

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

April 19, 2011

A meeting of the Joint Committee of the Owyhee Project was held at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, on April 19, 2011, at 10:00 a.m. Frank Ausman, Chairman, presiding.

The following members of the Joint Committee were present:

| | |
|--------------|---------------------------------------|
| Bruce Corn | Dennis Turner |
| Jerry Nagaki | Brett Nielsen (South Board Alternate) |
| Frank Ausman | Dan Tschida |

Also present were: Jay Chamberlin, Manager of the Hydro Projects; Michael W. Horton, Attorney and Secretary of the Joint Committee; Ron Keester, South Board Manager; Harvey Manser; OID Assistant Manager; Monty Culbertson, Owyhee Ditch Manager; Deputy Hunsucker, Sheriff's Office; Wes Allison, Nyssa Road District; J.R. Lattin, ODOT; Eric White, OID Alternate; and Andy Peutz, Owyhee Ditch Board Member.

MEETING NOTICE. Mr. Chamberlin said that the meeting notice was sent out on April 13, 2011, to the media as to the time, date, and place of the meeting. He said that the meeting was originally scheduled for tonight, but because of the inflows into the reservoir, the meeting was moved up to this morning.

MINUTES. The minutes of the meetings of the Joint Committee held on March 22, March 29, April 1, and April 4, 2011, were mailed to the Committee members prior to the meeting. A motion was made by Mr. Nielsen, seconded by Mr. Tschida, and unanimously carried approving the minutes as mailed.

WATER RELEASES. Mr. Chamberlin handed out reports and charts on reservoir storage and inflows, along with Snotel data reports. Copies of these documents are attached to these minutes. These documents were reviewed by the Committee members. Mr. Chamberlin said that inflows at Rome at 9:30 a.m., yesterday were around 10,900 cfs and this morning at 9:30 a.m., they were around 18,100 cfs. He said that he believes that the inflows are not peaking out. He said that on Sunday there was a lot of rain received at Mountain City, Nevada. He said that Wild Horse Reservoir in Nevada has just a little bit more room and it will fill and start to release water. He said that he expects really good flows to come passed them.

Mr. Chamberlin said that USBR staff checked above Rome and the streams are flowing. In reviewing the Snotel data reports, Mr. Chamberlin said that he thinks much of the inflows being seen at Rome are from Mud Flat snow melt. Mr. Corn noted that the reservoir has not seen anything from the higher Nevada snow sites. Mr. Chamberlin noted that one inch of water was lost from South Mountain and that he believes the reservoir will see high flows over an extended period of time. He said that he thinks overall we are currently in good shape. He said that USBR is comfortable where the reservoir is at. He said that when the Committee decided to start to spill in April, the reservoir was drafted down from 642,782 acre feet to 618,634 acre feet prior to the rising river inflows which have now raised storage to 625,564 acre feet. He said that he thinks the releases at the Dam should be held steady and these inflows ridden out. He said that the Snake River is also coming up quite a bit. He said that currently around 8,000 cfs is being released from the Dam. He said that if releases go up to 10,000 to 12,000 cfs, Owyhee Junction will be impacted. He said that he believes once the river levels start ramping down, that the Committee could go ahead and let the reservoir fill. He noted that with 19,000 cfs coming in, the reservoir will fill in five days with 8,000 cfs being released.

Mr. Chamberlin said that the water running through the tunnel is currently 530 cfs. He said that Owyhee Irrigation canals are taking all that they can take at this time. He said that the Tunnel Power Plant is not running yet. He said that there are problems with the relays, which are currently being worked on.

Mr. Nielsen said that he had growers approach him wanting to know if they can get free water. Mr. Chamberlin explained that the laws will not allow this. Mr. Keester said that South Board could take another 50 to 60 cfs.

An indepth discussion was had with regard to possible spill sites in order to release water from the reservoir without it impacting the Owyhee River down stream. Mr. Turner suggested researching spill sites and wondered if Idaho Power could help with spillway improvements. Chairman Ausman noted that there would be nothing wrong with more and better efficient spillways. He noted that water should not be spilled except when the Committee is trying to release water from the reservoir to alleviate flooding. He said that the Tunnel Power Plant needs to be cranked on now. The possibility of modifying current spillways was discussed. Mr. Corn noted a modification that OID did to a spillway which worked really well. Mr. Keester said that he has a place in mind on the South System which could take 100 cfs and would fit into the design of the system. After the indepth discussion, it was determined that the Districts making up South Board will look into the matter further. Mr. Keester will take his boards out to the site which he has in mind.

Chairman Ausman reminded the Committee that they need to address current releases. An involved discussion regarding various release amounts and triggers was taken up. Weather forecasts for the rest of week were considered. Deputy Hunsucker said that the issue which he has is when to close the road through the canyon. He said that with the Snake River backing

up and the Owyhee flows going higher, he is working with Oregon Emergency Management. He said that there is a sandbagging machine that will be coming from Burns. He said that if the river continues to rise, he will ask the County Court to declare a disaster. Mr. Allison said that if releases go over 10,000 cfs, the road will be impacted. He said that if flows go over 12,000 cfs, the road will need to be closed. The Joint Committee reiterated to Deputy Hunsucker and Mr. Allison that the decision to close the road falls on the County and the Road District and the Joint Committee only determines releases and is not responsible for road closures.

The Committee once again took up discussion of current releases and triggers. After discussion, a motion was made by Mr. Corn authorizing management to make releases from the Dam of up to 10,000 cfs with a special meeting of the Joint Committee to be called if inflows at Rome exceed 24,000 cfs or if storage gets to 680,000 acre feet. The motion was seconded by Mr. Nagaki. Discussion on the motion then took place. Mr. Nielsen said that he is nervous with the 680,000 foot trigger. He said that he does not think that the 10,000 cfs maximum release is enough. He said that with the Snake River this high the store and Owyhee Junction will flood at 14,000 cfs. Mr. White said that he thinks that the trigger numbers are a little high. Discussion on the motion continued. After discussion, Chairman Ausman called for a vote and the motion passed unanimously.

At 11:05 a.m., J.R. Lattin, Deputy Hunsucker, and Wes Allison left the meeting.

HYDRO REPORT. Mr. Chamberlin said that the Dam Plant is running. He said that the Tunnel Plant is being worked on. He said that it seems to be a relay issue. He said that the contractor is here now working on the plant. He said that the plant should be running within the next couple of days. Mr. Keester said that South Board will start taking more water. Mr. Corn asked if anyone is irrigating and Mr. Chamberlin said that yes people are irrigating, but not a lot.

TUNNEL POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the Tunnel #1 Power Project prepared by Nichols Accounting Group for the period ending March 31, 2011. The report was reviewed by the Committee members. Mr. Chamberlin said that he received an email from SELP on the delayed payments. He said that he replied to their email and gave them an operating schedule. He said that they are anxiously awaiting payments. Spilling water through the tunnel for flood control was discussed. Mr. Chamberlin said that he would like to see the Joint Committee set a policy on the Tunnel operation as they have done for the Dam. Mr. White asked about the possibility of a spillway at the bottom of the Owyhee siphon. The matter was discussed.

TUNNEL #1 POWER PROJECT ACCOUNTS PAYABLE. The Committee members reviewed the accounts payable. Mr. Tschida asked about the Granger billing. The billing was discussed and Mr. Chamberlin noted that the bill was for contract work at the Dam Power

Plant. A motion was made by Mr. Tschida, seconded by Mr. Nielsen, and unanimously carried approving payment of the following accounts payable:

| | |
|--------------------------|---------------|
| AT&T | \$19.76 |
| Oregon Idaho Utilities | 106.20 |
| FERC | 25.00 |
| Granger Engineering | 7,631.82 |
| Nyssa Auto Parts | 21.00 |
| EC Power | 877.69 |
| Northwest Hydroelectric | 333.33 |
| Nichols Accounting Group | <u>325.00</u> |
| Total | \$9,339.80 |

OWYHEE DAM POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the Owyhee Dam Power Project prepared by Nichols Accounting Group for the period ending March 31, 2011. The report was reviewed by the Committee members. Mr. Chamberlin said that the Dam Power Plant is running good, but that the releases do impact operation. He said that everything at the Power Plant gets wet.

OWYHEE DAM ACCOUNTS PAYABLE. The Committee members reviewed the accounts payable. A motion was made by Mr. Nagaki, seconded by Mr. Tschida, and unanimously carried approving payment of the following accounts payable:

| | |
|------------------------------------|---------------|
| Q-West | 25.00 |
| Stunz, Fonda, Kiyuna & Horton, LLP | 1,086.25 |
| Oregon-Idaho Utilities | 159.30 |
| Northwest Hydroelectric Assoc | 333.34 |
| AT&T | 34.55 |
| Nyssa Auto Parts | 21.01 |
| EC Power | 284.24 |
| Nichols Accounting | <u>325.00</u> |
| Total | \$2,268.69 |

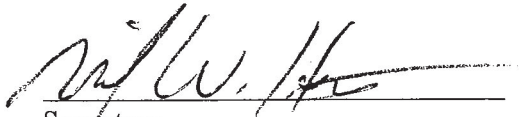
PUMPBACK STORAGE. Mr. Chamberlin said that a private firm has filed with FERC on a pumpback storage system on the Owyhee reservoir. He handed out a copy of the application. He noted that the application mirrors the initial plans which the Joint Committee has been discussing. Mr. Chamberlin said that he learned of this filing when the State Watermaster called him and made him aware. The matter was discussed. Mr. Horton was also handed a copy of the application and notice. In reviewing the notice, he advised the Committee that they have 60 days from the date of the notice to intervene or make their own

filing with FERC. The question as to how this entity got the plans was discussed. Mr. Horton said that a FERC attorney will need to be contacted in order to advise the Committee on their options. A motion was made by Mr. Nielsen to have management proceed with contacting a FERC attorney and the Bureau of Reclamation to investigate how the entity got their information and what the Joint Committee's options are. The motion was seconded by Mr. Corn and passed unanimously.

RIVER LEVELS. Mr. Chamberlin reported that some campers along the river lost their 4-wheelers from a trailer when the water levels came up.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 11:38 a.m.

Respectfully submitted,


Secretary

APPROVED: _____