

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

November 17, 2009

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on November 17, 2009, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 1:10 p.m. Bruce Corn, President of the District, presiding.

The following Directors were present:

Curt Sisson	Jerry Nagaki
Bruce Corn	Frank Ausman
Dan Tschida	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, General Counsel; Harvey Manser, Assistant Manager; and Eric White, Director Elect.

MEETING NOTICE. Mr. Chamberlin reported that he gave notice to the news media as to the time, date, and place of the meeting on November 10, 2009.

MINUTES. Mr. Horton passed around copies of the minutes of the October Board meeting. The Directors will review and approve the minutes at next month's meeting.

MITCHELL BUTTE POWER PROJECT.

Generation Report. Mr. Chamberlin noted that the generation report is in the Directors' packets.

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

AT&T	\$65.42
Malheur Bell	122.46
OWRD	<u>932.00</u>

Total \$1,119.88

A motion was made by Director Ausman and was seconded by Director Tschida that the accounts payable for the month for the Mitchell Butte Power Plant, as listed in the agenda, be paid. The motion passed unanimously.

OWYHEE IRRIGATION DISTRICT FINANCIAL REPORT. Mr. Chamberlin handed out a financial report for the District prepared by Nichols Accounting.

OWYHEE IRRIGATION DISTRICT ACCOUNTS PAYABLE. Mr. Chamberlin handed out a list of accounts payable for the District. The Directors reviewed the accounts payable. Director Ausman asked about the amount of the Nichols Accounting bill and Mr. Chamberlin said that he will check in to it. A motion was made by Director Nagaki, seconded by Director Ausman, and unanimously carried approving payment of the accounts payable.

KINGMAN LINER. Mr. Chamberlin said that District staff have walked and studied the Kingman liner area. They have decided that instead of using liner material, they recommend cutting out the area and pouring new concrete because of the rocks and topography of the area. Mr. Chamberlin said that he is looking at having ACCOR do the concrete cutting. He said that this would be cheaper than the \$30,000 estimate of putting in a liner. He said that he is planning on doing sections throughout the system this way. The Board expressed their satisfaction that some of these items are being addressed. President Corn noted that the aging system impacts the work which District staff must do and it makes it more difficult for staff to be able to lay pipelines and other work. Director Ausman said that this will be an ongoing constant fix. President Corn said that the Directors need to have good information for the annual meeting to be able to explain to the patrons the type of work the District staff members are doing.

DISTRICT-WIDE REPAIRS. Mr. Chamberlin asked if it would be possible to have the Directors take a tour of the areas within the District which need repairs. Director Ausman asked if it would be economically feasible to purchase a concrete cutter versus hiring out the work. Mr. Chamberlin said that he is analyzing the cost comparisons. Mr. Chamberlin noted that the North Canal is being rode two to three times a week. President Corn said that the Board needs to know specific items needing repairs so that these items can be prioritized and taken care of as funds become available. Mr. Chamberlin said that the Malheur siphon outlet needs addressed. Mr. Manser said that the drawback of doing all of these repairs is manpower. President Corn suggested hiring temporary employees for some of this work. Director Ausman noted that a contractor could potentially be hired. Budgeting for these items was discussed.

OWRC MEETING. Mr. Chamberlin said that there is an OWRC meeting coming up. He encouraged Board member attendance. He noted that Bill McDonald is retiring as regional director for the Bureau of Reclamation.

SPECIAL DISTRICTS DIRECTORS' TRAINING. Mr. Chamberlin said there is a Special Districts Directors' training session scheduled for January 29 in Bend. He said that the training will focus on irrigation districts and he encouraged all the Board members to attend.

2010 BUDGET. Mr. Chamberlin handed out the proposed budget which Mr. Nichols had made changes to which the Board discussed at last month's meeting. The budget calls for an annual assessment of \$49.50 which is the same as last year. President Corn said that the District

can most likely expect to see a \$2.00 to \$3.00 increase in the 2011 budget just for PERS. The proposed budget was reviewed and discussed.

EQUIPMENT PURCHASES. Mr. Chamberlin said that he anticipates purchasing a backhoe in December or January. Mr. Manser said that he has been told that there will be good buys available after the first of the year. Mr. Chamberlin said that the new office software is working fine. Mr. Manser said that the ditchriders have received initial training on laptop use. Mr. Chamberlin said that he is going to apply for an additional grant to get additional computers in.

MITCHELL BUTTE REPAIRS. Mr. Chamberlin said that there is a problem at Mitchell Butte with two butterfly valves. He said that the estimated cost is \$8,000 to \$10,000 for each valve.

2010 BUDGET (Discussion Continued). Mr. Manser said that he is going to hold the budget the same without regard to the chemical issues. The proposed budget was discussed further. A motion was made by Director Tschida, seconded by Director Nagaki, and unanimously carried approving the proposed 2010 budget which will result in an annual assessment of \$49.50.

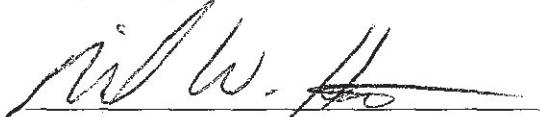
BAKER HUGHES CONTRACT. Mr. Chamberlin said that Baker Hughes has withdrawn their requirement that all districts acquiring Magnacide sign their proposed contract. He said that he will be having a conference call next week with the company.

STEVE HANSON FIELD. Director Tschida asked if the District will help replace the leaking pipeline in Mr. Hanson's field if he is ready. Mr. Chamberlin said that he believes Mr. Hanson is waiting on the District but that the repair was not budgeted for.

WINTER WORK. Winter work and equipment were discussed. Mr. Chamberlin said that for the most part, the District has a great group of men. He said that the District may go to 8-hour days for part of the winter and if the weather gets bad, there may be some layoffs. The use of temps was discussed. President Corn said that the District needs to be prepared to get water up the first of April.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 2:30 p.m.

Respectfully submitted,


Michael W. Horton, General Counsel

APPROVED: _____