

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

March 16, 2010

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on March 16, 2010, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 10:05 a.m., Jerry Nagaki, Vice-President of the District, presiding.

The following Directors were present:

Dan Tschida Jerry Nagaki
Frank Ausman Eric White
Bruce Corn (who joined the meeting at 10:10 a.m.)

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, General Counsel; Harvey Manser, District Assistant Manger; John Hendricks, District Patron; and Linda Rowe and Gary Faw from SWCD;

MEETING NOTICE. Mr. Chamberlin reported that he gave notice to the news media as to the time, date, and place of the meeting on March 9, 2010.

MINUTES. The minutes of the February 23, 2010, meeting of the Board of Directors 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 DAM POWER PROJECT.

Financial Report. The January and February 2010 financial reports for the Owyhee Irrigation District were reviewed by the Directors along with a budget to actual comparison. The reports and comparison were discussed. Director Tschida asked if the District investigated the cost of a maintenance agreement on the new backhoe. Mr. Chamberlin said that he will check into that.

At 10:10 a.m., President Corn joined the meeting and took over the chairmanship.

Owyhee Dam Hydro Accounts Payable. The accounts payable for the District were reviewed by the Directors. Director Tschida asked about the McGowan computers billing. Mr. Chamberlin explained that most of the expense was setting up the laptop computers. Mr. Chamberlin said that grant money is covering that expense. President Corn asked about the rental houses and suggested that the District may be able to get grant money for improvements. Mr. Chamberlin said that he will check into that. The District bills were reviewed and discussed. A

motion was made by Director Nagaki, seconded by Director White, and unanimously carried approving payment of the accounts payable as presented.

MITCHELL BUTTE POWER PROJECT.

Financial Report. The financial report for Mitchell Butte Power Project was reviewed by the Directors. President Corn noted that the transfer of funds from the Mitchell Butte account to the District account has not happened yet. Mr. Chamberlin said that he is holding off as they are still having issues with the butterfly valves at the Mitchell Butte Power Plant.

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

AT&T	\$ 44.12
Qwest	128.06
Nichols Accounting Group	<u>75.00</u>
Total	\$247.18

A motion was made by Director Ausman, seconded by Director Nagaki, and unanimously carried approving payment of the accounts payable for the Mitchell Butte Power Project as presented.

JOHN HENDRICKS' ISSUE. Mr. Hendricks said that he has figured out another possible way to get water to his property. He said that he does not want to go after Mr. Baker to force him to open up the line that runs through his property. He said instead, he would like to go down Vista Avenue. He said that he has gotten an easement from the Road District and the line would run along Baker's property. He said that he would like permission to have the District do the trenching if he buys the pipe. The proposal was discussed and Mr. Chamberlin noted that Mr. Hendricks will need to get an easement from Dana Tuckness for a flow meter and box which would be partially on his property. Mr. Hendricks said that he has talked to Mr. Tuckness and he has consented to that. Mr. Hendricks said that he needs water by this fall. Mr. Chamberlin said that a line would still have to be tapped into. After an in-depth discussion, it was determined that the line to be tapped into actually comes out of Mr. Baker's property. The District Board re-affirmed their position that the District would be unwilling to work on the line unless a written easement is obtained from the owners of the private line that would be tapped into. Mr. Chamberlin said that another possibility would be to do a special use permit, which would allow pumping out of the Shoestring. The matter was discussed and the consensus of the Board is that Mr. Hendricks must either have everyone on the private line sign off on him tapping into it, or Mr. Hendricks needs to work with Mr. Chamberlin on the possibility of obtaining a special use permit which would have to be renewed each year.

At 11:15 a.m., Mr. Hendricks left the meeting.

DRAIN TESTING REPORTS. John Faw, with SWCD, handed out reports on water quality in the drains throughout the District. He stated that baseline phosphorous levels are higher than the TMDL set for the Snake River. He said that it would be impossible for the drains to achieve the Snake River TMDL because of the naturally occurring phosphorous in the water. Mr. Faw went through the drain testing reports as the Directors reviewed them. Mr. Faw explained a proposed settlement pond in the Nyssa Arcadia Drainage District area. He said that some of OID's drain water is going into the Nyssa Arcadia drain and they are studying OID's percentage contribution. He said that overall, the trend line is slightly better. He said that Fletcher Gulch has the highest level of suspended solids in the District.

FLETCHER PIPELINE PROJECT. Linda Rowe, with SWCD, explained the status of the Fletcher pipeline project. She said that there are a couple of users who are not willing to install pivots right away. She said she is wanting the District to commit to in-kind services for the Fletcher pipeline project even if BOR funding does not go through. She said that if the funding does come through, then the District would have expenses of \$1,600 for a self-cleaning screen and approximately \$1,600 for automation equipment costs. She said that the cost of pipe has gone up tremendously. She said that they will be looking at funding for the Newell project in October. The cost to the District, if the BOR funding does not come through, was discussed. Linda Rowe said that the District could back up if the funding does not come in.

U.S. BANK BANKING RESOLUTIONS. Mr. Horton said that U.S. Bank has proposed resolutions which need to be passed in order to have the signature cards changed. A motion was made by Director Ausman, seconded by Director Tschida, and unanimously carried adopting the U.S. Bank resolutions, copies of which are attached to these minutes.

At 12:13 p.m., President Corn declared the meeting in recess.

MEETING RECONVENED. At 2:40 p.m., the meeting was reconvened. All of the Board members were present, along with Mr. Chamberlin, Mr. Horton, Mr. Manser, Tom Zittercob, and Andy Peutz, Director of Old Owyhee Ditch Company.

OLD OWYHEE DITCH PUMPS. Mr. Chamberlin said that one of the pumps is now in the hole. He said that there should be two units ready to go with the third one ready to go later. Mr. Peutz said that Old Owyhee would like to get all three pumps in the hole right away and is willing to front some money if necessary. Mr. Manser said that the third pump is still three weeks out. Mr. Chamberlin said that the District has yet to settle up with Riverside.

At 2:45 p.m., Andy Peutz left the meeting.

MITCHELL BUTTE HYDRO REPORT. Tom Zittercob, Hydro Operator, said that a new capacitor bank is here and is ready to be put in at the Mitchell Butte Pumping Plant. He said that there are now issues with the butterfly valves at the plant which burned up the circuit boards. He said that the problem has been found and that it can be fixed, but he is not sure yet what caused the problem. He said that he is not happy with Riverside Electric's latest work at the plant. He

said that they need to step up their quality control as all of their quality people are working on the Arrow Rock project. Director White said something should be said to Riverside's owner. Mr. Zittercob said that everything else at the Mitchell Butte Power Plant should be resolved.

At 2:52 p.m., Tom Zittercob left the meeting.

MANAGER'S REPORT. Mr. Chamberlin said that the District has began hiring temporary employees in order to get the ditches ready for water. He said that it would be nice to get a wind to get the weeds into the ditches so that they can all get burned at once. He said that the liner has been installed at the Old Ontario Landfill. He said that he has been contacted by a Mr. Gillespie who is upset that District dollars are being spent on that project.

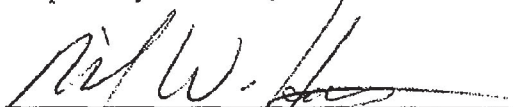
Mr. Manser said that the winter work on the pipelines has been completed. Mr. Chamberlin said that he hopes to have the Hansen pipeline done this fall. Mr. Manser said that District staff will be finishing up with ditching and then burning them out. Mr. Chamberlin said that the District has been having problems with the engine on the CAT. He said that a new engine would cost between \$11,000 and \$12,000. President Corn said that the District may want to look at a brand new stick machine to do the Fletcher and Newell pipeline projects. A discussion was had on rebuilding the CAT or possibly switching booms.

FLETCHER PIPELINE PROJECT (Continued). A discussion was had on entering into an agreement with SWCD on the proposed Fletcher pipeline. Director White asked if there is language in the agreement that the District is to supervise the installation. Mr. Chamberlin said that the District could make sure that the language is in there. The proposed agreement was modified. After modification and a lengthy discussion, a motion was made by Director Ausman, seconded by Director White, and unanimously carried to approve the proposed agreement with SWCD as modified.

DIRECTOR COMMENTS. Director Nagaki said that a District patron suggested to him that Mr. Chamberlin drive through the District on his way home occasionally to check things out. Director White asked if it has been determined as to whether or not renters can get water cards. Mr. Chamberlin said that the computer guy is here looking at that possibility.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 3:17 p.m.

Respectfully submitted,


Michael W. Horton, General Counsel

APPROVED: _____