

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

February 19, 2013

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on February 19, 2013, at the Cairo Grange Hall in Ontario, Oregon, at 10:02 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; and Jim Hutton and a State Park Ranger, from Oregon State Parks (who joined the meeting at 10:37 a.m.)

MEETING NOTICE. The meeting agenda showed that notice to the news media as to the time, date, and place of the meeting was given on February 13, 2013.

MINUTES. The minutes of the January 22, 2013, meeting of the Board of Directors were mailed to the Directors prior to the meeting. Mr. Chamberlin noted a correction on Page 4 in that Geo Spatial is located in Bend and not Vale. Mr. Nagaki noted a misspelled word on Page 1 of the minutes in that the word “tank” was misspelled as “take.” The minutes were corrected. A motion was made by Director White, seconded by Director Ausman, and unanimously carried approving the minutes as corrected.

OWYHEE IRRIGATION DISTRICT FINANCIAL REPORT. Mr. Chamberlin handed out a financial report for District. The report was reviewed by the Directors. Director Tschida asked about a large Special District’s payment that did not match the Balance Sheet. The entry for secretary travel expense in the report was questioned. Mr. Chamberlin said that he will check on both of these and report back to the Board. He said that he and staff recently met with Nichols Accounting staff and went over bookkeeping duties and he believes that things will be better going forward as a number of duties were reassigned.

OWYHEE IRRIGATION DISTRICT ACCOUNTS PAYABLE. A list of the District’s accounts payable for the month was included in the Directors’ packets. The list was reviewed. Mr. Chamberlin answered a question which Director Tschida had on last month’s accounts payable with regard to a billing on concrete. Questions on this month’s bills were asked and answered. The format of the accounts payable was discussed. A motion was made by Director Corn, seconded by Director White, and unanimously carried approving payment of the accounts payable.

At 10:37 a.m., the gentleman from Oregon State Parks joined the meeting.

MITCHELL BUTTE POWER PROJECT.

Financial Report. The regular monthly financial report was included in the Directors' packets. The Directors reviewed the report. Director Corn asked about the status of the one power unit which has been pulled out. Mr. Chamberlin said that the unit is still laying in pieces at Riverside's shop. Director White asked if the Mitchell Butte Power Plant will be ready for operation when the water comes on. Mr. Chamberlin said that it will.

Accounts Payable. The agenda for the meeting listed the following accounts payable for the Mitchell Butte Power Project:

AT&T	\$30.56
California Electric	2,933.04
Verizon	53.31
Owyhee Irrigation District	219.97
Century Link	125.99
Nichols Accounting Group	<u>110.00</u>
Total	\$3,472.87

A motion was made by Director Ausman, seconded by Director Corn, and unanimously carried that the accounts payable for the Mitchell Butte Power Project, be paid.

BOAT DOCK AT OREGON STATE PARK. Jim Hutton from Oregon State Parks said that they have recently received some grants to modify the boat docks at the Oregon State Park on the Owyhee Reservoir. He said that the State Parks Department just recently learned that they were responsible for the docks. He said that the docks are not ADA compliant and that there are parking capacity issues. He said that they are going to do a major improvement project. He explained that part of the work needs to be done during low water. The Board of Directors and Mr. Chamberlin explained how the Owyhee Dam is operated and the difficulty in predicting water levels. The planned project was discussed.

At 11:15 a.m., the Oregon State Parks representatives left the meeting.

TUNNEL #1 POWER PROJECT.

Financial Report. Mr. Chamberlin said that the financial report for the Tunnel #1 Power Project is not yet ready.

Accounts Payable. The agenda showed the following schedule of accounts payable for the Tunnel #1 Power Project:

California Electric	\$2,533.54
A-1 Key	19.90

Oregon-Idaho Utilities	112.36
Owyhee Irrigation	219.97
Nichols Accounting Group	<u>325.00</u>

Total \$3,210.77

A motion was made by Director White, seconded by Director Corn, and unanimously carried that the accounts payable, as presented, for the Tunnel #1 Power Project, be paid.

OWYHEE DAM POWER PROJECT.

Financial Report. Mr. Chamberlin said that the financial report for the Owyhee Dam Power Project is not yet completed. He said that he is not sure on the cost on the power plant repairs yet. He said that Riverside is working on the tolerances on the wicket gates which will result in more cost. He said that they found some issues on the thrust bearings.

Owyhee Dam Power Project Accounts Payable. The Owyhee Dam Power Project accounts payable were listed on the agenda as follows:

McGowan Computers	\$70.00
Verizon	120.92
Stunz, Fonda, Kiyuna & Horton, LLP	1,700.00
California Electric	2,533.54
Owyhee Irrigation	273.95
Oregon-Idaho Utilities	168.54
Century Link	45.00
Nichols Accounting Group	<u>325.00</u>

Total \$5,236.95

A motion was made by Director Corn, seconded by Director Ausman, and unanimously carried that the accounts payable for the Owyhee Dam Power Project, be paid.

FLETCHER GULCH PIPELINE PROJECT. Mr. Chamberlin said that the Fletcher Gulch Pipeline Project is now officially complete. Mr. Manser said that the District just needs to send in the final report and collect the last of the grant money.

NEWELL PIPELINE PROJECT. Mr. Chamberlin said that the District is done laying pipe on this project for the season. He said that staff is now working on an inlet box. The progress of individual users on the system were discussed. Mr. Chamberlin explained the future funding outlook and overall plans for the next phase of the project. The potential for pressurized systems and the benefit on water quality was discussed. Director Corn noted that there is already a lot being done by the District and on farms throughout the District to help with water quality.

JET FLOW VALVES. Mr. Chamberlin said that he met with Bureau staff on the guard gate leakage which Mr. Sullivan was concerned about. He said that Bureau staff did not seem to think that the leakage was that big of a deal. He said that they were going to check with the Denver office to see how much leakage is too much. He said that District staff then did their own testing and they believe that the middle gate does leak quite a bit, but that the drain takes it all. Mr. Chamberlin said that he could do an RFP on the coatings on the two outside jet flow penstocks which are not getting wet from the middle guard gate leakage. He said that he has looked at it further. The coatings are not as bad as he originally thought. The consensus of the Board is to wait for the Bureau of Reclamation to investigate on the guard gate leakage and wait for their report before moving forward with the drop log and penstock coating RFP. Mr. Chamberlin said that Dam Maintenance Company may be doing some warranty work on the ring gate work which they completed a few years ago.

SURPLUS VEHICLES. Mr. Chamberlin presented a list of surplus vehicles. The surplus vehicles listed are a 1989 Dodge W-350, a 1987 Dodge 350, and a 1978 Ford 350. Director Tschida made a motion, which was seconded by Director White, to declare the vehicles as surplus and authorize their sale at auction. A vote was had on the motion and it passed unanimously.

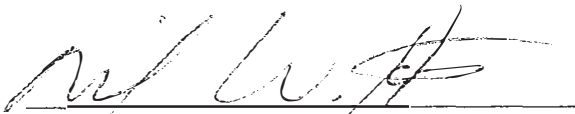
LARSON FARMS ACCOUNT. Mr. Chamberlin reported that the District received payment on the Larson Farms account the day after last month's meeting. He said that \$30,000 received on the account went into the shop fund. He said that a meeting with ConAgra on water issues at the farm is scheduled for this Thursday. He said that he and the state watermaster will be attending the meeting.

2013 BUDGET. Mr. Horton said that he would like to see a motion formally adopting the 2013 budget. The finalized budget was included in the Directors' packets. A motion was made by Director Corn, seconded by Director Ausman, and unanimously carried adopting the budget.

WATER FORECAST. Mr. Chamberlin gave a water forecast. He said that he believes delivery of 4 acre feet will be available this year, but that at least 3 acre feet is a certainty.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 12:20 p.m., and the Board attended the annual patron which followed lunch.

Respectfully submitted,


Michael W. Horton, General Counsel

APPROVED: _____