

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

January 19, 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 January 19, 2016, at 1:13 p.m. Frank Ausman, Chairman, presiding.

The following members of the Joint Committee were present:

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|---|--------------------------|
| Bruce Corn | Frank Ausman (Alternate) |
| Dan Tschida | Chris Landa |
| Eric White | Brett Nielson |
| Jerry Nagaki (newly appointed OID Representative) | |

Also present were: Jay Chamberlin, Manager of the Hydro Projects; Harvey Manser, OID Assistant Manager; Clancy Flynn, South Board Manager; Michael W. Horton, Attorney; Larry Meyer, Argus Observer Newspaper; and J.L. Eldred, OID Watermaster.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on January 14, 2016.

REORGANIZATION. Chairman Ausman stated that this, the first meeting of the year, is the time for the reorganization of the Joint Committee.

Representatives. Mr. Horton said that the OID Board has designated Jerry Nagaki, Bruce Corn, Eric White, and Dan Tschida as representatives to the Joint Committee with Frank Ausman being the alternate. Chris Landa said that South Board has designated Brett Nielson and Chris Landa as representatives to the Joint Committee with Ryan Ceriffield being the alternate.

Chairman. Chairman Frank Ausman opened nominations for the office of Chairman. Mr. Corn nominated Eric White as Chairman. Mr. Tschida seconded the nomination. Mr. Corn made a motion that nominations be closed and an unanimous ballot cast for Eric White as Chairman of the Joint Committee. Mr. Tschida seconded the motion. A unanimous ballot was cast for Eric White as Chairman of the Joint Committee. Mr. Ausman then stepped down as Chairman and Mr. White assumed the chair.

Vice-Chairman. Chairman White opened nominations for the office of Vice-Chairman. Mr. Corn nominated Brett Nielson. Mr. Tschida seconded the nomination. Mr. Tschida made a motion that nominations be closed and an unanimous ballot cast for Brett Nielson as Vice-Chairman of the Joint Committee. Mr. Corn seconded the motion. A vote was held and a unanimous ballot was cast for Brett Nielson as Vice-Chairman of the Joint Committee.

Secretary and Legal Counsel. Mr. Horton stated that he is willing to serve as Secretary of the Joint Committee. Mr. Horton further stated that his law firm would agree to act as attorneys for the Joint Committee at the rate of \$180.00 per hour. A motion was made by Mr. Nielson, seconded by Mr. Nagaki, and unanimously carried that Michael W. Horton be appointed Secretary and general counsel for the Joint Committee and that his law firm of Stunz, Fonda, Kiyuna & Horton, LLP be appointed as attorneys for the Joint Committee at an hourly rate of \$180.00 per hour, plus expenses.

Depositories. A Discussion was held concerning the depositories of the funds of the Joint Committee. A motion was made by Mr. Nagaki, seconded by Mr. Corn, and unanimously carried that the Committee maintain the same depositories currently being used on the same terms and conditions as previously approved.

MINUTES. The minutes of the meeting of the Joint Committee held on December 22, 2015, were mailed to the Committee members prior to the meeting. A motion was made by Mr. Nielson, seconded by Mr. Nagaki, and unanimously carried approving the minutes as read.

TUNNEL #1 POWER PROJECT.

Financial Report. Mr. Chamberlin said that the financial report for the Tunnel Power Project is not done yet.

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

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|--------------------------|---------------|
| Oregon Idaho Utilities | \$46 |
| AT&T | 40.23 |
| EC Power | 434.74 |
| Nichols Accounting Group | <u>325.00</u> |
| TOTAL | \$800.43 |

OWYHEE DAM POWER PROJECT.

Financial Report. Mr. Chamberlin said that the financial report for the Owyhee Dam Power Project is not done yet.

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

| | |
|-------------------------------|---------------|
| Tunnel Hydro - loan | \$800.00 |
| AT&T | 85.59 |
| EC Power | 261.67 |
| Stunz, Fonda, Kiyuna & Horton | 1,340.38 |
| Nichols Accounting | <u>325.00</u> |
| Total | \$2,829.92 |

MOU ON DUNAWAY PUMPING PLANT WITH OLD OWYHEE. Mr. Chamberlin said that he is still wanting to get a meeting on the MOU with both Old Owyhee and USBR staff. The matter was discussed and after discussion, it was determined that a meeting on the MOU will take place during the Joint Committee meeting to be held on February 16, 2015, at 1:00 p.m., at Mr. Horton's office.

WINTER WORK PROJECTS AT DAM COMPOUND. Mr. Chamberlin said that coatings are being done on the east staircase. He passed around photographs of the work and explained the product being used.

GLORY HOLE OPERATION. Mr. Chamberlin said that coatings and gears all look good on the ring gate.

BACKUP GENERATOR. Mr. Chamberlin said the generator is hooked up and working fine, but the concrete pad has not been installed yet.

B2H POWER LINE PROJECT. Mr. Horton gave an update on the B2H Power Line Project. He said the environmentally preferred power line route was announced by BLM, but they have yet to announce their agency preferred route. Mr. Horton said that he is sending a letter on behalf of the Joint Committee making it clear that the Joint Committee prefers the alternative routes to the south. Mr. Chamberlin said that USBR staff have stepped upon on working on this. Mr. Corn then reported on the latest meeting which he attended.

BURNT RIVER IRRIGATION DISTRICT REQUEST. Mr. Chamberlin said that Burnt River Irrigation District is going through their renewal request to reserve a block of water through USDA. He said that new administrative rules need to be written to set out how this process is to work. He said that Burnt River has hired Martha Pagel to work on the rule change which will benefit all of the Districts which later have to complete their renewal requests. He said that Burnt River is asking the Joint Committee to contribute \$300 for the rule change work. The matter was discussed. Mr. Corn stated that he has a conflict of interest in that he sits on the Oregon Water Resource Commission and is going to be a hearings officer on the rule change. A motion was made by Mr. Nielson, seconded by Mr. Tschida, and unanimously carried (with Mr. Corn abstaining), to contribute \$300 to Burnt River Irrigation District to pay towards legal services to complete the rule change.

WATER FORECAST. Mr. Chamberlin passed around handouts on snow pack, stream flows, and storage. He said that the Owyhee Watershed appears to be in really good shape. He said the reports show a 50% chance of the Owyhee River getting enough stream flow to fill the reservoir. He said the snow pack water equivalent report shows 150% of normal. The documents and figures were reviewed and discussed. Mr. Chamberlin said he has yet to fly the snow course. He said he is waiting for a good day to fly.

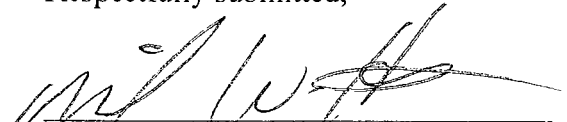
NORTHWEST IRRIGATORS' CONFERENCE. Mr. Chamberlin said the Northwest Irrigators' Conference is scheduled for February 17 and 18 in Boise. He encouraged Committee members' attendance.

CURRENT RESERVOIR STORAGE. The Joint Committee members discussed current reservoir storage which is at 83,800 acre feet. Last year at this time the reservoir storage was at 95,000 acre feet. It was noted that the stream flows peaked out in December last year.

IDAHO LAW CHANGE RELATING TO WATER QUALITY. Mr. Flynn reported on a change in Idaho law relating to water quality. He said districts can now collect charges from water users for water quality issues. Mr. Chamberlin reported on recent meetings which he attended.

ADJOURNMENT. There being no further business, the meeting was adjourned at 2:24 p.m.

Respectfully submitted,


Secretary

APPROVED: _____

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

January 19, 2016

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on January 19, 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:

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|--------------|------------|
| 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; J.L. Eldred, OID Watermaster; Larry Meyer, Argus Observer Newspaper; Carl Morton and Nicole Sullivan, Owyhee Watershed; and Greg Clark and Ed Crier, MWH Engineering;

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on January 14, 2016.

MINUTES. Minutes of the meeting of the Board of Directors held on December 22, 2015, were mailed to the Directors prior to the meeting. A motion was made by Director Corn, seconded by Director White, and unanimously carried approving the minutes.

MALHEUR SIPHON. Greg Clark presented a Power Point slide show on an engineering proposal for the Malheur Siphon. Besides the structural support repair work that needs done, he also recommended doing a steel thickness test to determine steel corrosion. MWH Engineering's cost proposal was \$43,550 with an alternate of \$62,550. He said that some of the work could be done by District staff. The higher figure would include both a pre-design report and a corrosion report. MWH Engineering has scheduled the work March through April 2016. A survey would be done just in the repair areas. J.L. Eldred said that the survey would need to go to the river. Greg Clark said that it would be the same price to go to the river. A pipe integrity analysis included would raise the cost to about \$50,000. Mr. Clark said the siphon project should have the same priority as Snively slide.

Mr. Clark then presented a proposal on a capital improvement analysis plan. He said the plan is needed in order to get grants for repairs. Mr. Manser said there may be funding available for the plan itself. Mr. Chamberlin said he would like an estimate cost of the plan to be able to seek funding for the plan. Greg Clark said he will put together a proposal for a capital improvement plan. Greg Clark and Ed Crier left the meeting at 10:33 a.m.

DISTRICT FINANCIAL REPORT. Mr. Chamberlin said that a financial report for the District has not been done yet because of the year end.

DISTRICT ACCOUNTS PAYABLE. Two lists of the District's accounts payable for the month were included in the Directors' packets. Mr. Chamberlin said that Riverside Electric work is complete and the District was billed early. A motion was made by Director White, seconded by Director Ausman, and unanimously carried approving and ratifying payment of the accounts payable.

TWILIGHT PROJECT. Nicole Sullivan said grants were successful through OWEB for materials for approximately \$300,000 for the Twilight area pipeline project. She said that the District did not get the Water Smart Grant for the installation, but that a second OWEB grant will provide another \$150,000 for a total of \$450,000. She said there is a 2-year completion date but that it can be extended. She said there is a landowner meeting scheduled for January 26. She said the project will impact 850 acres. Mr. Chamberlin said that there are also potential acres below that could possibly come on later. Ms. Sullivan said that she will also be looking to OWRD for possible place based funding. Director Corn asked about buying pipe once the funding comes in. Mr. Chamberlin said that the plan is to buy pipe while the prices are low. The project was discussed along with the manpower requirements. An October start date was discussed.

Nicole Sullivan left the meeting at 11:00 a.m.

Director Ausman said that he would like to start getting proposals on the pipe installation. Mr. Chamberlin said that he will do that.

457 PLAN. Mr. Chamberlin said that the Employee Committee is still looking at potential providers for a 457 plan. He said that he expects the Employee Committee to come to next month's meeting.

MALHEUR SIPHON. The MWH Engineering proposal was discussed further along with the possibility of the work being done by District crews. Funding and bid proposals were discussed. A motion was made by Director Corn, seconded by Director White, and unanimously carried to approve the MWH Engineering proposal for the amount of \$43,000. The motion passed unanimously.

MITCHELL BUTTE POWER PROJECT.

Financial Reports. The financial report for Mitchell Butte Power Project were included 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 Ausman, seconded by Director Tschida, and unanimously carried approving payment of the following accounts payable:

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|--------------------|---------------|
| AT&T | \$25.20 |
| Verizon | 70.28 |
| SDAO | 2,264.00 |
| Nichols Accounting | <u>220.00</u> |
| Total | \$2,579.48 |

REORGANIZATION. President Nagaki stated that this being the first meeting of the new year, it is the time for the Board to be reorganized.

ELECTION OF PRESIDENT. President Nagaki opened nominations for the election of the President of the District for the ensuing year. Director Jerry Nagaki was duly nominated and elected.

ELECTION OF VICE-PRESIDENT. President Nagaki opened nominations for the election of a Vice-President of the District to serve during the ensuing year. Director Dan Tschida was duly nominated and elected as Vice-President.

ELECTION OF SECRETARY. President Nagaki opened nominations for the election of Secretary of the District for the ensuing year. Director Eric White was duly nominated and elected as Secretary.

JOINT COMMITTEE REPRESENTATIVES. Mr. Horton said that representative from OID to the Joint Committee need to be determined. A discussion was had. After discussion, the Directors appointed Jerry Nagaki, Eric White, Bruce Corn, and Dan Tschida as representatives to the Joint Committee with Frank Ausman being the alternate.

APPOINTMENT OF LEGAL COUNSEL. Mr. Horton said that his proposal for the upcoming year will be to increase his monthly retainer to \$1,425 per month and the hourly rate to \$180 per hour. A motion was made by Director Tschida, seconded by Director Ausman, and unanimously carried appointing the law firm of Stunz, Fonda, Kiyuna, & Horton, LLP, as attorneys for the District for the year 2016 and authorizing that a monthly retainer be paid in the amount of \$1,425 which shall be for up to 10 hours of work with any additional hours in such month to be billed at \$180 per hour with travel time to be billed at half the hourly rate and that out-of-pocket expenses be paid by the District in addition to the retainer amount.

DEPOSITORIES. Discussion was held concerning the depositories of the funds of the Owyhee Irrigation District. Mr. Chamberlin recommended that the District continue with the present depositories. The consensus of the Board is to continue with the same depositories.

INSURANCE AGENT OF RECORD. Mr. Horton stated that the next item of business is consideration of the District's insurance agent of record. He said that Ray Waldo and Field Waldo Insurance is currently the District's agent of record. A decision to continue with Ray Waldo and Field Waldo Insurance as the District's agent of record was reached by consensus.

REGISTERED AGENT. Mr. Horton said that he has served as registered agent for the District and is willing to continue in that capacity. It was the consensus of the Directors to continue to have Mr. Horton serve as registered agent of the District.

NORTHWEST IRRIGATORS. Mr. Chamberlin said there is a Northwest Irrigators meeting scheduled in February and encouraged the Board members to attend the meeting.

SNIVELY SLIDE. Mr. Chamberlin said he had a conference call yesterday with a GSI representative. He went through GSI's proposal which was included in the Directors' packets. The Directors discussed the proposal in detail. Mr. Chamberlin said that the District will gravel a portion of the road before repairs start. The proposal is with the District doing excavation.

Mr. Chamberlin said that there is a carryover on the budget of \$244,000 from last year. He proposed using the carryover to pay for the Snively slide and the Malheur Siphon work. A motion was made by Director White, seconded by Director Corn, and unanimously carried to accept the GSI proposal in the amount of \$179,910.52 given the emergency nature of the situation.

CAPITAL IMPROVEMENT PLAN. A discussion was had on the potential need for an engineer to put together a capital improvement plan.

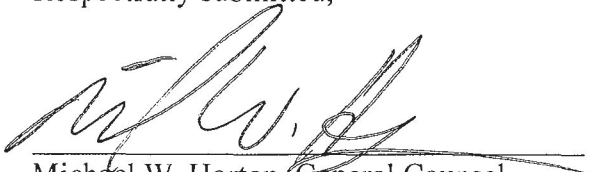
BUDGET MEETING. Mr. Chamberlin said he will have a proposed budget ready for review at next month's meeting.

ANNUAL MEETING. The Board discussed having the annual meeting in mid March.

WATER REPORT. Mr. Chamberlin said the water situation is looking good so far.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 12:15 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____