

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

July 21, 2015

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on July 21, 2015, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, at 106 Main Street, Nyssa, Oregon, at 8:25 p.m. Jerry Nagaki, President of the District, presiding.

The following Directors were present:

Jerry Nagaki	Bruce Corn	Eric White
Frank Ausman	Dan Tschida	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, Attorney; Harvey Manser, OID Assistant Manager; J.L. Eldred, OID Watermaster; and Larry Meyer, *Argus Observer*.

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on July 17.

MINUTES. Minutes of the Board of Directors meeting held on June 23, 2015, were mailed to the Directors prior to the meeting. A motion was made by Director White, seconded by Director Corn, and unanimously carried approving the minutes as mailed.

DISTRICT FINANCIAL REPORT. Mr. Chamberlin handed out a financial report for the District which the Directors reviewed and discussed.

At 8:30 p.m., J.L. Eldred left the meeting due to a power outage. The Directors' meeting continued by flashlight.

SAGE FARMS. Mr. Chamberlin reported on relations between the District and Sage Farms. He said that overall, things are going better with them.

SDAO BOARD TRAINING. Mr. Chamberlin reported that there is a Board training coming up in Baker City. Director Eric White said that he will go to that training.

NYSSA RURAL FIRE SUBSTATION PROPOSAL. Mr. Chamberlin said that he met with USBR staff and it sounds promising on the rural fire substation. He said that a long-term lease will most likely be the way the situation will be handled. Director White said that the Adrian Rural Fire Department is asking for valves on pipelines to assist in fires. Mr. Chamberlin said that he will visit with Fire District personnel.

FRY FOODS PROPOSAL. Mr. Chamberlin said that he met with USBR staff on the Fry Foods proposal to change the District boundaries so that ground they want to water is inside the District. Mr. Chamberlin said that it sounds like those acres may be able to be added under House Bill 3111.

DELINQUENT ACCOUNTS. Mr. Chamberlin said that District staff have been pushing to collect delinquent accounts and there have been some old collections come in from that action. He said that he has had a couple of growers asking to have interest charges forgiven because of the difficulty the District has had in getting water to their farms. Mr. Chamberlin explained the situations with the two different landowners. The situations were discussed by the Directors. Mr. Chamberlin said that one of the landowners is Mr. Pierson and that the Irrigation District does not have a good delivery system in his area. Mr. Chamberlin then made a recommendation to reduce one-half of the interest because of the deficiency in the delivery system. The matter was discussed. After discussion, a motion was made by Director Tschida, seconded by Director Corn, and unanimously carried that given the unique circumstances in this particular case, Mr. Chamberlin is authorized to work with Mr. Pierson to get the situation resolved, including writing off one-half of the interest. Mr. Chamberlin said that he will look into the facts further with regard to the other landowner wanting a break on his interest charges.

OWYHEE IRRIGATION DISTRICT ACCOUNTS PAYABLE. Two lists of the District's accounts payable for the month were included in the Directors' packets. The Directors review, discussed, and asked questions about specific items on the lists. A motion was made by Director White, seconded by Director Corn, and unanimously carried approving and ratifying payment of the accounts payable as presented.

SURPLUS PROPERTY. Mr. Chamberlin said that the District has an engine and transmission from a dump truck that needs to be declared as surplus. The matter was discussed and a motion was made by Director Ausman, seconded by Director White, and unanimously carried adopting the following resolution:

RESOLVED that the engine and transmission leftover from a certain Kodiak dump truck is hereby declared to be surplus and the District Manager is authorized to dispose, sell, or donate such property in such manner as he deems in the best interest of the District.

MITCHELL BUTTE POWER PROJECT.

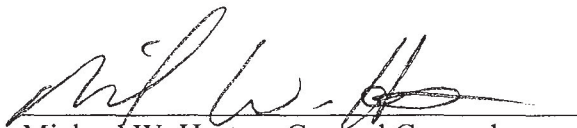
Financial Report. The financial report for Mitchell Butte Power Plant was included in the Directors' packets. Mr. Chamberlin said that the plant is running.

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:

AT&T	\$25.09
Riverside	1,832.97
Verizon	54.88
Nichols Accounting Group	<u>220.00</u>
Total	\$2,132.94

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 9:40 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____