

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

May 19, 2015

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on May 19, 2015, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, at 106 Main Street, Nyssa, Oregon, at 8:10 p.m. Jerry Nagaki, President of the District, presiding.

The following Directors were present:

Jerry Nagaki	Bruce Corn	Eric White (who joined the meeting at 8:15 p.m.)
Frank Ausman	Dan Tschida	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, Attorney; Harvey Manser, OID Assistant Manager; Larry Meyer, Newspaper Reporter; Barbara Lee, OID Patron; Mikki Logan, Public Retirement Solutions; Bryce Griffith, Security Benefit Company; and Jay Williams, Fry Foods Representative.

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on May 15.

MINUTES. Minutes of the Board of Directors meetings held on March 17, 2015 and April 13, 2015, 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.

BARBARA LEE INTEREST WRITEOFF REQUEST. Barbara Lee said that she was one day late in paying her water bill. She said that the interest charge for being late was \$81.44 and she would like to have that amount forgiven. She said that she is willing to pay for one day of interest. Mr. Chamberlin explained that the interest charges are set by state statute. The matter was discussed. The Board consensus is to not writeoff the interest charge as there needs to be a final due date and the Board does not want to set precedent for other water users. It was noted that a number of other water users have been in the same situation and have paid the late charge. Barbara Lee said that she would like her ditchrider's telephone number. At 8:20 p.m., Barbara Lee left the meeting.

457 RETIREMENT PLAN PRESENTATION. Mikki Logan gave a presentation and handouts on a proposed 457 Retirement Plan. She explained that there is no cost to the employer for setting up such a plan. Bryce Griffith further explained the benefits of a 457 Plan. The Board of Directors advised Mikki Logan and Bryce Griffith that the District employees need to get back with them with regard to 457 Plans. At 8:40 p.m., Bryce Griffith and Mikki Logan left the meeting.

DELINQUENT ACCOUNTS. Mr. Chamberlin said that Scott Gressley was late in paying his water bill and has requested that his interest be written off. Mr. Chamberlin noted that given the Board's action on Barbara Lee's request, he will let Mr. Gressley know where the Board stands on writing off interest for late payments. Mr. Chamberlin said that the number of delinquent accounts are about average for this time of year.

FRY FOODS PROPOSED WATER TRANSFER. Mr. Chamberlin said that Fry Foods which purchased Skyline Farms is wanting to move some water from below the canal to above the canal. Jay Williams, a consultant for Fry Foods, informed the Board of Fry Foods' plans. He presented a map showing the area and where the water is proposed to be moved to. He said water would be moved to irrigate crops. In reviewing the map, it was noted that 21.7 acres of the ground proposed to be watered are outside of the District boundaries. Mr. Williams said that the plan is to pipe water to a pond and commingle the water with well water and onion wash water. He said the water would be treated and then applied to crops. He said there would be a flow meter from the canal and another flow meter from the water exiting the pond. Mr. Chamberlin noted that the District boundaries would most likely have to be expanded. Mr. Williams said that the water would be stored in the pond during the winter. Director Tschida expressed concern over possible canal contamination from the ground being watered above the canal. The proposal was discussed by the Directors. Mr. Chamberlin said that he and Mr. Horton will investigate with the state and the Bureau of Reclamation with regard to the proposed project and report back to the Board. Mr. Williams left the meeting at 9:15 p.m.

457 RETIREMENT PLAN (CONTINUED). Mr. Horton said that on the proposed 457 Plan the Board should check into potential liability for the District in having such a plan. He said that other companies which offer 457 Plans also need to be investigated. Mr. Chamberlin said that he will check with Nichols Accounting on potential District liability, as well as checking into other companies offering similar services.

DISTRICT FINANCIAL REPORT. Mr. Chamberlin handed out two financial reports for Owyhee Irrigation District. One of the reports was for the month of March and the other was for the month of April. The Directors reviewed the reports.

CANAL TREATMENT. Mr. Manser said that the Shoestring and Dead Ox Canals will be treated next Tuesday if the weather holds.

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 list which Mr. Chamberlin and Mr. Manser answered. A motion was made by Director White, seconded by Director Ausman, and unanimously carried approving payment of the accounts payable.

At 9:42 p.m., Larry Meyer left the meeting.

MITCHELL BUTTE POWER PROJECT.

Financial Report. The financial report for Mitchell Butte Power Plant was included in the Directors' packets. Mr. Chamberlin said that Mitchell Butte Power 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 Corn, and unanimously carried approving payment of the following accounts payable:

AT&T	\$77.15
Century Link	136.42
Batteries Plus	150.00
Verizon	105.36
Nichols Accounting	<u>110.00</u>
Total	\$578.93

DIRECTOR COMMENTS. Director Corn said that Locket Gulch is getting overgrown. Mr. Chamberlin said that without much water running through it the willows are taking over. He said that with the limited resources of the District there is not a lot the District can do.

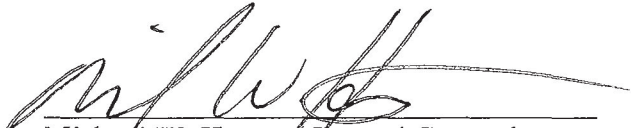
DATE OF NEXT MEETING. The date of the next Board meeting was discussed. After discussion, it was determined that the Board meeting will be held on June 23 following the Joint Committee meeting.

DISTRICT EQUIPMENT UPDATE. Mr. Chamberlin updated the Board on equipment needs of the District.

B2H POWER LINE MOU. Mr. Horton said that Mr. Chamberlin signed an updated MOU on the B2H Power Line Project. He said that the MOU allows the District to continue acting as a cooperating agency. A motion was made by Director Ausman, seconded by Director Tschida, and unanimously carried authorizing and ratifying Mr. Chamberlin's signing of the B2H MOU on behalf of the District.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 10:00 p.m.

Respectfully submitted,


Michael W. Horton, General Counsel

APPROVED: _____

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

May 19, 2015

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 May 19, 2015, at 7:03 p.m. Frank Ausman, Chairman, presiding.

The following members of the Joint Committee were present:

Frank Ausman	Chris Landa
Dan Tschida	Jerry Nagaki (OID Alternate)
Bruce Corn	

Also present were: Jay Chamberlin, Manager of the Hydro Projects; Michael W. Horton, Attorney; Clancy Flynn, South Board Manager; Harvey Manser, OID Assisted Manager; and Barbara Lee, OID Patron.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on May 15, 2015.

TUNNEL #1 POWER PROJECT.

Financial Report. Mr. Chamberlin handed out financial reports for the months of March and April. The Committee members reviewed the reports. Mr. Chamberlin said that the Tunnel Power Plant was started on April 24 and ran for about 10 days.

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. Nagaki, seconded by Mr. Tschida, and unanimously carried approving payment of the following accounts payable:

Oregon-Idaho Utilities	\$223.72
AT&T	90.72
Nichols Accounting Group	<u>325.00</u>
TOTAL	\$639.06

OWYHEE DAM POWER PROJECT.

Financial Report. Mr. Chamberlin handed out financial reports for the months of March and April. The Committee members reviewed the reports. Mr. Chamberlin said that the Dam Power Plant is running flawlessly. He explained the initial startup process and operation.

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. Tschida, seconded by Mr. Corn, and unanimously carried approving payment of the following accounts payable:

Oregon-Idaho Utilities	\$648.32
AT&T	97.54
Riverside Inc.	2,487.45
Allied Insurance	348.00
Stunz, Fonda, Kiyuna, & Horton	871.00
Nichols Accounting	<u>325.00</u>
TOTAL	\$4,777.31

WATER FORECAST REPORT. Mr. Chamberlin reported that even though it is raining, the inflows have not done anything spectacular. He said the inflows had been down to 125 cfs at Rome. He said they are now up to 250 cfs. He said there is currently 158,314 acre feet of water in storage in the reservoir. He said that the long-range forecast is for a hot and dry summer.

WATER USAGE AMONG DISTRICTS. Mr. Chamberlin said that Owyhee Irrigation District, South Board, and Old Owyhee managers have been meeting with USBR staff members on the current water usage among the districts. Mr. Chamberlin updated the Committee on these meetings with USBR staff. He said that some small users are starting to run out of water. Mr. Flynn said that the losses for the South Board were greater on the lower end than in previous years. Mr. Chamberlin noted that the canals took longer to fill this year. He said that the gophers are bad and that OID staff have been doing a lot of trapping.

Mr. Chamberlin said that USBR has financed the conducting of three measurements on the inflow structures for the Districts. He said they have contracted with USGS to do the measuring. Mr. Flynn said that USGS is wanting to do one of the measurements next week.

OWYHEE DAM PHYSICAL REVIEW. Mr. Chamberlin said that USBR staff did an inspection of the Owyhee Dam today. He said there were regional and area office engineers doing the inspection of the dam, ring gate, and penstock. Mr. Chamberlin said that one of the identified areas of future needed work is the coatings on the parapet walls. Mr. Chamberlin said that the jet flow valves themselves will also need to be coated. He reminded the Joint Committee that these are new young engineers doing the review. He then explained about guard gate #8 finally becoming operational and explained the plan for operation of the gate prior to the end of the irrigation season.

TUNNEL POWER PLANT OPERATION. Mr. Chamberlin advised the Committee on the startup of the Tunnel Power Plant.

OWYHEE DAM POWER PLANT. Mr. Chamberlin explained the startup of the Owyhee Dam Power Plant. He said that a piece of sage brush was found in a wicket gate that caused the earlier problem. He said other than that the machine is running good.

COUNTY BOAT RAMP. Mr. Chamberlin reported on a meeting last week with the County, USBR, Nyssa Road District representatives, and interested parties with regard to the county boat ramp at Owyhee Reservoir. He explained that the boat ramp is currently unsafe and needs repairs. He said that USBR is telling the Road District that if repairs are done, the ramp must be brought up to ADA standards. He explained that it appears the ramp was originally the road to access the tunnel. He explained that cabin owners are willing to pool resources to do the repairs, but USBR is dragging their feet on allowing the repairs to be done without bringing the ramp up to ADA requirements. Mr. Chamberlin said that USBR staff have informed him that the irrigation districts may be able to do the repairs to the ramp without meeting the ADA requirements. He said that he has not gotten a clear answer yet from USBR on this.

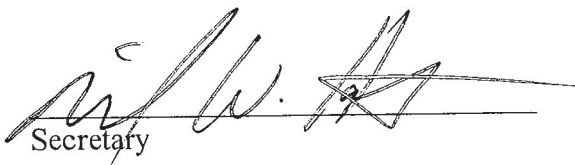
OWYHEE ROAD IMPROVEMENT ENGINEERING GRANT. Mr. Chamberlin said the Road Improvement Engineering Grant which was applied for may be awarded to the county. He said that there is a meeting scheduled with the federal agency administering the grant coming up in the future.

B2H POWER LINE. Mr. Horton explained that the B2H Cooperating Agency MOU expired and has been renewed. Mr. Horton said that he signed the agreement as secretary for the Joint Committee. A motion was made by Mr. Nagaki, seconded by Mr. Tschida, and unanimously carried approving and ratifying Mr. Horton's action in signing the MOU for the Joint Committee to act as a cooperating agency on the B2H Power Line Project.

DROUGHT GRANT OPPORTUNITIES. Mr. Flynn provided information on grant opportunities relating to the drought. He said that one of the opportunities is to obtain funding to put together a drought contingency plan. He said that these plans are often needed to seek further grant funds. Mr. Flynn said that the grant he is looking at requires a 50/50 cost share. He said that like kind services can be provided as part of the cost share. The grant opportunities were discussed. Mr. Corn said that there are state grants which are available which can be used to match the cost share. After discussion, it was the consensus of the Joint Committee members to move forward with the drought contingency plan grant application process.

ADJOURNMENT. There being no further business, the meeting was adjourned at 8:10 p.m.

Respectfully submitted,


Secretary

APPROVED: _____