

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

January 21, 2014

A meeting of the Joint Committee of the Owyhee Project was held at the Museum at the Owyhee Dam Compound in Oregon, on January 21, 2014, at 12:20 p.m. Frank Ausman, Chairman, presiding.

The following members of the Joint Committee were present:

Frank Ausman	Jerry Nagaki
Eric White	Rick Smith
Bruce Corn	Chris Landa

Also present were: Jay Chamberlin, Manager of the Hydro Projects; Harvey Manser, OID Assistant Manager; Michael W. Horton, Attorney; Tom Zittercob, Hydro Operator; Ron Keester, South Board Manager; Dan Tschida, OID Alternate; Brett Nielson, Jennifer Moore, Ryan Crieffield, South Board; and Mark Aman, South Board Alternate.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on January 15, 2014.

WATER REPORT. Mr. Chamberlin said that he compared storage in the reservoir on December 30 to previous years. He said that he had to go back to 1942 to find a similar comparison for such a low storage level. He said that the project is in a third consecutive dry season and that the snow pack is minimal. He said that as of this morning, there is 71,866 acre feet of storage in the reservoir. He noted that stream forecasts are in the Committee members' packets. He said there is very little stream flow projected. He said the Boise River is well below average as is the Snake River at Nyssa. He said that he is planning on flying the watershed the last week in January. Mr. Smith asked about the amount of water being released from the Dam and Mr. Chamberlin explained the winter release water rights and that the outflow has been reduced from 30 cfs to 20 cfs.

The potential for the Snake River to be very low this year was discussed.

MOU OLD OWYHEE DITCH IMPROVEMENT DISTRICT. Mr. Chamberlin said that the MOU will be worked on as soon as possible. He said that a planned meeting got postponed due to the illness of a consultant which Old Owyhee hired to calculate inflows.

MINUTES. The minutes of the meeting of the Joint Committee held on December 17, 2013, were mailed to the Committee members prior to the meeting. A

motion was made by Mr. Smith, seconded by Mr. White, and unanimously carried approving the minutes as mailed.

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 Frank Ausman, Bruce Corn, Eric White, and Jerry Nagaki as representatives to the Joint Committee with Dan Tschida being the alternate. Chris Landa said that South Board has designated Rick Smith and Chris Landa as representatives to the Joint Committee and Mark Aman as alternate.

Chairman. Chairman Frank Ausman opened nominations for the office of Chairman. Mr. White nominated Frank Ausman as Chairman. Mr. Corn seconded the nomination and made a motion that nominations be closed and a unanimous ballot cast for Frank Ausman as Chairman of the Joint Committee. Mr. Nagaki seconded the motion. A unanimous ballot was cast for Frank Ausman as Chairman of the Joint Committee.

Vice-Chairman. Chairman Ausman opened nominations for the office of Vice-Chairman. Mr. Corn nominated Rick Smith. Mr. Landa seconded the nomination. Mr. White made a motion that nominations be closed and an unanimous ballot cast for Rick Smith as Vice-Chairman of the Joint Committee. Mr. Nagaki seconded the motion. A vote was held and a unanimous ballot was cast for Rick Smith 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 on the same terms and conditions as last year. A motion was made by Mr. White, 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 \$150.00 per hour, plus expenses.

Depositories. A Discussion was held concerning the depositories of the funds of the Joint Committee. It was the consensus of the Committee members to maintain the same depositories currently being used on the same terms and conditions as previously approved.

TUNNEL #1 POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the month of December for the Tunnel #1 Power Project which was prepared by Nichols Accounting Group. The report was reviewed and discussed by the Committee Members. Mr.

Chamberlin said that he has spoken with SELP representatives and they are prepared for the low water year. What may occur with regard to the loan payments when the power rates drop was discussed.

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

AT&T	\$36.21
D&B Supply	80.56
Boise Rigging Supply	117.49
The Home Depot	50.30
Kelly-Moore	477.96
Toombs Janitorial	21.20
Oregon Idaho Utilities	107.56
Nichols Accounting Group	<u>325.00</u>
Total	\$1,216.28

OWYHEE DAM POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the month of December for the Owyhee Dam Power Project which was prepared by Nichols Accounting Group. The report was reviewed and discussed by the Committee Members.

OWYHEE DAM ACCOUNTS PAYABLE. The Committee members reviewed the accounts payable for the Owyhee Dam Power Project. Mr. Smith asked about what is being painted as he sees a lot of paint supplies listed in the accounts payable. Mr. Zittercob said that draft tubes and floor in the Dam and Tunnel Plants are being painted. A motion was made by Mr. Smith, seconded by Mr. White, and unanimously carried approving payment of the following accounts payable:

Oregon Idaho Utilities	\$162.20
AT&T	68.94
The Home Depot	23.94
Stunz, Fonda, Kiyuna	725.93
Riverside	92.96
D&B Supply	115.71
Kelly-Moore	417.13
Toombs Janitorial	63.60
Verizon	153.77
Nichols Accounting Group	<u>325.00</u>
Total	\$2,149.18

DAM BUDGET. Mr. Chamberlin said that Owyhee Irrigation District has just completed its budget which includes budgeted amounts for the Owyhee Dam. He said that he wanted to point out in the contract where it refers to a process for approving costs at the Dam. He said there is a staircase on the East side of the Dam that gets a lot of water infiltration. He said the plan is to put coatings on the staircase.


DAM TOUR. Mr. Chamberlin provided information on the upcoming tour of the Dam.

DATE AND TIME OF NEXT MEETING. After discussion it was the consensus of the Committee members to hold the next meeting on February 25 at 1:00 p.m., at Mr. Horton's office.

CLOUD SEEDING. Mr. Keester said that he was asked about cloud seeding and the Committee members discussed the issue.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 1:12 p.m.

Respectfully submitted,



Secretary

APPROVED: _____

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

January 21, 2014

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on January 21, 2014, at the Museum at the Owyhee Dam Compound in Oregon, at 10:05 a.m. Jerry Nagaki, President of the District, presiding.

The following Directors were present:

Bruce Corn	Dan Tschida
Eric White	Frank Ausman
Jerry Nagaki	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, Attorney; Harvey Manser, Assistant Manager; Linda Rowe, SWCD; and Lynn Larson, NRCS.

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on January 15, 2014.

MINUTES. The minutes of the December 17, 2013, meeting of the Board of Directors were mailed to the Directors prior to the meeting. It was noted that the minutes contained an error on page 3 with regard to the proposed budget. The minutes were amended by consent. A motion was made by Director White, seconded by Director Tschida, and unanimously carried approving the minutes as amended.

FINANCIAL REPORT. Mr. Chamberlin said that he does not have a financial report for the District at this time.

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 and discussed the lists. Mr. Chamberlin said the Riverside billing which was questioned last month was corrected as there was a mixup on the length of the battery cables. A question was raised with regard to the Sherman Sales billing. Mr. Chamberlin said that he will check into it. A motion was made by Director Corn, seconded by Director Ausman, and unanimously carried approving and ratifying payment of the bills with the Sherman Sales bill being subject to Mr. Chamberlin's inquiry.

DISTRICT REORGANIZATION. President Nagaki stated that this, the first meeting of the new year, is the time for the reorganization of the Board.

ELECTION OF PRESIDENT. President Nagaki opened nominations for the election of the President of the District for the ensuing year. Director Corn nominated Jerry Nagaki. Director Tschida seconded the nomination. Director Ausman moved that nominations cease and

that a unanimous ballot be cast for the election of Jerry Nagaki as President of the District for the ensuing year. The motion was seconded by Director White and passed unanimously.

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 Ausman nominated Dan Tschida. Director White seconded the nomination. Director Corn moved that that nominations cease and that a unanimous ballot be cast for the election of Dan Tschida as Vice-President of the District for the ensuing year. The motion was seconded by Director Ausman and passed unanimously.

ELECTION OF SECRETARY. President Nagaki opened nominations for the election of Secretary of the District for the ensuing year. Director Tschida nominated Eric White. Director Corn seconded the nomination. Director Ausman moved that nominations cease and that a unanimous ballot be cast for the election of Eric White as Secretary of the District for the ensuing year. The motion was seconded by Director Corn and passed unanimously.

JOINT COMMITTEE REPRESENTATIVES. Mr. Horton said that the representatives from OID to the Joint Committee need to be determined. A discussion was had. After discussion, a motion was made by Director Tschida, seconded by Director Ausman, and unanimously carried designating Eric White, Frank Ausman, Bruce Corn, and Jerry Nagaki as representatives to the Joint Committee of the Owyhee Project with Dan Tschida as the alternate.

APPOINTMENT OF LEGAL COUNSEL. Mr. Horton said that his proposal for the upcoming year will be the same as last year. A motion was made by Director Ausman, seconded by Director Corn, and unanimously carried appointing the law firm of Stunz, Fonda, Kiyuna, & Horton, LLP, as attorneys for the District for the year 2014 and authorizing that a monthly retainer be paid in the amount of \$1,325 which shall be for up to 10 hours of work with any additional hours in such month to be billed at \$150 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. A decision to continue with those depositories was made by consensus of the Directors.

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.

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

Kinney & Keele	\$7.25
D&B Supply	38.57
Toombs Janitorial	21.20
AT&T	38.91
Nichols Accounting Group	<u>110.00</u>
Total	\$215.93

Hyline Bench Area. Linda Rowe and Lynn Larson gave a presentation on potential improvements in the Hyline Bench area. They passed out a map showing which projects they would like to make a priority in the Hyline Bench area for 2015. They said that there have been landowners coming in wanting some conservation projects done in this area. Mr. Larson said that the project has been broken down into manageable sections for District manpower and funding. He said that he is looking for broad support before moving forward. He said that he will not move forward with any of the projects without the District Board support. He said that they are mainly looking at piping laterals. He said there is good landowner support but that the support is not yet where he would like it. Linda Rowe said that funding for these projects would be from OWEB for the piping of the laterals. Mr. Horton said that the District Board will need much more specifics on each proposed project before they can make an informed decision. Mr. Chamberlin said that more landowner commitment is needed. The proposed projects were discussed. The Board of Directors made it clear that they need additional information. Linda Rowe said that she will come to next month's Board meeting with additional information. Linda Rowe said that additional water sampling is being done now so that a baseline can be established to show water quality improvement from the proposed projects. Mr. Chamberlin said this is a great area within the District to be focused on.

At 10:50 a.m., Linda Rowe and Lynn Larson left the meeting.

Director Tschida asked how much time Mark Carpenter puts in on these types of projects and his work was discussed. Mr. Chamberlin said that the District will be able to get in-kind credit for the preliminary work which Mr. Carpenter is doing. The proposed projects within the Hyline Bench area were discussed. Director Corn said that water savings and water quality improvement within the area would benefit the District. Mr. Chamberlin said the area does not have much pressurization potential.

CHARLEY BINDER'S PROPERTY. Mr. Chamberlin said that he is looking at property owned by Charley Binder which is up for sale which may have potential to be used for potential additional storage and as a potential gravel source. The idea was discussed and Mr. Chamberlin was directed to continue to investigate the matter.

LANDOWNER MEETING. The Board of Directors discussed setting a date and time for a presentation to the landowners within the District. After discussion, it was the consensus of the Directors to have the presentation on Tuesday, March 4, at 7:00 p.m., at the Cairo Grange. The Directors noted that if that date will not work for the Grange, March 3 or 6 are also possibilities.

ANNUAL INCURRED CHARGES. Director Corn said that he would like to discuss the possibility of keeping the annual incurred charges at the same level as they were last year given the current water situation. Mr. Chamberlin handed out the budget which was adopted at last month's meeting, and identified areas where money could be pulled if the charges were left the same as last year. He noted that money could be pulled from the chemical budget. Director Corn suggested that the District look at switching over to requiring vacation time to be carried over versus buying it out for this year. He noted that there may be layoffs because of the water situation. Mr. Chamberlin noted that 8 to 10 pumping plant employees may not have to be hired and that the ditchriders could have their duties reassigned in order to avoid having to pay unemployment. Director Ausman noted that there will be a power bill that will have to be paid. Mr. Chamberlin said that there will probably also be a higher number of delinquencies in payment. Director Ausman said that the word also needs to be gotten out to the landowners that there is no way the water will be able to be started early this year. Director White noted that operating reserves could be utilized to get by on this year. A motion was made by Director Tschida to keep the annual incurred charge the same as last year which was \$55.80 per acre and that the service charge imposed on subdivided and small tract lands consisting of five acres or less within the District also remain the same as last year. Director Ausman seconded the motion. The Directors discussed the motion. Director Ausman asked how many acres are under the pumps and potential pumping plant surcharges were discussed. Mr. Chamberlin was directed to look into whether or not the acreages under the pumps are paying their share. President Nagaki called for a vote on the motion which passed unanimously.

WATER SOFTWARE. Mr. Manser asked the Board if they still want to purchase software on water reporting for the office. The consensus of the Board is to pursue such purchase.

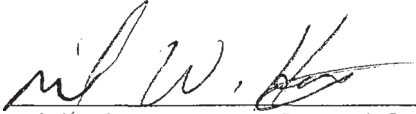
PERS. Mr. Chamberlin said that staff at Nichols Accounting have done an analysis and that there was no benefit for the District to join the PERS pool.

NEWELL PIPELINE PROJECT. Mr. Chamberlin said there are still a few turnouts to go on the Newell Pipeline.

NORTHWEST IRRIGATORS CONFERENCE. Mr. Chamberlin said that Northwest Irrigators will be having a conference in Boise on February 12 and 13 and invited the Directors to attend.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 12:04 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____