagaki, and unanimously carried approving the minutes as mailed.

OWYHEE IRRIGATION DISTRICT FINANCIAL REPORT. Jay Chamberlin handed out a financial report for the District prepared by Nichols Accounting Group. The report was reviewed by the Directors. Mr. Chamberlin said that the assessments are all pretty much in. Fuel taxes were discussed. Director Sisson asked about the large entry under miscellaneous expenses. Mr. Chamberlin said that he will check into that and report back at next month's meeting.

COW HOLLOW PIPELINE PROJECT. Mr. Chamberlin said that the Cow Hollow Pipeline Project is not quite completed yet. He said that some landowners are starting to get upset. He said that the pipeline will have water in it by Monday. The project was discussed at length by the Directors.

SELECT ONION LATERAL PIPING ISSUE. Mr. Chamberlin reported that Mr. Larsen took care of piping the lateral and it will be ready to run water tomorrow or the next day. Mr. Chamberlin reported on the steps that he took in order to get the situation resolved.

OWYHEE IRRIGATION DISTRICT ACCOUNTS PAYABLE. Mr. Chamberlin said that a list of the District accounts payable is in the Director packets. The Directors reviewed the list and discussed the accounts payable. A motion was made by Director Nagaki, seconded by Director Sisson, and unanimously carried authorizing payment of the accounts payable.

MITCHELL BUTTE GENERATION AND FINANCIAL REPORT. Mr. Chamberlin said that the Mitchell Butte report is in the Director packets. The Directors reviewed the reports. President Corn stated that the Board had authorized \$67,300 to be transferred to the District from the project, but instead it looks as if only \$50,000 is being transferred.

MITCHELL BUTTE ACCOUNTS PAYABLE. A list of the Mitchell Butte Hydro Project accounts payable were listed on the agenda. The Directors reviewed the accounts which are as follows:

Malheur Bell	\$126.32
Owyhee Irrigation District	50,000.00
Nichols Accounting	<u>75.00</u>
Total	\$50,201.32

A motion was made by Director Tschida, seconded by Director Nagaki, and unanimously carried authorizing payment of the Mitchell Butte Hydro Project accounts payable.

CANAL LINER AT 43.2. Mr. Chamberlin said that the liner at 43.2 is in and is working. He said that the liner meets with the requirements of the District Settlement Agreement.

OLD ONTARIO DUMP SITE. Mr. Chamberlin updated the Board of Directors on discussions with the landowner of the Old Ontario Dump site. Mr. Horton said that he spoke with the landowner's attorney and things currently seem to be worked out. Mr. Chamberlin said that the District is looking at applying for a grant through USBR to line the canal with the District providing work as part of it's cost share. He said that negotiations with the landowner are ongoing but it sounds as if the landowner will be participating in the District's portion of the cost share. Mr. Chamberlin said that he is planning on doing the canal liner this fall. He said that he will get the application for the grant to USBR by May 1<sup>st</sup>.

MALHEUR SIPHON. Mr. Chamberlin said that USBR did an inspection on the siphon legs and have provided some possible solutions. He said that he asked USBR about slip legs and the USBR engineers are studying the possible fix. He said that he is waiting to hear back from USBR.

LAND DEVELOPMENT BELOW LINER. Mr. Chamberlin explained that a land developer is putting in what it appears to be a development below the canal liner. He said that this creates potential problems for the District and there should not be a development below the canal in that area. He said that he will keep tabs on the county planning process and let the county know that the District is against any development below the liner.

COW HOLLOW PARK. Mr. Chamberlin said that documents relating to Cow Hollow Park transfers are in the Director packets. He said that USBR is proposing to close the park and get rid of it. The matter was discussed.

DELINQUENT ACCOUNTS. President Corn asked for a status report on the delinquent accounts. Mr. Horton said that because of the remodeling of the District office, collection efforts on those accounts have been postponed until the files can get reorganized after the remodel.

WATER TURN-ON DATE. Director Sisson asked why the water was turned on earlier than the date approved by the Joint Committee. Mr. Chamberlin said that it was his understanding that the date was tentative and that he had discretion to determine the exact date. He said that he received numerous calls for water and that was the reason he had the water turned on early. He said that a lot of the project was dry. A discussion on the matter was had. President Corn said that the District needs to have a newsletter go out.

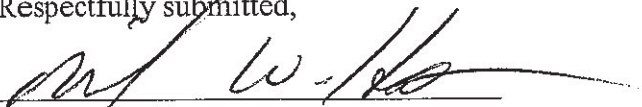
COW HOLLOW PIPELINE PROJECT (DISCUSSION CONTINUED). Discussion of the Cow Hollow Pipeline Project continued. Director Tschida said that he wants to get a report on the total cost to the District of the project.

WARREN AND WHITE DISPUTE. Mr. Chamberlin updated the Board on a dispute between landowners within the District.

XYLENE TANK. Mr. Chamberlin said that he received a call from Medford Irrigation District and they are willing to give OID 2,500 gallons of Xylene product which is worth approximately \$18,700. He said that he asked Poole's for a quote on hauling the product from Medford. He said that the District's Xylene tank is currently full and that Medford Irrigation District has a tank which it would be willing to sell. The consensus of the Board is to acquire the product and possibly the tank as cheaply as possible in the manager's discretion.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 9:23 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

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