

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

May 20, 2008

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on May 20, 2008, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 7:02 p.m., Bruce Corn, President of the District, presiding.

The following Directors were present:

Jerry Nagaki	Curt Sisson
Bruce Corn	Dan Tschida
Frank Ausman	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, General Counsel; Tom Zittercob, Hydro Electric Manager; J.L. Eldred, OID Watermaster; Rick Uhlman, OID Employee; and Mr. and Mrs. Mike Warren, District Patrons:

MEETING NOTICE. Mr. Chamberlin reported that he gave notice to the news media as to the time, date, and place of the meeting on May 14, 2008.

MINUTES. The minutes of the regular meeting of the Board of Directors held on April 22, 2008, were mailed to the Directors prior to the meeting. A motion was made by Director Sisson, seconded by Director Nagaki, and unanimously carried approving the minutes as mailed.

OWYHEE IRRIGATION DISTRICT ACCOUNTS PAYABLE. Mr. Chamberlin said that a list of the District accounts payable is in the Director packets. The Directors reviewed the list and discussed the accounts payable. Director Tschida asked about the windshield repair bills which were then discussed. A motion was made by Director Nagaki, seconded by Director Sisson, and unanimously carried authorizing payment of the accounts payable.

MR. AND MRS. MIKE WARREN. Mr. Chamberlin said that four to five years ago Mr. Myers and Mr. White purchased pipe and asked the District to lay the pipe for a lateral. Mr. Warren alleged that a portion of the pipe was placed on his property and he took Mr. White to court. Mr. Chamberlin said that at the time the pipe was laid, the District thought that White owned the property and was given assurance by Mr. White that he in fact did own the property. Mr. Chamberlin said that the pipeline replaced an open ditch and that a sump was also put in. Mr. Warren said that with the sump and pipeline in, the water delivery system to his property works "a hell of a lot better now than it did."

Mrs. Warren then handed the Board members a copy of a letter which she had sent to Mr. White. In the letter she demanded \$5,000.00 from Mr. White for trespass. Mrs. Warren said that it is not the principle of the thing and she would like the District to purchase an easement for the pipe. President Corn suggested that the District could move the pipe if it is in fact on the Whites' property. Mr. Warren said that in court Mr. White alleged that the District moved the location of the pipe when it was installed without his permission and that is why it was laid on his property. Mrs. Warren said that she wants to be able to sell her property and show what easements are there.

The Warrens then began raising complaints about a roadway on another lateral and problems they had a number of years ago. Mr. Chamberlin asked if moving the pipe off of their property would solve the situation. The Warrens said that it would not. The Warrens said that another issue they have is where they can locate a fence. President Corn said that the District could research and see where a fence could be put up without affecting the District. The Warrens said that they want proof of District easements and right-of-ways. Mr. Horton said that many of the District easements are not recorded, but rather District maps showing the location of the easements and right-of-ways are available. Mr. Chamberlin offered to allow the Warrens to come in and look at the easement maps. At 8:40 p.m., the Warrens left the meeting.

MITCHELL BUTTE GENERATION AND FINANCIAL REPORT. Mr. Chamberlin said that the Mitchell Butte report is in the Directors' packets. The Directors review the reports.

MITCHELL BUTTE ACCOUNTS PAYABLE. A list of the Mitchell Butte Hydro Project accounts payable were listed on the agenda. The Directors reviewed the accounts which are as follows:

Malheur Bell	\$122.15
Owyhee Irrigation District	17,300.00
Granger Engineer	6,235.25
AT&T	60.18
Nichols Accounting	<u>75.00</u>
Total	\$23,792.58

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 passed out a financial report on the Owyhee Dam Power Project prepared by Nichols Accounting Group for the month ending April 30, 2008. Tom Zittercob said that the Owyhee Dam Plant is working okay.

At 7:49 p.m., John Faw, Bill Koffman, and Al Garrison, OID patrons, joined the meeting.

Mr. Chamberlin said that Idaho Power did deduct the amount of their alleged overpayment. He said that he has still not heard from Peter Nichols with regard to Idaho Power's calculations.

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

AT&T	\$171.67
Oregon-Idaho Utilities	474.83
Stunz Fonda, Kiyuna & Horton, LLP	346.00
Owyhee Irrigation District	5,350.17
Granger Engineer	7,800.25
4T Construction	2,524.22
DTS Communication	65.00
Allied Insurance	348.00
Nichols Accounting	<u>303.00</u>
Total	\$17,383.14

A motion was made by Director Sisson and was seconded by Director Tschida that the accounts payable for the month for the Owyhee Dam Power Project, as listed in the agenda, be paid. The motion passed unanimously.

TUNNEL #1 POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report prepared by Nichols Accounting Group on the Tunnel #1 Power Project for the period ending April 30, 2008. The Directors reviewed the report.

Tom Zittercob said that the Tunnel Power Plant is currently making 5 megawatts of power.

At 7:53 p.m., Larry White, District patron, joined the meeting.

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

AT&T	\$63.53
Oregon-Idaho Utilities	316.62
Granger Engineer	5,358.24
Nichols Accounting	<u>383.00</u>
Total	\$6,121.39

A motion was made by Director Ausman and was seconded by Director Tschida 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.

SELECT ONION PIPELINE. Larry White said that some of the District patrons in the area served by the lateral which runs across Select Onion's property have concerns with the pipeline. Mr. White was invited to speak before the Board and he explained about Mr. Larson moving the pipeline without District permission. Mr. White drew a map showing the location of the pipeline and buildings which Mr. Larson has installed. Mr. White said that an 18" pipe was replaced and that he is now "...having a hell of a time irrigating." He said that landowners below the pipeline do not feel that they are getting water like they should. Mr. White said that the line needs to be replaced with 15" line and reconfigured. President Corn asked if this irrigation season can be gotten through with the way the system is currently configured and then 15" line put in to grade during the off season. Mr. White said that it could. He said that he will work with the ditchrider.

A discussion on getting the pipeline fixed was had. President Corn asked if the pipe could be ordered now so that it will be here for installation this fall. Mr. Chamberlin said that he will get engineering done and an easement described so that the work can be done. A map of a subdivision below the pipeline was reviewed and discussed. Director Ausman said that Mr. Larson needs to be billed for the pipeline work and that the District needs to install or hire a contractor to do the installation at Mr. Larson's expense.

At 8:37 p.m., the District patrons left the meeting.

MITCHELL BUTTE RD. HOUSE. Mr. Chamberlin said that a house owned by the District which suffered water damage has been burned. He said that the District had replacement insurance and does not have a need to replace the building. He said that the amount of insurance proceeds which the District receives will be less if the house is not replaced. A motion was made by Director Tschida, seconded by Director Sisson, and unanimously carried that the house not be replaced.

COW HOLLOW PIPELINE PROJECT. Mr. Chamberlin said that the District installed the turnouts and the inlet structure. He said that the Cow Hollow Group cannot get any more funds until the project is completed. He said that the District purchased screens and an inlet box and will get reimbursed from the Cow Hollow Group when they get their grant money. Power costs and screen cleaning costs were discussed. Mr. Chamberlin said that those costs will be less than maintaining an open lateral. He said that there is still cleanup work to be done and that flow meters need to be put in. He said that both concrete and headgates need to be hauled off. He said that there will be some dozer work to do this fall.

DELINQUENT WATER ASSESSMENTS. Mr. Chamberlin handed out a sheet listing delinquent accounts. He said that some of the accounts on the sheet have since paid. Mr. Horton said that legal action will be moving forward on those accounts which the Board authorized foreclosure on last summer now that the District office is organized and all of the information can

be accessed.

DENVER MEETING WITH USBR . Mr. Chamberlin reported on a meeting which he attended with USBR on canal operations. He said that the meeting was time well spent.

XYLENE FROM MEDFORD IRRIGATION. Mr. Chamberlin said that the Xylene and tank has been obtained from Medford Irrigation. He said that the District paid \$1,500.00 for the tank which is double walled. He said that the transport costs were \$1,800.00. Mr. Chamberlin said that the District will use the tank for diesel.

CIRCUIT SWITCH AT DUNAWAY. Mr. Chamberlin said that Idaho Power will be installing their new power line soon. He said that he advised them to wait until the end of the generation season before beginning work. He said that an air switch and power poles at Dunaway need to be replaced. He said that the cost can be paid from the transmission line account. He said that it would be a good time to replace these items at the same time Idaho Power has the power off during their new line installation. He said that he will work towards making those arrangements.

MOSS CONTROL CHEMICAL. Mr. Chamberlin reported on his attendance at the Tri-State's meeting. He said that at the meeting he heard the EPA will put new restrictions on the use of Magnacide. He said that the District is working as hard as it can to keep being able to use the product.

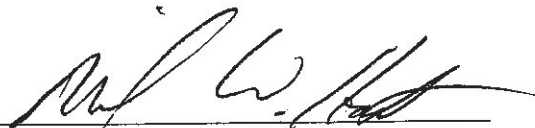
TOM ZITTERCOB VEHICLE. Mr. Chamberlin said that the District needs to look at a replacement vehicle for Mr. Zittercob's vehicle. He said that the current vehicle has 200,000 miles on it.

DUCK VALLEY LEGISLATION. Mr. Chamberlin said that he spent one and a half hours on the telephone today with Washington delegates discussing the proposed legislation. He said that in his opinion, it looks as if the legislation will be moving forward. He updated the Board on the current status of the legislation and on the conference call he had.

SNOW REPORT. Mr. Chamberlin said that with the hot weather, the project did not get the anticipated bump in inflows which had been expected. He said that it seems that there is nothing there. He then handed out stream flow forecast reports which the Directors reviewed.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 9:40 p.m.

Respectfully submitted,


Michael W. Horton, General Counsel

APPROVED: _____