

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

September 17, 2013

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 September 17, 2013, at 8:00 p.m. Frank Ausman, Chairman, presiding.

The following members of the Joint Committee were present:

Frank Ausman	Jerry Nagaki
Eric White	Rick Smith
Dan Tschida	Chris Landa

Also present were: Jay Chamberlin, Manager of the Hydro Projects; Michael W. Horton, Attorney and Secretary of the Joint Committee; Harvey Manser, OID Assistant Manager; Ron Keester, South Board Manager; Bruce Corn, OID Alternate; J.L. Eldred, OID Watermaster; Andy Peutz, Owyhee Ditch Company Board Member; and Monty Culbertson, Owyhee Ditch Company Manager.

MEETING NOTICE. Mr. Chamberlin said that the meeting notice was sent out on September 12, 2013, to the media as to the time, date, and place of the meeting.

MINUTES. The minutes of the meetings of the Joint Committee held on August 22, 2013, and August 27, 2013, were mailed to the Committee members prior to the meeting. A motion was made by Mr. Tschida, seconded by Mr. White, and unanimously carried approving the minutes as mailed.

TUNNEL #1 POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the month of August for the Tunnel #1 Power Project which was prepared by Nichols Accounting Group. The report was reviewed and discussed by the Committee Members.

TUNNEL #1 POWER PROJECT ACCOUNTS PAYABLE. The Committee members reviewed the accounts payable for the Tunnel #1 Power Project. Mr. Smith asked how the FERC charge is calculated. Mr. Chamberlin said that it is based upon generation from the previous year. A motion was made by Mr. White, seconded by Mr. Smith, and unanimously carried approving payment of the following accounts payable:

California Electric	\$557.19
Waldo Insurance	68,150.63

FERC	34,652.27
Oregon-Idaho Utilities	223.46
Nichols Accounting Group	<u>325.00</u>
Total	\$103,908.55

OWYHEE DAM POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the month of August for the Owyhee Dam Power Project which was prepared by Nichols Accounting Group. The report was reviewed and discussed by the Committee Members. Mr. Landa asked about the OID administrative charges showing on the report. Mr. Chamberlin said that he will check into the matter and report back to the Committee.

OWYHEE DAM ACCOUNTS PAYABLE. The Committee members reviewed the accounts payable for the Owyhee Dam Power Project. Mr. Smith asked how much more legal expenses can be expected on the Old Owyhee Ditch Company water rights and pumping plant issue. Mr. Horton said that he charges \$150.00 per hour and that negotiations are the next step in the process. A motion was made by Mr. Tschida, seconded by Mr. Landa, and unanimously carried approving payment of the following accounts payable:

California Electric	\$2,167.19
Oregon Idaho Utilities	335.19
Waldo Insurance	51,458.08
Verizon	196.85
Stunz, Fonda, Kiyuna	4,199.66
FERC	31,244.56
Century Link	47.97
Nichols Accounting Group	<u>325.00</u>
Total	\$89,974.50

WATER USAGE AND WATER DEMAND. Mr. Chamberlin said that there is currently 19,000 acre feet of water in storage in the reservoir. J.L. Eldred gave a report on the Owyhee Irrigation District's water demands. He said that demand has really fallen off and the North Canal is starting to lose a little bit every day. Mr. Corn asked how much water is being used out of the canal versus how much water is going into the canal. Mr. Eldred said that about one half of the water is being used. Mr. Keester said that is about the same for the South Board area. Chairman Ausman said that it sounds as if it is getting to the point that not as much water is being used as is running through the system. Mr. Landa said that his Board met this morning and they are ready to go off on Friday. Mr. Chamberlin said that on the North Canal, the lower end will not be able to get water by Friday. Mr. White said that folks in his area need to water one more time. He said

that he would like to give them a week before the water goes off. He said that he would prefer next Friday for those users to wrap up. Chairman Ausman said that the problem will be that the bottom end will be out of water this Friday. Mr. White said that if water is shut off now and temperatures go back up, that the remaining crops in his area will dry out. Mr. Corn suggested a September 25<sup>th</sup> shutoff date as a compromise. Mr. Culbertson said that he has been telling his users that the water will be going off around the 20<sup>th</sup>. Mr. White said that he would prefer that the water be turned off the morning of September 26. The matter was discussed. After discussion, a motion was made by Mr. Tschida, seconded by Mr. Nagaki, and unanimously carried setting the shutoff date for the morning of September 26<sup>th</sup>.

OWYHEE DITCH COMPANY WATER AND PUMPING ISSUE. Mr. Chamberlin said that he and Mr. Culbertson met with the State Watermaster last week and learned more information on the status of the water rights. He said that they will probably be meeting with him again during the negotiations. Mr. Culbertson said that he has learned there was some type of 1925 decree that their attorney is looking at. Mr. Chamberlin said that he wants to keep working on this as an agreement is needed before the start of the next water season.


Mr. Chamberlin explained what he learned at a recent water conference. He said that water measurement will not go away and explained the reasons for needing measurement for Owyhee Ditch Company and reasons for the need for an agreement. The functions of the Joint Committee were discussed.

BOAT RAMP AT OWYHEE RESERVOIR. Mr. Chamberlin reported on Malheur County's action in closing the boat ramp at Owyhee Reservoir.

FISH SCREENING LEGISLATION. Mr. Chamberlin reported on new fish screening legislation. He said that there is an exemption in the legislation from fish screening if the anticipated costs make it prohibitive. He said that the Owyhee Project may need to have an engineering study done in order to show that screening is cost prohibitive.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 8:58 p.m.

Respectfully submitted,

  
Secretary

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

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

September 17, 2013

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on September 17, 2013, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 9:24 p.m. Jerry Nagaki, President of the District, presiding.

The following Directors were present:

Bruce Corn	Dan Tschida
Eric White	Frank Ausman
Jerry Nagaki	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, Attorney; Harvey Manser, Assistant Manager; and J.L. Eldred, OID Watermaster.

MEETING NOTICE. The meeting agenda showed that notice to the news media as to the time, date, and place of the meeting was given on September 12, 2013.

MINUTES. The minutes of the August 27, 2013, meeting of the Board of Directors was mailed to the Directors prior to the meeting. A motion was made by Director Tschida, seconded by Director Corn, and unanimously carried approving the minutes as mailed.

OWYHEE IRRIGATION DISTRICT FINANCIAL REPORT. Mr. Chamberlin handed out a financial report for the District prepared by Nichols Accounting Group for the month of August. The report was reviewed. Mr. Chamberlin said that fuel prices are hurting the budget. He said that the Gopher Fund is still holding up. He said that the Gopher Program seems to be helping. Mr. Manser said that there are still grant reimbursements to come in. Ditchrider costs were discussed. Director Tschida asked about charges listed under miscellaneous expenses.

OWYHEE IRRIGATION DISTRICT ACCOUNTS PAYABLE. Two lists of the District's accounts payable for the month were included in the Directors' packets. Mr. Chamberlin said that he looked into the D&B Supply bill from last month and that the costs were for fuel tanks, pumps, and tool boxes for pickups. Billing on the pumping plants were discussed. Director Tschida asked about the Riverside billing which Mr. Manser addressed. A motion was made by Director White, seconded by Director Corn, and unanimously carried approving and ratifying payment of the accounts payable.

MITCHELL BUTTE POWER PROJECT.

Financial Report. The regular monthly financial report for the Mitchell Butte Power Project was included in the Directors' packets. The Directors reviewed the report.

Accounts Payable. The agenda for the meeting listed accounts payable for the Mitchell Butte Power Project. It was noted that the listing has an error. The list was corrected. A motion was made by Director White, seconded by Director Corn, and unanimously carried that the following accounts payable for the Mitchell Butte Power Project be paid:

Verizon	\$39.32
FERC	9,781.28
California Electric	867.19
Waldo Insurance	14,459.30
AT&T	4.88
Nichols Accounting Group	<u>110.00</u>
Total	\$25,261.97

NEWELL PIPELINE PROJECT. Mr. Chamberlin said that the bids have been opened for the Newell pipeline installation. The low bid is from Warrington Construction in the amount of \$72,800. A motion was made by Director Ausman, seconded by Director White, and unanimously carried awarding the contract to Warrington Construction. Mr. Chamberlin then gave an update on the pipeline installation. He said that District staff will be doing the turnouts. He said that he believes that more patrons will go to pressurized systems on the lower end of this project.

MENDIOLA PIPELINE. Mr. Chamberlin explained the OWEB funding process. He said that because landowner participation is needed, he would like to see participation lined up before Bureau of Reclamation grant money is applied for. The matter was discussed.

SDAO BOARD TRAINING. Mr. Chamberlin and Mr. Tschida reported on SDAO board training which they recently attended. Mr. Chamberlin said that it was one of the best presentations he has attended.

PUMPING PLANT TURNOFF DATES. Mr. Eldred gave an update on water demand on the pump systems. Mr. Nagaki said that September 27 as a turnoff date would work. Mr. Tschida made a motion that the pumping plants be shut off on September 27, subject to an earlier shutoff date in the manager's discretion based upon weather and water usage. The motion was seconded by Director White and passed unanimously.

OREGON WATER RESOURCE COMMISSION. Director Corn updated the Board on his potential appointment to the Oregon Water Resource Commission.

OWRC WATER LAW SEMINAR. Mr. Chamberlin said that OWRC is having a water law seminar on October 24. He said that he and Mr. Horton will be attending the seminar and he encouraged Director Corn to attend.

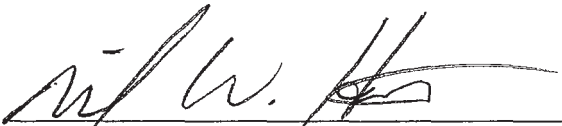
DIRECTOR COMMENTS. Director Tschida said that he noticed that the weeds were mowed in his area. Mr. Manser gave a report on weed mowing.

MANAGER'S REPORT. Mr. Chamberlin said that employee evaluations are starting now. He said that next month the Employee Group will be bring a proposal.

MISCELLANEOUS BUSINESS. Mr. Horton reported on a notice received from the state with regard to future Ethics Commission charges to districts. Weed control throughout the District was discussed.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 10:30 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "M. W. Horton", written over a horizontal line.

Michael W. Horton, General Counsel

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