

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

April 16, 2002

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on April 16, 2002, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 8:04 p.m., Bruce Corn, President of the District, presiding.

The following Directors were present:

Fred Schilling	Jerry Nagaki
Larry White	Bruce Corn

Also present were: Jay Chamberlin, District Manager; Brule Lehman, OID Employee; Tom Zittercob, Hydroelectric Supervisor; and Michael W. Horton, Secretary and General Counsel.

MEETING NOTICE. Mr. Chamberlin reported that he gave notice on April 10, 2002, to the news media, namely the Ontario Argus Observer and Radio Station KSRV, as to the time, date and place of the meeting.

At 8:06 p.m., Duane Drydale joined the meeting.

MINUTES. Minutes of meetings of Directors held on February 26, 2002 and March 19, 2002, had been mailed to each Director prior to the meeting. A motion was made by Director Schilling and seconded by Director Nagaki that the minutes be approved as mailed. The motion passed unanimously.

RESERVOIR STORAGE. Mr. Chamberlin reported that the reservoir storage as of April 16, 2002 is 421,815 acre feet and that the storage as of April 16, 2001 was 450,465 acre feet.

RECOMMENDATIONS OF THE JOINT COMMITTEE. A motion was made by Director Drydale, seconded by Director White, and carried unanimously, that the recommendations adopted by the Joint Committee at its meetings on February 26, 2002 and March 19, 2002, pertaining to the following items be approved and the officers of the Owyhee Irrigation District be directed to execute the documents necessary to carry out the recommendations of the Joint Committee, and further, that the staff, including the Project Manager of the Hydro Project, be directed to carry out the steps necessary to perform under the motions adopted by the Joint Committee in the following areas:

1. Authorizing the payment of accounts payable.

2. Authorizing the purchase of a security camera for the dam.

TOM ZITTERCOB REPORT. Tom Zittercob, Hydro Electric Supervisor, reported that the camera at the dam is in and functioning. He said that it looks at key areas in a two to three minute cycle. Signs are also up warning the public that they are under video surveillance. Mr. Zittercob reported that the Mitchell Butte Power Plant is being repaired. The wicket gate was bent and is being repaired by Riverside Electric. The damaged gate was discovered when an inspection plate was pulled to check on another item. Apparently, one of the shafts on the gate came loose. Mr. Zittercob said that the gates are not very well built. He said that the gate should be back on Friday. A sole plate is also being installed to make removal and replacement easier. Mr. Zittercob estimated that the Mitchell Butte Power Plant will be up and running Saturday morning. He is unsure of the cost of the repair. Mr. Chamberlin said that the total cost on the penstock repairs was \$52,000. The potential cause of the damaged wicket gate was discussed. Mr. Chamberlin said that the inspection covers will be pulled this fall to see what is getting in and doing the damage. President Corn asked if there was a solution to prevent future problems. Mr. Zittercob said that he will check the gates at each shutdown. He said that the gates themselves need to be changed out every seven to ten years. Mr. Chamberlin said that both units at Mitchell Butte Power Plant have to be operational in order to run the plant. Mr. Zittercob said that there are 40,000 hours on the units at the plant. He reported that the dam plant is running at 74% gate.

MITCHELL BUTTE POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the period ending March 31, 2002 which was prepared by Nichols Accounting Group. A copy of the report is attached to these minutes.

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

Malheur Bell	\$ 132.54
Malheur Bell-computer	51.16
AT&T	19.76
Talk American-Scada	15.19
AT&T-computer	17.77
Nichols Accounting Group	228.00
Kline's Hardware	3.92
Granger Engineering	<u>2,500.00</u>
Total	\$ 2,968.34



Stunz, Fonda, Kiyuna & Horton, LLP	\$ 393.05
Ore-Ida Utilities	256.79
Franks Extinguisher Service	134.86
Director Fee (Jerry Nagaki)	187.50
Nichols Accounting Group	293.00
Granger Engineering Service	<u>2,500.00</u>
 Total	 \$ 3,765.20

A motion was made by Director Drydale and seconded by Director Nagaki that the accounts payable for the month of April as listed in the agenda be paid. The motion passed unanimously.

B&M BUILDING UPDATE. Mr. Chamberlin said that John Kruck has finished his environmental assessment on the B&M Equipment building. The lab tests have come back. Mr. Chamberlin said that Mr. Kruck was unable to attend the meeting and Mr. Chamberlin reviewed and summarized Mr. Kruck's report. The report noted that there are two contaminated sites at the facility. Brule Lehman stated that the contaminated sites appear to be the old fuel tank area and the wash area. He said that the results are coming back as diesel instead of gas which means that the old gas has started the breakdown to be in the form of diesel. He said that cleaning up diesel takes longer but that it is also not as mobile as gasoline and therefore, not likely to migrate into other areas. Mr. Kruck's report stated that 500 yards of contaminated materials may have to be removed. The ground water was not tested but, according to Mr. Kruck, DEQ may not require it to be tested and the monitoring wells may not have to be dug. Mr. Lehman said that the \$25,000 which would have been invested in the test wells could now be spent on soil removal and cleaning. Mr. Lehman explained the "dig and chase" method for cleaning up the site. Mr. Lehman noted that asphalt would also have to be discarded.

Jay Chamberlin said that Mr. Kruck has spoken with DEQ and it appears that getting a prospective purchaser agreement should not be too difficult. He said that grants may also be available. Brule Lehman said that his past experience is that 500 yards of material to be cleaned would cost approximately \$50,000. Mr. Chamberlin said that Mr. Kruck is committed to seeing the District through the cleanup process.

At 9:04 p.m., Brule Lehman and Tom Zittercob left the meeting.

B&M EQUIPMENT PROPERTY PURCHASE. Mr. Horton stated that an executive session is needed in order to conduct deliberations with he and Mr. Chamberlin who have been authorized to negotiate the purchase of the B&M Equipment property. A motion was made by

Director White and seconded by Director Drydale to enter into executive session pursuant to ORS 192.660(1)(e) to conduct deliberation with individuals designated to negotiate the real property purchase.

At 9:40 p.m., the Board returned to regular session.

A motion was made by Director White and seconded by Director Nagaki authorizing Mr. Chamberlin and Mr. Horton to offer \$50,000 on the B&M Equipment building. A vote on the motion was conducted. Director Schilling abstained from voting on the motion which passed unanimously with one abstention.

DUCK VALLEY SETTLEMENT NEGOTIATIONS. Mr. Horton stated that he has written a letter to the negotiating team members requesting notice of the next negotiation session. He has yet to hear back from Reed Marbut at the State of Oregon with regard to putting together a memo on the draft settlement agreements. He has also discussed the matter with Bruce Smith, South Board of Control's attorney.

MOSS CONTROL. Mr. Chamberlin stated that EPA has issued a guidance on the application of aquatic herbicides to irrigation district canal systems. The guidance said that an NPDES permit is not required so long as the waters are not "waters of the United States". Mr. Horton explained the problem of the *Headwaters* case's definition of "waters of the United States" and its potential application to the District's system. Mr. Horton stated that Oregon DEQ is issuing permits and that in order to fully comply with the Ninth Circuit Court case opinion, his recommendation is to apply for such a permit. He said that in the meantime, the District could join the MAO in case the permit is not obtained in time to apply chemical this spring. A motion was made by Director Drydale and seconded by Director Nagaki authorizing the District to apply for a permit through DEQ and to also apply for the MAO and further authorizing payment of fees for the permit and MAO. The motion passed unanimously.

MANAGER'S REPORT. Jay Chamberlin reported that the automated gate at Sheep Creek was installed and is working well. He said that the cost on the project was shared 50% by the Bureau of Reclamation. Mr. Chamberlin further reported that the pump which was being repaired at the Dead Ox Pumping Plant has been installed and is operating. There is a small problem with one of the exciters on one of the other motors, however.

Mr. Chamberlin said that the environmental cleanup company has removed the transformer oil from the old transformer at the Dunaway Pumping Plant and has also taken the old batteries. The transformer shell has also been removed. He said that a dump truck has been purchased for \$11,000 and the District will be taking delivery of the truck shortly.

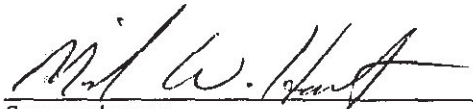
Director Drydale asked about inflows at the reservoir. Mr. Chamberlin handed out a document showing inflows. The water situation was discussed as was the current snow pack.

Mr. Chamberlin said that he has had an opportunity to meet with many of the patrons when they came into the District office to pay their bills. He sees this as a potential education opportunity for the patrons and is planning some displays for next year.

Mr. Chamberlin said that he met with the Owyhee Ditch Company board and they have offered to help support the payment of his travel expenses to attend state and national meetings in representing the District since the Ditch Company realizes that he is also representing their interests. Mr. Chamberlin read a status report he received from Mr. Stunz on the history book which Mr. Stunz is writing.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned by President Corn at 10:23 p.m.

Respectfully submitted,

  
Secretary

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