

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

June 16, 2009

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on June 16, 2009, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 8:00 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; Jerry Gregg, USBR Area Manager; and Chris Beardsly, USBR Deputy Area Manager.

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

MINUTES. The minutes of the regular meeting of the Board of Directors held on May 26, 2009, 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.

USBR OWYHEE DAM NATIONAL HISTORIC REGISTER. Jerry Gregg said that he came to tonight's meeting to talk about putting the Owyhee Dam on the National Historic Register. He said that 60% to 70% of the paperwork is done. He said that a number of area dams are on the Register and that there would be no additional burdens placed on the Districts if the dam is added to the Register. He said that the Districts are already subject to Section 106 of the National Historic Preservation Act. President Corn asked if it would help protect the water as to dam removal. Mr. Gregg said that it would not protect the water, but dam removal would require an act of Congress. Mr. Chamberlin asked if surveillance cameras and other types of additions at the dam will need to be consulted on. Mr. Gregg said that the Districts should already be doing consulting on those types of things now. Mr. Gregg said that the cost to get on the Register would be about \$20,000 and that would come out of the Commissioner's budget and would not be charged to the Districts. A discussion on the matter was had. After discussion, it was the consensus of the Board that Owyhee Irrigation District does not object to Mr. Gregg moving forward on putting the Owyhee Dam on the National Historic Register. It was noted that it would just be the dam and not the canals which would be on the Register. Mr. Gregg said that the idea is to preserve the history of the dam.

USBR GRANT MONEY. Mr. Gregg said that the Federal Stimulus Act had money in it for Reclamation. He said that 5 million dollars was allocated for Quagga and Zebra Mussels testing. He said that Owyhee Reservoir water will be tested. He said that there is a concern about Wildhorse Reservoir and that testing will be done some time this summer. He said that USBR will also be doing some assessments of canals in urban areas. He said that there is some money for large area conservation grants. The mussel issue was discussed.

At 8:30 p.m., Jerry Gregg and Chris Beardsly left the meeting and Mr. and Mrs. John Hendricks joined the meeting.

OWYHEE IRRIGATION DISTRICT ACCOUNTS PAYABLE. Mr. Chamberlin presented a list of accounts payable which the Directors reviewed. Director Nagaki asked about payments to Manage, Inc., and Mr. Chamberlin said that he will check into it and report back at next month's meeting. Director Tshida questioned the health insurance premiums. A motion was made by Director Nagaki, seconded by Director Sisson, and unanimously carried approving payment of the accounts payable as presented.

MITCHELL BUTTE POWER PROJECT.

Generation Report. Mr. Chamberlin said that two units are still running because of wet weather. He said that the plant shut down a couple of times this last week. He said that they believe that there was a problem with the relays. The Directors reviewed the generation report and President Corn asked if the \$13,000 transferred to OID was for the computer being purchased. Mr. Chamberlin said that he believes so.

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

AT&T	\$69.65
Bolen's Control	27.29
Nichols Accounting	<u>75.00</u>
Total	\$171.94

A motion was made by Director Ausman, seconded by Director Nagaki, and unanimously carried authorizing payment of the Mitchell Butte Hydro Project accounts payable.

OWYHEE DAM POWER PROJECT.

Financial Report. Mr. Chamberlin said that he does not have a financial report for the Owyhee Dam Power Project. The generation report which was in the Directors' packets was reviewed.

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



Oregon-Idaho Utilities	\$424.66
FERC	33.50
Stunz, Fonda, Kiyuna & Horton, LLP	420.00
Nichols Accounting Group	<u>303.00</u>

Total \$1,181.16

A motion was made by Director Ausman, seconded by Director Tschida, and unanimously carried authorizing payment of the Owyhee Dam Hydro Project accounts payable.

TUNNEL #1 POWER PROJECT.

Generation Report. The generation report in the Directors' packets was reviewed. Mr. Chamberlin said that the crappie egg strainer is having problems and it appears to be in the gear box which was refurbished last year. A discussion on the gear box for the strainer was had.

Accounts Payable. Mr. Chamberlin presented the following schedule of accounts payable for the Tunnel #1 Power Project:

Oregon-Idaho Utilities	\$316.62
Nichols Accounting Group	<u>383.00</u>
Total	\$699.62

A motion was made by Director Tschida and was seconded by Director Nagaki that the accounts payable for the month for the Tunnel #1 Power Project, as listed in the agenda, be paid. A vote was had on the motion which passed unanimously.

John Hendricks' Matter. Mr. Hendricks said that he has still been unable to get irrigation water through the pipeline which crosses Mr. Baker's property. He said that Mr. Baker has denied him access and that Mr. Baker has shut him off. Mr. Hendricks said that he believes that Mr. Baker's pipe is a community pipe and belongs to the District. He asked if there is anything that the District can do to put pressure on Mr. Baker to allow his water through. The matter was discussed by the Board of Directors and Mr. Horton. It was noted that the District cannot shut off water to Mr. Baker and that the matter is a civil matter between Mr. Hendricks and Mr. Baker. The pipeline does not belong to the District. At 9:00 p.m., Mr. and Mrs. Hendricks left the meeting.

WHEELING CREDIT. Mr. Chamberlin said that he investigated the amount of credit which OID is entitled to on the Idaho Power FERC Wheeling litigation. He said that the hold up has been with the Bureau of Reclamation. He said that BPA has the money, but is waiting for word from the Bureau of Reclamation. Mr. Chamberlin said that it appears that OID's share is approximately \$22,000 to \$23,000. He said that the District will be getting a check, but that Idaho

Power filed an appeal at the last minute. He said that there is a possibility that the District will have to pay back Idaho Power if they prevail on their appeal. Mr. Chamberlin said that the South Board of Control and Owyhee Ditch Company will both be receiving credits as a result of the litigation. Mr. Chamberlin was instructed to ask South Board of Control and Old Owyhee Ditch Company to share in some of the attorney fee costs in bringing the litigation. President Corn said that he is willing to meet with Old Owyhee Ditch Company Board members face to face with regard to the matter. Mr. Chamberlin said that when the proceeds come from BPA, that the money will be placed in an account pending the Idaho Power appeal.

DISTRICT OFFICE SOFTWARE. Mr. Chamberlin said that the software is being installed and that the transition of the District's books is happening now. He said that it is just starting to get going.

POWER RATES. Mr. Chamberlin said that since the upper Snake River is pretty full, that the Bureau of Reclamation is not increasing power rates for next year. He said that the rates will stay the same for this year.

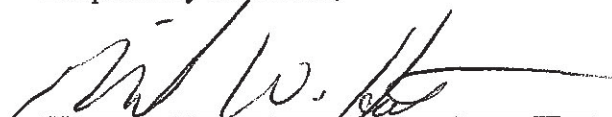
AQUATIC HERBICIDES. Harvey Manser reported that he went to Twin Falls and watched a demonstration on a new aquatic herbicide chemical. He said that the chemical may be licensed next year and that if the licensing goes through, he may want to try some in the Owyhee Project. He said that the chemical does not kill algae, but appears to do a good job on other aquatic plants. He said that the advantage to this product is that it does not harm fish. Aquatic herbicide use was discussed.

EXCESS WATER. Director Ausman said that he has been asked by District patrons about excess water. Mr. Chamberlin said that with the weather change, it now looks favorable for excess water, but that the Board may not want to decide on the matter at this point in time. President Corn said that the Board should look at the matter in July. A discussion on recent storms was had.

DUNAWAY PUMPING PLANT. Mr. Chamberlin said that one of the pumps at Dunaway Pumping Plant which was being repaired has been put in, but there is still a problem and will have to be pulled back out. He said that there was a problem with the vanes and that they now seem to be pulling too much load. He said that the pump will need to be pulled out of the hole for repairs and that Riverside has agreed to bear all of the costs.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 10:00 p.m.

Respectfully submitted,

  
Michael W. Horton, General Counsel

APPROVED: \_\_\_\_\_