

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

May 22, 2012

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on May 22, 2012, 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:

Bruce Corn	Dan Tschida
Jerry Nagaki	Eric White
Frank Ausman	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, Attorney; and Harvey Manser.

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 May 15, 2012.

MINUTES. The minutes of the April 17, 2012, meeting of the Board of Directors were mailed to the Directors prior to the meeting. Mr. Chamberlin noted a needed correction to the minutes on page 2 with the reference to the "East half" being "first half". The minutes were corrected. A motion was made by Director White, seconded by Director Tschida, and unanimously carried approving the minutes as corrected.

OWYHEE IRRIGATION DISTRICT FINANCIAL REPORT. Mr. Chamberlin handed out a financial report for the District for the period ending April 30, 2012. The Directors reviewed the report. Mr. Chamberlin said that he will bring in an updated delinquent account list next month. He said that a fair amount of the water charges for this year are still not yet paid.

OWYHEE IRRIGATION DISTRICT ACCOUNTS PAYABLE. A list of the District's accounts payable were in the Directors' packets. The list was reviewed and discussed with questions on certain items being asked and answered. Pickup truck tire purchases were discussed. A motion was made by Director Nagaki, seconded by Director Ausman, and unanimously carried approving payment of the Owyhee Irrigation District bills.

MITCHELL BUTTE POWER PROJECT.

Generation Report. The generation report for Mitchell Butte Power Project was included in the Director's packets. Mr. Chamberlin said that the power plant is running and there are no big glitches. He said that there were some concerns on some switch gear, but the problem was on the Idaho Power side and has been corrected. Mr. Chamberlin said that HDR Engineers have looked at the Sunrise study and done their own analysis. Mr. Chamberlin said that he has received a draft of their report and that he may submit it to the Board at the next Board meeting.

Accounts Payable. The agenda for the meeting listed the following accounts payable for the Mitchell Butte Power Project:

Century Link	\$245.78
California Electric	2,421.52
Tom Zittercob	10.00
Nichols Accounting Group	<u>100.00</u>
Total	\$2,787.30

A motion was made by Director Ausman, seconded by Director Nagaki, and unanimously carried that the accounts payable for the Mitchell Butte Power Project be paid.

TUNNEL #1 POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the Tunnel Power Project for the period ending April 30, 2012. The Directors reviewed the report.

Accounts Payable. The agenda showed the following schedule of accounts payable for the Tunnel #1 Power Project:

AT&T	\$65.83
California Electric	389.25
EC Power	403.13
Riverside Inc.	337.50
Oregon-Idaho Utilities	108.60
Nichols Accounting Group	<u>325.00</u>
Total	\$1,226.18

A motion was made by Director Tschida, seconded by Director Nagaki, and unanimously carried that the accounts payable, as presented, for the Tunnel #1 Power Project, be paid.

OWYHEE DAM POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the Owyhee Dam Power Project for the period ending April 30, 2012. The Directors reviewed the report.

Owyhee Dam Power Project Accounts Payable. The Owyhee Dam Power Project accounts payable were listed on the agenda as follows:

Nichols Accounting	\$325.00
Oregon-Idaho Utilities	162.90
AT&T	33.67

Verizon	155.33
Owyhee Irrigation District	1,873.00
California Electrical	389.25
Stunz, Fonda, Kiyuna & Horton	939.00
Tom Zittercob	15.88
Century Link	<u>45.00</u>

Total \$3,939.03

A motion was made by Director White, seconded by Director Ausman, and unanimously carried that the accounts payable for the Owyhee Dam Power Project, be paid.

NEWELL PROJECT. Mr. Chamberlin said that the 30 and 27-inch pipe, along with some 24-inch pipe is coming in and is being scattered around for storage. He said that this summer District staff will begin looking at actual placement of the new pipeline. He said that most of the fittings and valves are in. He said that the fittings are being kept in the OID yard. He said that he is generating a map of the location of the stored pipe and providing that to the District's insurance agent. Mr. Chamberlin said that Mr. Oppedyke has been great on helping store pipe. Mr. Chamberlin said that District staff is looking at installing isolation valves on the pipeline. He said that an OWEB grant application has been submitted for the next half of the project. He reported that it looks as if OWEB may be starting to put money toward education instead of pipeline projects. He said that Representative Bentz is asking for a list of projects which OWEB money has helped on. Mr. Chamberlin said that he is putting that list together. He said that this portion of the project will help clean up a large portion of the sediment load in the Owyhee River.

Mr. Chamberlin reported that the District has been awarded the USBR grant for just under \$300,000. He said that there were 167 applicants and USBR only funded 35 to 40 projects and this project is one of them. Director White said that if the District does not receive any more OWEB grant money for this project, that he would like to see it continued while the USBR grant money is available.

FLETCHER GULCH PIPELINE PROJECT. Mr. Chamberlin said that on the bottom of the Fletcher Gulch pipeline where it crosses the road a pipe broke. He said that it looks like some bolts were not tightened up enough and he suspicions that this caused the break. He said that the pipeline has been repaired and is back on line. He said that it took about six days for the repairs to be completed. He said that there is some moisture around the inlet box of the pipeline, but this may have been an old leak that is now showing up since the vegetation has been removed from the area. He said that District staff is keeping an eye on it. He said that overall, the Fletcher pipeline is working well.

NEWELL CLEAVER ISSUE. Mr. Chamberlin reported that Newell Cleaver and Hasselbachs are having an issue over runoff water coming from the Willie Stevens place, which Newell Cleaver is leasing. Mr. Chamberlin said that he does not believe that it is a District issue, but he is going out tomorrow to look over the situation to make sure.

B2H UPDATE. Mr. Chamberlin reported that there was a face to face meeting on the B2H Project. He said that the meeting was mainly to stress the confidentiality issue for items raised in the cooperating agency meetings. Mr. Chamberlin said that resource reports continue to be generated and that he and Mr. Horton have been reviewing them.

WEED AND CHEMICAL REPORT. Harvey Manser reported on aquatic weeds and said that he is beginning to see an algae problem. He said that he is starting to see some aquatic weed growth and he is looking at doing an application the first or second week of next month. He said that the District is going to participate as an invite project for the Cascade product and as a result, the District will get an extra tote of free Cascade. He said that he is going to try different rates of application to see if he can get it narrowed down to the best rate. He said that application rates may have to fluctuate from year to year.

Mr. Manser reported that the weedbeater has been going for ten days. He said that the District did get an NPDES permit that allows chemical treatment both in and out of the canal.

STATE REGULATIONS. Mr. Chamberlin gave an update of potential water use fees and Department of Agriculture regulations which are being considered.

LARSON FARMS AND PRISON. Mr. Chamberlin said that Larson Farms has filed for bankruptcy and that this has caused some issues. He said that about a quarter of a mile of wheel line blew into the District canal and had to be removed. He said that weeds at the farm will be a problem if there is a wind event. He said that the Snake River Prison has been receiving water from Larson Farms out of the Snake River and because of the bankruptcy, the prison is now wanting the District to provide water through a temporary transfer. He said that they are looking at irrigating 13.7 acres. He noted that the location of the prison is outside of the District boundaries. A lengthy discussion was had on the ability of the District to provide water outside of its boundaries. Mr. Horton and the Board of Directors advised Mr. Chamberlin that the District must comply with the USBR contract which does not allow the use of water outside of the District boundaries. The Board reached consensus and advised Mr. Chamberlin that the District is not to provide water to the prison since it sits outside of the District's boundaries.

FAMILY FARM ALLIANCE MEMBERSHIP. Mr. Chamberlin said that he wants to have the District do a minimum membership in the Family Farm Alliance. He explained the potential benefits of membership to the District. He said that the minimum membership is \$500 on an annual basis. A motion was made by Director Ausman, seconded by Director Tschida, and unanimously carried that Owyhee Irrigation District become a member of the Family Farm Alliance for one year.

OWYHEE WATERSHED FIELD DAY. Mr. Chamberlin reported on the Owyhee Watershed Field Day. He said that it was a cold and miserable day. He thanked Mr. Tschida and his wife for helping out.

JET FLOW PEN STOCK MAINTENANCE. Mr. Chamberlin reported that three jet flow pen stocks need coatings. He said that he received a quote from Dam Maintenance Company for

the work, along with a quote on doing siphon coatings. He said that he is not ready to proceed with such work and when he is, that an RFP will be done. He said that the Board may want to start thinking about this work for the Joint Committee.

KINGMAN LATERAL. Mr. Chamberlin said that he is toying with the idea of piping a portion of the Kingman Lateral. He said that he is having an engineering firm look at the possibility.

ROAD TO DAM PLANT. Mr. Chamberlin reported that the road to the Dam Plant will probably be put in in July using aggregate.

DUNAWAY PUMPING PLANT. Mr. Chamberlin said that he is thinking of starting the Dunaway Pumping Plant next week.

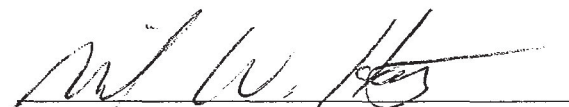
GOPHER PROGRAM. Director White said that the Board modified the Gopher Program to allow employees to participate a couple of months ago. He said that he had a ditchrider inform him that he was not aware that employees could participate. Mr. Chamberlin said that some of the District employees are participating in the Gopher Program and the employees were told of the changes to the program at a meeting. Mr. Manser said that he will tell the ditchriders again.

STORAGE REPORT. The agenda shows storage levels in the Owyhee reservoir and compares them to last year's storage. Mr. Chamberlin said that as of today, there is 589, 000 acre feet in the reservoir. He said that inflows are way down.

OLD DISTRICT HOUSE DEMOLITION. Mr. Chamberlin reported on his frustration in trying to demolish an old ditchrider house. He said that going through all the red tape has been a hassle.

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

Respectfully submitted,


Michael W. Horton, General Counsel

APPROVED: _____