

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

October 20, 2015

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on October 20, 2015, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, at 106 Main Street, Nyssa, Oregon, at 8:10 p.m. Jerry Nagaki, President of the District, presiding.

The following Directors were present:

Jerry Nagaki	Bruce Corn
Dan Tschida	Eric White

Director Frank Ausman was absent.

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, Attorney; Harvey Manser, OID Assistant Manager; and Larry Meyer, Argus Observer Newspaper.

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on October 15, 2015.

MINUTES. Minutes of the meeting of the Board of Directors held on September 22, 2015, were mailed to the Directors prior to the meeting. A motion was made by Director Corn, seconded by Director Tschida, and unanimously carried approving the minutes as mailed.

DISTRICT FINANCIAL REPORT. Mr. Chamberlin handed out financial a report for the District for the month of September. The Directors reviewed the report. Mr. Chamberlin said that currently the District is about \$100,000 better off than it was last year.

DISTRICT ACCOUNTS PAYABLE. Two lists of the District's accounts payable for the month were included in the Directors' packets. The Directors reviewed and discussed the lists. Equipment leases were discussed. A motion was made by Director White, seconded by Director Tschida, and unanimously carried approving and ratifying payment of the accounts payable.

MITCHELL BUTTE POWER PROJECT.

Financial Reports. The financial report for Mitchell Butte Power Project were included in the Director's packets. The report was reviewed by the Directors.

Accounts Payable. The agenda for the meeting listed accounts payable for the Mitchell Butte Power Project. A motion was made by Director Corn, seconded by Director Tschida, and unanimously carried approving payment of the following accounts payable:

AT&T	\$52.42
Verizon	40.28
Century Link	274.84
Nichols Accounting	<u>220.00</u>

Total \$587.54

ONTARIO FIRE DEPARTMENT PROPOSAL. Mr. Chamberlin said that Ontario Fire Department has proposed that the Irrigation District modify the Malheur Siphon to allow taps on the current air vents to have for emergency fire protection. Director White said Adrian is wanting to do the same thing on the pipeline in their area. During the discussion, it was noted that having the taps on the system would benefit the District and its patrons in the event of a fire. The matter was discussed and after discussion, a motion was made by Director White, seconded by Director Corn, and unanimously carried accepting Ontario Fire Department's proposal for taps on the Malheur Siphon.

NYSSA RURAL FIRE STATION. Mr. Chamberlin updated the Board on the proposed Nyssa Rural Fire Station. He said that he has received their application and that it is going forward to USBR.

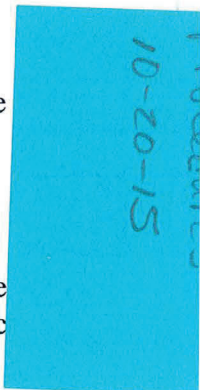
SNIVELY SIPHON. Mr. Chamberlin said that the Snively Siphon is sliding and that there is movement next to the flume. He said that OID staff and USBR staff have been looking at possible solutions. He passed around photos of the area. Possible solutions and resources to address the problem were discussed. Mr. Horton suggested the Board tour the area next month. The matter was discussed in detail and Mr. Chamberlin said that his staff and USBR staff will continue to look at possible solutions. The Board determined that they will tour the area next month prior to their regular monthly meeting.

BOARD POLICIES AND PROCEDURES. Mr. Chamberlin noted that at a previous meeting Mr. Horton presented proposed Policies and Procedures for the Board of Directors. He said the District can get a 2% discount on its insurance if it passes a resolution adopting the Policies and Procedures. A motion was made by Director Corn, seconded by Director White, and unanimously carried adopting the following resolution:

RESOLVED that the Board Policies and Procedures presented at the meeting are hereby adopted as the Policies and Procedures of the Board of Owyhee Irrigation District a copy of which are attached to these minutes.

BILLING FROM OLD OWYHEE. Mr. Chamberlin presented and explained a billing from Old Owyhee Ditch Company.

DIRECTOR POSITIONS. Mr. Horton stated that the deadline for filing nomination petitions for the Director positions for Divisions #1 and #3 have passed. He said that only one petition for each division has been received and the petition for Division #1 nominated Eric White and the petition for Division #3 nominated Bruce Corn. Mr. Horton said that Oregon



Statutes provide that if only one nominating petition is submitted for a division, the Board is to name the person nominated in the petition as the duly elected Director without an election. A motion was made by Director Tschida, seconded by Director Nagaki, and unanimously carried that Eric White be named as a duly elected Director for Division #1 and that Bruce Corn be named as a duly elected Director for Division #3, each to serve for a 3-year term commencing on the third Tuesday of January, 2016.

2016 BUDGET. Mr. Chamberlin passed around a draft of the 2016 budget. He and Mr. Manser explained the draft. The Board reviewed and discussed the proposed budget. Proposed equipment purchases were discussed in detail.

EMPLOYEE PROPOSAL. Director Tschida said that the Board was going to discuss the employee proposal at this month's meeting but he would like to wait until Director Ausman is present. The Board consensus is to wait until Director Ausman is present to discuss the employee proposal.


GRANTS AND SNIVELY SIPHON. Potential grants and the possibility of getting grants to help with engineering on the Snively Siphon were discussed. Mr. Horton encouraged the Board to look into Oregon Water Resource Department grants and to act quickly because of the funding cycles. Mr. Chamberlin said that an engineering firm will be looking at the siphons and flumes. He said he thinks some engineering will need to be done on those items.

DATE OF NEXT MEETING. The Board discussed the date and time of the next regular meeting of the Directors. It was determined that the Board will tour the Snively Siphon and will meet for the tour on November 17, at 8:30 a.m., at the District office. The OID Board meeting will follow the Joint Committee meeting which is scheduled for 1:00 p.m., on November 17.

WIND DAMAGED BUILDING AT NYSSA SHOP. Mr. Chamberlin reported that the wind damaged building at the Nyssa shop has been removed.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 10:00 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____

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

October 20, 2015

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 October 20, 2015, at 7:00 p.m. Chris Landa, Vice-Chairman, presiding.

The following members of the Joint Committee were present:

Bruce Corn	Jerry Nagaki (OID Alternate)
Dan Tschida	Chris Landa
Eric White	Brett Nielson

Also present were: Jay Chamberlin, Manager of the Hydro Projects; Harvey Manser, OID Assistant Manager; Clancy Flynn, South Board Manager; Michael W. Horton, Attorney; and Larry Meyer, Argus Observer Newspaper.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on October 15, 2015.

MINUTES. The minutes of the meeting of the Joint Committee held on September 22, 2015, were mailed to the Committee members prior to the meeting. A motion was made by Mr. Tschida, seconded by Mr. Nagaki, and unanimously carried approving the minutes as mailed.

TUNNEL #1 POWER PROJECT.

Financial Report. Mr. Manser handed out a financial report for the Tunnel Power Project. The Committee members reviewed the report.

TUNNEL #1 POWER PROJECT ACCOUNTS PAYABLE. The Committee members reviewed the accounts payable listed on the agenda for the Tunnel #1 Power Project. A motion was made by Mr. Corn, seconded by Mr. Nagaki, and unanimously carried approving payment of the following accounts payable:

Oregon Idaho Utilities	\$223.50
Nichols Accounting Group	<u>650.00</u>
TOTAL	\$873.50

OWYHEE DAM POWER PROJECT.

Financial Report. Mr. Manser handed out a financial report for the Owyhee Dam Power Project. The Committee members reviewed the report.

OWYHEE DAM ACCOUNTS PAYABLE. The Committee members reviewed the accounts payable listed on the agenda for the Owyhee Dam Power Project. A motion was made by Mr. Tschida, seconded by Mr. Nagaki, and unanimously carried approving payment of the following accounts payable:

AT&T	\$36.57
Tunnel Hydro - loan	875.00
SDAO	125.00
Stunz, Fonda, Kiyuna, & Horton	455.00
Oregon Idaho Utilities	620.33
Nichols Accounting	<u>650.00</u>
TOTAL	\$2,761.90

MEETING WITH BOR ON DUCK VALLEY TRIBE. Mr. Chamberlin and Mr. Flynn reported on a recent meeting which they had with Bureau of Reclamation staff on the impact of the drought and the tribal water rights settlement with the Duck Valley Tribes on the Owyhee Project. During their report, they said that Congress authorized appropriations to do studies on water optimization in the Owyhee Basin. They said that USBR is looking into doing some studies.

OWYHEE DAM BUDGET. Mr. Chamberlin presented a proposed budget for the Owyhee Dam. The Committee members reviewed and discussed the proposed budget as Mr. Chamberlin and Mr. Manser explained it. After review and discussion, a motion was made by Mr. Corn, seconded by Mr. Nielson, and unanimously carried adopting the budget as presented.

WINTER WORK PROJECTS. Mr. Chamberlin told the Committee of the planned winter projects at the dam. These projects include installation of a generator, fencing, and coatings on the stairs.

USBR CHANGES. Mr. Chamberlin said that Roland Springer has been promoted to be the new Snake River Area Manager replacing Jerry Gregg.

PROPOSED OWYHEE CANYON LANDS MONUMENT. Mr. Chamberlin said that there are some environmental groups pressing the President to declare a large swath of Malheur County as a national monument. He said there will be a meeting on the matter on October 29, at 6:30 p.m., in the Adrian High School gymnasium. He encouraged the Committee members to attend the meeting to learn more on the matter.

JOHN KEYS USBR TRAINING PROGRAM. Mr. Chamberlin said that the young engineers involved in the John Keys Young Engineer Training Program will be on site on October 27 and 28. He then explained the program and what the engineers will be doing on site.

CLOUD SEEDING. Mr. Flynn said that Idaho Power is interested in possible cloud seeding of the Owyhees. Mr. Nielson said that he is interested in hearing about the idea. The matter was discussed. Mr. Horton said that the Joint Committee tried cloud seeding in the past with disappointing results. Mr. Chamberlin said that he will try to get an Idaho Power representative to attend next month's meeting to explain the program.

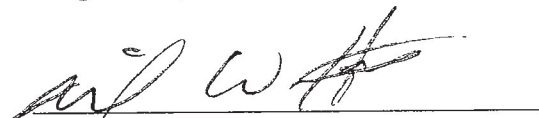
PUMPING POWER CHARGES. Mr. Chamberlin and Mr. Flynn reported on USBR wholesale power cost increases and their impact on the irrigation districts.

SDAO CHECKLIST. Mr. Chamberlin said that SDAO has a checklist of questions which the Joint Committee can complete and by completing the checklist, can receive a 2% discount on liability insurance. Mr. Chamberlin went through the checklist as the Committee answered the questions.

DATE AND TIME OF NEXT MEETING. The Committee members discussed the date and time of the next Joint Committee meeting. After discussion, it was determined that the next meeting would be held on November 17 at Mr. Horton's office at 1:00 p.m.

ADJOURNMENT. There being no further business, the meeting was adjourned at 8:06 p.m.

Respectfully submitted,


Secretary

APPROVED: _____