

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

July 21, 2009

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on July 21, 2009, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 8:00 p.m. Bruce Corn, President of the District, presiding.

The following Directors were present:

Curt Sisson	Jerry Nagaki
Bruce Corn	Frank Ausman
Dan Tschida	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, General Counsel; Harvey Manser, Assistant Manager; and Brian Richins, CPA.

MEETING NOTICE. Mr. Chamberlin reported that he gave notice to the news media as to the time, date, and place of the meeting on July 15, 2009.

MINUTES. The minutes of the regular meeting of the Board of Directors held on June 16, 2009, were mailed to the Directors prior to the meeting. A motion was made by Director Sisson, seconded by Director Ausman, and unanimously carried approving the minutes as mailed.

DISTRICT FINANCIAL REPORT. Jay Chamberlin passed around a monthly financial report for the District prepared by Nichols Accounting Group which the Directors reviewed.

DISTRICT ACCOUNTS PAYABLE. Mr. Chamberlin said that he forgot to bring the accounts payable list and that they are not in the Directors' packets. President Corn said that next month the Directors will need to review two months of accounts payable.

RIGHT-OF-WAY CHEMICAL. Director Ausman asked Harvey Manser if there is still carryover right-of-way chemical left. Mr. Manser said that there is, but that he will begin using it here shortly.

2008 AUDIT. Brian Richins presented the 2008 audit for the District. He passed around copies of the audit along with graphs illustrating some of the financial trends of the District. He said that the audit went well. He said that the books came together much better with Nichols Accounting doing the accounting work for the District. Mr. Richins went through the audit as the Directors reviewed it. Mr. Richins said that one of the issues which came up was the coordination of manual checks between Nichols Accounting and Kris Ward. He said that better coordination will need to be done at year end. Mr. Richins said that there was an adjustment on the credit with

the Bureau of Reclamation that he put into the audit last year. He said that the same individual who authorized the credit last year said that he was mistaken and that the District was not entitled to the credit. Mr. Richins said that having Nichols Accounting involved helps the internal controls for the District. He said that the District should be in good shape for next year. President Corn expressed the Board's appreciation for Mr. Richins' professionalism. Mr. Richins said that the District is going in the right direction.

Mr. Horton asked when the audit is due. Mr. Richins said that the audit was due on June 30, but that the District received a two-month extension to file it. He said that it would be best to file it after the Board approves it. Mr. Horton said that historically the Board takes the audit home and then makes changes and approves it at the next meeting. Mr. Richins said that will work this year. Mr. Chamberlin said that he will make sure that the agenda for next month's meeting mentions approval of the audit.

NEW COMPUTER SYSTEM. Mr. Manser said that the new computer system is still being implemented, but that it is already helping ditchriders in the field.

At 8:37 p.m., Brian Richins left the meeting.

MITCHELL BUTTE POWER PROJECT.

Generation Report and Financial Report. Mr. Chamberlin said that the report for Mitchell Butte is in the Directors' packets. The Directors reviewed the report. Mr. Chamberlin noted that there is not a generation report, but that the generation should be normal for this time of year. Director Ausman asked if the problem which was noted last month with the facility was fixed. Mr. Chamberlin said that the problem has been isolated and bypassed. He said that it will not affect the facility for this year and that it can be fixed in the off-season.

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

AT&T	\$154.99
Malheur Bell	366.84
Granger Engineering	11,704.35
Brian Richins	1,900.00
Nichols Accounting	<u>75.00</u>

Total \$14,201.18

The accounts payable were reviewed and discussed. A motion was made by Director Nagaki, seconded by Director Sisson, and unanimously carried authorizing payment of the Mitchell Butte Hydro Project accounts payable.

HYDRO OPERATOR. Director Ausman asked if Tom Zittercob could do some of the work which Granger Engineering has been doing. Mr. Chamberlin said that he may be able to do some of the work, but not all of it. Director Ausman asked Mr. Chamberlin if a discussion with Granger Engineering could be held to determine what work, if any, that they do that Mr. Zittercob could be doing. Mr. Chamberlin said that he will look into that. The matter was discussed.

OWYHEE DAM POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the District for the period ending June 30, 2009. He said that the report for the period ending May 31 is in the Directors' packets. The financial reports were reviewed by the Directors.

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

AT&T	\$94.78
FERC	66.50
Brian Richins	1,900.00
Stunz, Fonda, Kiyuna & Horton, LLP	63.00
U.S. Cellular	103.16
Granger Engineering	246.85
Nichols Accounting Group	<u>303.00</u>

Total \$2,777.29

A motion was made by Director Tschida, seconded by Director Nagaki, and unanimously carried authorizing payment of the Owyhee Dam Hydro Project accounts payable.

TUNNEL #1 POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the District for the period ending June 30, 2009. He said that the report for the period ending May 31 is in the Directors' packets. The financial reports were reviewed by the Directors. Mr. Chamberlin said that the filter system has been repaired.

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

AT&T	\$123.44
Granger Engineering	246.85
Riverside Inc.	4,000.00
Brian Richins, PC	1,900.00
Bolen Control House	149.12
Nichols Accounting Group	<u>383.00</u>

Total \$6,802.47



The accounts payable were reviewed and discussed. A motion was made by Director Ausman and was seconded by Director Sisson 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.

RING GATE UPDATE. Mr. Chamberlin said that he spoke to Dam Maintenance Company personnel and things are starting to move. He said that they are beginning to get the equipment for the work. He said that USBR has approved the method of work. Mr. Chamberlin said that there is a concern on safety and security during the repair work. He said that they will be looking at fencing, patrols, and lighting. Mr. Chamberlin said that Dam Maintenance Company expressed appreciation for the offer to advance funds for materials, but that they do not need the advance at this time. Mr. Chamberlin said that USBR did a periodic review at the dam and during that review, they discussed possible venting ideas for the ring gate. Mr. Chamberlin said that district personnel will be helping Dam Maintenance Company with the repair work. A discussion of the repair work and possible venting ideas was had.

EXCESS WATER. Mr. Chamberlin said that he is getting inquiries from growers if there is going to be excess water available this year. The matter was discussed. Mr. Horton noted that the decision for excess water is to be made by the Joint Committee. Mr. Chamberlin said that South Board has been in favor of excess water and from the amount of corn they have planted in their area, he believes that they will be needing it. The matter was discussed. The consensus of the Board is to allow excess water if the manager sees a need after talking to the South Board of Control's manager. If excess water is allowed, the Joint Committee can ratify the action.

MANAGER'S REPORT. Mr. Chamberlin said that at last month's meeting, there was a question as to the check written to Manage, Inc. Mr. Chamberlin said that Manage, Inc., is a company which is helping with the software conversion.

COMPUTER UPDATE. Mr. Manser said that during the conversion, a decision has been made to number and identify gates and laterals consistently. He said that the conversion is happening now. Mr. Chamberlin said that True Point had been excellent to work with. Mr. Manser said that by identifying the headgates now, the computers will be able to speak the same language and ditchriders will be able to identify gates by their locations. Director Ausman said that it sounds like the District is giving each headgate an address.

DUNAWAY PUMPING PLANT. Mr. Chamberlin said that the Dunaway Pumping Plant has been a struggle this year. He said that they are getting the pump back in and will run it tomorrow. He said that there is still one pump out of the hole.

MCMAHON ACCOUNT. Mr. Chamberlin explained a situation with Elizabeth McMahon and that staff was wondering when to start charging interest on the unpaid account. Mr. Chamberlin said that he advised staff to begin charging interest 30 days after the billing was issued.

DIRECTOR COMMENTS. Director Ausman said that Andy Peutz, a director for Old Owyhee, asked him about the District's billing on their canal fix. He said that Mr. Peutz informed him that the Old Owyhee Board thought that the District bill for the repairs was too much money and wasn't itemized. Mr. Chamberlin said that the bill was itemized out. Mr. Manser concurred. A discussion of Owyhee Ditch not realizing how much Owyhee Irrigation does for them was had. Mr. Chamberlin noted that the District does not charge Old Owyhee to haul their long boom. Directors Ausman, Sisson, and Corn expressed their feelings that the District should be charging for hauling the long boom. A discussion was had on the District helping out Old Owyhee on the ditch break. The need for Mr. Chamberlin or some of the Directors to meet with Old Owyhee and explain the District's position was discussed.

Director Sisson said that George Schiemer notified him about a problem with some dirt which District staff piled up which seems to be blocking a natural drain. Mr. Chamberlin said that he will get down to that area and investigate the situation.

Mr. Chamberlin said that the gopher fund has been exhausted. Mr. Chamberlin also said that with the change in the Federal Administration, USBR is now asking for an asset inventory.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 10:07 p.m.

Respectfully submitted,

  
Michael W. Horton, General Counsel

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