

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

June 17, 2014

A meeting of the Joint Committee of the Owyhee Project was held at the Museum at the Owyhee Dam Compound, on June 17, 2014, at 10:00 a.m. Frank Ausman, Chairman, presiding.

The following members of the Joint Committee were present:

Frank Ausman	Jerry Nagaki
Eric White	Rick Smith
Bruce Corn	Mark Aman (South Board Alternate)

Also present were: Harvey Manser, OID Assistant Manger; Michael W. Horton, Attorney; and Dan Tschida, OID Alternate.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on June 10, 2014.

MINUTES. The minutes of the meeting of the Joint Committee held on May 27, 2014, were mailed to the Committee members prior to the meeting. A motion was made by Mr. Corn, seconded by Mr. Smith, and unanimously carried approving the minutes as mailed.

TUNNEL #1 POWER PROJECT.

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

TUNNEL #1 POWER PROJECT ACCOUNTS PAYABLE. The Committee members reviewed the accounts payable for the Tunnel #1 Power Project. A motion was made by Mr. White and was seconded by Mr. Corn to pay the accounts payable. Chairman Ausman called for discussion. Mr. Corn said that the Joint Committee needs to be considering what will happen when the projects run out of money and whether or not the Districts will need to begin budgeting to pay for some of the expenses. Chairman Ausman asked about the Hydro Operator's contract and how he is to be paid. Mr. Horton said that right now the O&M reserves can be used to pay the operator's contract. Chairman Ausman asked Mr. Manser if the Joint Committee could have a projection on anticipated revenue and expenses for the year. Mr. Manser said that he will run those projections. Chairman Ausman called for a vote on the motion, which passed unanimously. The following bills were paid in the amounts listed:

AT&T	\$85.37
Owyhee Irrigation District	10,913.98
Oregon Idaho Utilities	111.16
Brian Richins, PA	<u>1,950.00</u>
Total	\$13,060.51

OWYHEE DAM POWER PROJECT.

Financial Report. Mr. Manser said that a financial report for the Owyhee Dam is not ready yet.

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

Century Link	\$47.99
Verizon	50.00
Owyhee Irrigation District	<u>11,426.78</u>
Total	\$11,524.77

STORAGE UPDATE. Mr. Manser said that there is currently 90,000 acre feet of storage in the reservoir. He said that the Tunnel is running 780 cfs for the North Canal and that he is not sure how much is being run through the Tunnel for the South Board. He said that Old Owyhee is receiving 170 cfs through the dam. He reported that a minimal number of users are starting to run out of water. Mr. Smith said that on the South side some of the big users are out of water. A possible date when the water will run out was discussed.

BOAT RAMP AT OWYHEE RESERVOIR. Mr. Manser said that Jay Chamberlin will be meeting with Malheur County officials with regard to the county boat ramp at the reservoir which is near the Glory Hole. He said that there has been some undermining of the ramp.

USBR INCIDENT REPORTING PROGRAM. Mr. Manser said that USBR has implemented a new incident reporting system. He said that any incidents which occur on or near a USBR facility are to be reported to the USBR. He said they have created a phone contact reporting system which will be available 24/7. Mr. Manser gave an example of the type of incidents that USBR wants to be notified of. He said that if a truck backs into the reservoir on one of the boat ramps on the reservoir and ends up in the lake, the Bureau wants to know.


MOU OLD OWYHEE DITCH IMPROVEMENT DISTRICT. Mr. Horton said that he is still waiting for the signed MOU to be returned to him from Old Owyhee. Mr. White said that he heard that Old Owyhee has signed the Agreement. Mr. Horton said that he spoke to the USBR area manager prior to the meeting with regard to reaching a long-term agreement with Old Owyhee.

PUMPING COSTS. Mr. Aman said that in the South, there is a group of water users who are upset about those users under the pumps getting more water than the upper users. Mr. Smith said that the South Board's attorney has looked at the contracts and does not think there is an issue. Mr. Horton said that the USBR area manager just sent out a letter on calculating power for pumping costs which included a flow chart. He said that at the end of the year this will need to be looked at when the USBR power bill is received.

REGIONAL AND AREA DIRECTORS' VISIT. The visit by the USBR Regional and Area Directors today was discussed. They presented a plaque for the Owyhee Dam being placed on the National Historic Register. They toured the Owyhee Dam facility while the Joint Committee meeting was in progress.

ADJOURNMENT. There being no further business, the meeting was adjourned at 10:55 a.m.

Respectfully submitted,


Secretary

APPROVED: _____

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

June 17, 2014

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on June 17, 2014, at the Owyhee Dam, at 10:55 p.m. Jerrv Nagaki, President of the District, presiding.

The following Directors were present:

Bruce Corn	Jerry Nagaki
Eric White	Frank Ausman
Dan Tschida	

AM not P.M. ?

Also present were: Michael W. Horton, Attorney; Harvey Manser, OID Assistant Manager; and Brian Richins, Auditor (who jointed the meeting at 11:10 a.m.)

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on June 10, 2014.

MINUTES. The minutes of the meeting of the Board of Directors held on May 27, 2014, 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.

OWYHEE IRRIGATION FINANCIAL REPORT. Mr. Manser handed out a financial report for the month which was prepared by Nichols Accounting. The report was reviewed and discussed by the Directors. Director Tschida asked about the Newell and Fletcher Pipeline Projects' reimbursement.

At 11:10 a.m., Brian Richins joined the meeting.

Mr. Manser explained the expenses and grant monies received on the Newell and Fletcher Gulch Pipeline Projects. A question was asked about Mr. Zittercob's wages and Mr. Richins noted that the District was reimbursed for Mr. Zittercob's 2013 wages.

2013 AUDIT. Brian Richins handed out his audit report for 2013. The report included charts and a letter which Mr. Richins explained as the Directors reviewed them. Mr. Richins said that he spoke to Nichols Accounting and that he is okay with the District continuing to use modified accrual accounting. Mr. Richins said overall the books of the District are in real good shape. Director Ausman asked how the District is doing with regard to the O&M reserves. Mr. Richins said that the District's current assets to liabilities is two to one which is standard. He said that the reserves for operation are fairly strong. Director Corn asked Mr. Richins how he feels about the District's internal controls. Mr. Richins said that with Nichols Accounting

working for the District, he feels that internal controls are great. He said that he cannot see anything to recommend for internal controls. Director Corn asked about the fact that related parties are working in the office together. Mr. Richins said that he would see this as a problem if Nichols Accounting were not assisting the District, but given the fact that they are, he does not have a concern. He said that best case scenario he would not advise having such a situation. Mr. Richins said that overall the audit went well. He said that it is due June 30. A motion was made by Director Ausman, seconded by Director Tschida, and unanimously carried approving the audit as presented.

Brian Richins left the meeting at 11:55 a.m.

CHEMICAL TREATMENT. Director Tschida asked about chemical treatment for weed control in the canal system. Mr. Manser explained the treatment approach he is taking this year and pointed out to the Directors those areas within the system which have been treated. He said that right now his plan is not to treat the North Canal this year.

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

MITCHELL BUTTE POWER PROJECT.

Financial Report. The regular monthly financial report for the Mitchell Butte Power Project was included in the Directors' packets. The Directors reviewed the report.

Accounts Payable. The agenda for the meeting listed accounts payable for the Mitchell Butte Power Project. The Directors reviewed and discussed the listed accounts payable. A motion was made by Director Corn, seconded by Director Ausman, and unanimously carried approving payment of the following accounts payable:

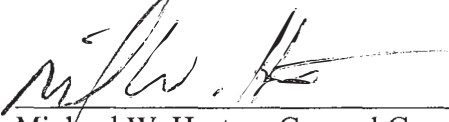
Owyhee Irrigation District	\$11,448.71
Verizon	160.16
Brian Richins, PA	1,950.00
Riverside Inc.	131.32
AT&T	<u>207.09</u>
Total	\$13,897.18

EQUIPMENT REVIEW. Mr. Manser said that the District received a \$10,000 standing offer on the old CAT which has been surplused. He said that Mr. Chamberlin is not sure on whether or not to accept the offer. He said that the District may wait and see what other opportunities are available to liquidate the CAT. Mr. Manser said that the District did purchase a flatbed one-ton pickup at a cost of approximately \$4,500. He said that the pickup will be used for fire and chemical uses.

DISTRICT PROPERTY LOCATED AT GRAND AND JEFFERSON. Director Ausman said that the Nyssa Rural Fire District is interested in possibly building a satellite fire station on District owned ground at the intersection of Grand and Jefferson. Mr. Manser said that title of the property is in the name of the Bureau of Reclamation and that a long-term lease may be a possibility. The matter was discussed.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 12:23 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____