

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

August 19, 2003

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on August 19, 2003, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 9:43 p.m., Bruce Corn, President of the District, presiding.

The following Directors were present:

Bruce Corn	Fred Schilling
Jerry Nagaki	Larry White
Frank Ausman	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, Secretary and General Counsel; and Charles Barlow, OID Patron.

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

MINUTES. Minutes of the meetings of Directors held June 17, 2003 and July 8, 2003, had been mailed to each Director prior to the meeting. A motion was made by Director Schilling, seconded by Director White, and unanimously carried approving the minutes as mailed.

MITCHELL BUTTE POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the month of July which was prepared by Nichols Accounting Group. The report was reviewed by the Directors. The report shows a net profit for the month of \$25,384.54.

Accounts Payable. Mr. Chamberlin presented the following schedule of accounts payable for the Mitchell Butte Power Project:

August Bills

FERC	\$8,485.07
Bledsoe & Bledsoe	1,510.00
Nichols Accounting Group	234.00

Malheur Bell	131.16
AT&T	<u>44.32</u>

Total \$10,404.55

July Bills Paid on July 21, 2003

U.S. Bank	\$1,347.00
AT&T	22.16
Nichols Accounting Group	234.00
Malheur Bell	131.10
OID Reimbursement	<u>11,125.17</u>

Total \$12,859.43

A motion was made by Director Ausman and seconded by Director Nagaki that the accounts, as listed in the agenda, for the month of July be ratified and approved and the accounts for the month of August be paid. The motion passed unanimously.

BARLOW GRAVITY SPRINKLER SYSTEM REVIEW. Mr. Chamberlin said that John Ross had worked with the Barlows on putting a sprinkler system plan together and having the District help them. He said that Mr. Barlow's plan is almost ready to implement and he thought it was a good time to have Charles Barlow come and explain the sprinkler system to the Board. Mr. Corn asked for reassurance that the mainline being put in will be big enough for future expansion. Mr. Chamberlin said that in this case, no other landowner would benefit. He assured the Board that he is looking ahead on other projects.

Mr. Barlow showed the Board a map and drawings of the proposed project and explained it to them. Mr. Barlow wants to reroute Fletcher Gulch and put in a rotating screen that would benefit one other land owner. Mr. Barlow said that he would need help with the structure in the canal. Mr. Chamberlin said that the integrity of the District system would need to be protected if the pumps shut down.

Mr. Horton asked if the Barlows own all land along where Fletcher would be rerouted. Mr. Barlow said that they do own all but one section where it abuts the neighbor's property. He said that they are going to get a survey done to route Fletcher Gulch on their land. The timing and extent of the District's work was discussed. A discussion of using a leased excavator for this and other pipeline projects was had. Mr. Barlow said that he is looking at starting the project next month. Mr. Chamberlin said that he feels very comfortable with this proposal.

President Corn thanked Mr. Barlow.

AUDIT. Mr. Chamberlin said that the audit is complete. He said that the auditor had a concern that Tunnel #1 had cash flow problems but he wasn't aware of the arrangements made with SELP on the tunnel and after he heard of the arrangements, he felt more comfortable.

Mr. Chamberlin said that the state changed their audit requirements which may increase costs next year. He said that he will have Bledsoe & Bledsoe present the audit at next month's meeting.

NEXT MEETING. It was determined by consensus that the next meeting of the Board of Directors would be September 30, 2003

WATER FORECAST. Mr. Chamberlin stated that the water supply will be on a day-to-day basis but that he does need to know how long to run Dunaway Pumping Plant. He asked if it could be run until October. President Corn said that, in his opinion, Dunaway Pumping Plant should run as long as Dead Ox Pumping Plant is running. Mr. Chamberlin said that he would not run the pumps just to sell excess water, but that as long as they have water to be delivered, they will need to continue to run the pumps. He said that it is better to sell the excess water rather than dump it.

DUNAWAY PUMPING PLANT. Jay Chamberlin said that he had an analyst look at the Dunaway Pumping Plant with regard to it going offline. It was determined that the fuses were set too light. This will be adjusted.

TENTATIVE SHUT OFF DATE FOR DUNAWAY AND DEAD OX PUMPING PLANTS. Mr. Chamberlin said that it is important to have a target shut-off date for the farmers. A discussion was had on a possible shut-off date. After discussion, a motion was made by Director Schilling, seconded by Director Ausman, and unanimously carried setting a shut-off date for the Dunaway and the Dead Ox Pumping Plants of October 1, 2003.

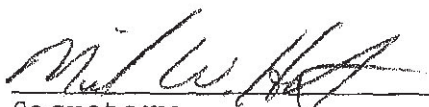
EXECUTIVE SESSION. Mr. Horton stated that an executive session is necessary to discuss potential litigation pursuant to ORS 192.660 (1)(h). At 10:55 p.m., the Board entered executive session.

At 11:15 p.m., the Board returned from executive session.

OWYHEE DITCH COMPANY DITCH BREAK. President Corn stated that Owyhee Ditch had a break in their canal system. He said that the District provided assistance in repairing the canal. He said that in providing the assistance, it became clear that the District needs another pup trailer and a newer CAT. Mr. Chamberlin reviewed the Equipment Purchase Schedule. President Corn asked where the District will obtain funds to make the Mitchell Butte Bond payment. Mr. Chamberlin said that there are sufficient funds in reserves to make the payment.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 11:25 p.m.

Respectfully submitted,



Secretary

APPROVED: _____