

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

April 19, 2016

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 April 19, 2016, at 7:00 p.m. Eric White, Chairman, presiding.

The following members of the Joint Committee were present:

Bruce Corn	Jerry Nagaki
Dan Tschida	Chris Landa
Eric White	Brett Nielson

Also present were: Jay Chamberlin, Manager of the Hydro Projects; Harvey Manser, OID Assistant Manager; John Eells, South Board Manager; Michael W. Horton, Secretary and General Counsel; Frank Ausman, OID Alternate; J.L. Eldred, OID Watermaster; Monty Culbertson, Old Owyhee Ditch Company Manager; Brule Lehman, OID Staff; Mark McKenzie and Lynn Findly; Owyhee Basin Stewardship Coalition.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on April 12, 2016.

MINUTES. The minutes of the meetings of the Joint Committee held on March 22, 2016, and March 30, 2016, were handed out prior to the meeting. A motion was made by Mr. Landa, seconded by Mr. Nielson, and unanimously carried approving the minutes.

OWYHEE STEWARDSHIP COALITION. Mark McKenzie gave a presentation on the proposed Owyhee Canyon Lands National Monument. He explained that the Owyhee Stewardship Coalition is opposed to the monument designation and gave the reasons why. He said that money has been raised to fight the proposal and they are looking for additional funds in order to educate the public along the I-5 Corridor. He left information for the Committee members to take with them.

At 7:14 p.m., Mark McKenzie and Lynn Findly left the meeting.

TUNNEL #1 POWER PROJECT.

Tunnel #1 Power Plant Hydro Report. J.L. Eldred reported on the Tunnel Power Plant. He said it is running and it was started last Tuesday. He said it is running much quieter than it did last year since there is now head on the unit. He said it is currently producing a little over 4 megawatts and they are running about 1,000 cfs through the tunnel.

Tunnel #1 Financial Report. Mr. Chamberlin handed out financial reports for the Tunnel Power Plant which the Committee members reviewed.

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. Tschida, seconded by Mr. Nielson, and unanimously carried approving payment of the following accounts payable:

Oregon Idaho Utilities	\$336.10
AT&T	<u>325.00</u>
TOTAL	\$661.10

OWYHEE DAM POWER PROJECT.

Owyhee Dam Hydro Report. J.L. Eldred reported on the operation of the Owyhee Dam Power Plant. He said the system is running well and making about 3 megawatts of power.

Owyhee Dam Financial Report. Mr. Chamberlin handed out financial reports for the Owyhee Dam Power Project which the Committee members reviewed.

Owyhee Dam Accounts Payable. The Committee members reviewed the accounts payable for the Owyhee Dam Power Project. A motion was made by Mr. Corn, seconded by Mr. Tschida, and unanimously carried approving payment of the following accounts payable:

Stunz, Fonda, Kiyuna & Horton	\$930.00
Tunnel Hydro - loan	661.10
Oregon Idaho Utilities	558.34
Nichols Accounting	<u>325.00</u>
Total	\$2,504.44

WATER FORECAST. Mr. Chamberlin handed out an NRCS water forecast which the Committee members reviewed. The report shows there is a 90% chance of 215,000 acre feet of stream flow coming through the Owyhee system from April through June. He handed out information from the Bureau of Reclamation also. Mr. Chamberlin said that conservatively, he believes there will be at least another 200,000 acre feet come through. He said it is still freezing up high.

WATER ALLOTMENT. Mr. Chamberlin gave a presentation on how the water allotment was calculated by staff. A calculation spreadsheet was presented on a projector, along with handouts. Mr. Chamberlin explained that it looks like the project should be able to deliver 4 acre feet to the users, but in doing so it would most likely drain the pool. Monty Culbertson explained that Old Owyhee Ditch Company had their pump started at Dunaway and

because of the new ramp flume which was installed, they cannot get enough water from the pumps into the system and some of that water will need to be replaced from another source. Mr. Chamberlin explained that a new pipeline may be able to get some water to Old Owyhee. He said the bottom line is more pumping is going to have to be done which will keep more water in the reservoir but there will be a power cost. Mr. Eells explained that pumping costs and wheeling charges for wholesale pumping power will be going up.

Mr. Chamberlin said he has had a lot of growers tell him that they want to leave water in the reservoir at the end of the season. Chairman White asked about special permits under the OID system if there is not a full allotment. Mr. Corn noted that since the allotment has been set below 4 acre feet there may be more of an opportunity for users to do transfers. Mr. Culbertson said that he spoke to Ron Jacobs, the state Watermaster and Mr. Jacobs explained to him that the state is taking a harder look at wells and pumping from drains.

Mr. Chamberlin said that he believes inflows will drop off as the season goes along but they should be better than they were last year.

The Committee members discussed setting the allotment. They expressed their opinions that the allotment should not be set any higher than what is currently available given the spreadsheets and numbers presented. A motion was made by Mr. Nielson to set the allotment at 3.8 acre feet. Mr. Ausman said that not everyone can get by with less than 4 acre feet and if the water is there and the Committee does not deliver it, he believes the Committee will have problems with growers. Mr. Corn noted that pumping is a way to get more carryover water, but it will come with costs. The allotment was discussed further. Mr. Tschida asked Mr. Chamberlin if he is confident that there will be sufficient water to deliver the 3.8 acre feet. Mr. Chamberlin said that he is. Mr. Nielson's motion was seconded by Mr. Corn. A vote was had on the motion and it passed unanimously.

RULE ADVISORY COMMITTEE. Mr. Chamberlin reported that there is a Rule Advisory Committee meeting on Owyhee water reservation coming up on May 26. The matter was discussed.

FERC INSPECTION. Mr. Chamberlin reported that a FERC inspection of the hydro facilities is scheduled for July. He said this inspection occurs annually.

OWYHEE WATERSHED FIELD DAY. Mr. Chamberlin reported that the Owyhee Watershed Field Day is scheduled for April 27 and 28.

OWYHEE CANYON LANDS MONUMENT PROPOSAL. Mr. Chamberlin reported that Owyhee Irrigation District passed a resolution opposing the proposed Owyhee Canyon Lands National Monument designation. Mr. Nielson said that he would like to see the Joint Committee adopt a resolution. He said that the South Board of Control discussed the matter but did not adopt a resolution. Mr. Nielson made a motion which was seconded by Mr. Tschida and passed unanimously adopting the following resolution:

RESOLVED that the Board of Directors of the Joint Committee of the Owyhee Project is opposed to the proposed Owyhee Canyon Lands National Monument designation.

ADJOURNMENT. There being no further business, the meeting was adjourned at 8:10 p.m.

Respectfully submitted,


Secretary

APPROVED: _____

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

April 19, 2016

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on April 19, 2016, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa Oregon, at 8:15 p.m. Jerry Nagaki, President of the District, presiding.

The following Directors were present:

Jerry Nagaki	Bruce Corn
Dan Tschida	Eric White
Frank Ausman	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, Attorney; Harvey Manser, OID Assistant Manager; J.L. Eldred, District Watermaster; Monty Culbertson, Old Owyhee Ditch Company Manager; and Brule Lehman, OID Employee.

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on April 12, 2016.

SNOW COURSE FLIGHT. Brule Lehman showed a short video of the snow course made by Mr. Chamber earlier in the month.

MINUTES. Minutes of the meeting of the Board of Directors held on March 22, 2016, were handed out to the Directors prior to the meeting. A motion was made by Director White, seconded by Director Tschida, and unanimously carried approving the minutes.

DISTRICT FINANCIAL REPORT. Handouts from Nichols Accounting with the monthly financial reports were provided to the Directors. The Directors reviewed the reports. Mr. Chamberlin said that the assessments seemed to come in all towards the end.

DISTRICT ACCOUNTS PAYABLE. Two lists of the District's accounts payable for the month were included in the Directors' packets. The Directors reviewed the lists and asked questions. Automotive bills, the pumping cost bill, and association dues bills were discussed in detail. A motion was made by Director Tschida, seconded by Director Ausman, and unanimously carried approving and ratifying payment of the accounts payable.

MITCHELL BUTTE POWER PROJECT.

Hydro Report. Mr. Eldred said that both units are running and running good. He said that a capacitor will need to be replaced.

Financial Reports. The financial report for the month for Mitchell Butte Power Project was 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 Ausman, seconded by Director White, and unanimously carried approving payment of the following accounts payable:

AT&T	53.82
Verizon	30.08
Century Link	3.84
Nichols Accounting	<u>110.00</u>
Total	\$197.74

WATER ISSUES. Mr. Chamberlin said he was disappointed with users calling in saying they needed water in their area and then not taking the water. Director White said that if patrons order water and don't take it, they should be charged for it. Mr. Chamberlin said that it was hectic during startup and that actual orders were not placed but rather landowners in certain areas were getting together to demand that the water be turned on into their lateral saying that they need it when in fact only one or two of the users on the lateral wanted the water.

DEAD OX PUMPING SYSTEM. Mr. Chamberlin reported on issues which came up during the startup of the Dead Ox system. He said some screens were pulled which resulted in problems with some of the water users. He said there was a meeting with the users in the area with regard to the screens. Mr. Eldred reported on a problem with a motor at the Dead Ox Pumping Plant.

DITCH BREAK. Mr. Chamberlin reported on a ditch break during startup. He said the system was back up by the end of the day. He encouraged the Board members to remind landowners to keep an eye out for gopher holes.

MALHEUR SIPHON. Mr. Chamberlin said that prior to startup, the engineer was asked to provide some input on stabilizing the siphon for this season prior to next year's work. He said the engineer came up with a plan but that water came in before the plan could be implemented. He said that instead District staff did some leg straightening and got the siphon ready before the water came in. Mr. Chamberlin said that staff did a great job. Mr. Chamberlin said the engineer did a thickness test on the steel and that the steel looks good. He said from research it looks like the siphon started having problems within three years of its construction.

SNIVELY SIPHON SLIDE. Mr. Chamberlin said that it looks like the work on the Snively Siphon Slide area is holding up well.

NPDES PERMIT. Mr. Manser stated that the District NPDES permits with the state of Oregon for pesticides and aquatic herbicides are set to expire late this summer. He said new permits are being worked on but it sounds like DEQ may do away with the District's individual aquatic herbicide permit. He said if that were to happen, it may make it very difficult for the District to apply aquatic chemicals. Mr. Manser said that the District will continue to push for an individual permit.

Growth Plan

457 PLAN FOR EMPLOYEES. Mr. Chamberlin said the Employee Group met with representatives with the Oregon Savings Growth Plan. He said the employees want Oregon Savings Growth Plan to provide the District's 457 Plan. The matter was discussed and after discussion, a motion was made by Director White, seconded by Director Ausman, and unanimously carried adopting the resolution attached to these minutes adopting the 457 Plan.

DISTRICT HEALTH INSURANCE. Mr. Chamberlin said that there will be no increase in the cost of the District's health insurance.

FIRE TAPS. Director Corn asked about the fire tap recently installed on the Malheur Siphon. Brule Lehman said it is working great. He said that it looks like the fire departments will finance the taps. Mr. Chamberlin said the fire departments in Nyssa and Adrian are looking at taps in their area and the District will continue to move forward with that.

NYSSA RURAL FIRE SUBSTATION. Director Ausman said that the paperwork on the Nyssa Rural Fire Substation has been signed and sent back to the Bureau of Reclamation. He said he will have a better report next month.

BULK FUEL. Mr. Chamberlin said the District purchased eight 900 gallon stackable fuel tanks at a recent federal surplus sale. Mr. Lehman said that District staff will work on a containment system for these new tanks this summer.

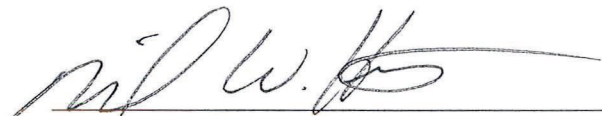
EQUIPMENT PURCHASES. Mr. Chamberlin reported on the purchase of a dump truck with a bed. He said a trailer has not yet been purchased. He reported on a chemical truck that was purchased.

OLD OWYHEE DITCH COMPANY UPDATE. Monty Culbertson gave an update on Old Owyhee Ditch Company's ramp flume and the ditch company's planned operations for the irrigation season.

DUNAWAY PUMPING PLANT. Mr. Eldred gave an update on his plans for operating the Dunaway Pumping Plant for the season.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 9:30 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____

RESOLUTION FOR INCLUSION UNDER THE STATE OF OREGON DEFERRED COMPENSATION PLAN



oregon
SAVINGS GROWTH PLAN

LOCAL GOVERNMENT PROGRAM

The Board of Directors (Governing Body) of Owyhee Irrigation District (Employer), pursuant to the provisions of Oregon Revised

Statutes (ORS) 243.474, which provides in part that:

"A local government that establishes a deferred compensation plan may invest all or part of the plan's assets through the deferred compensation investment program established by the Oregon Investment Council (OIC) under ORS 243.421,"

Hereby determines to be included in the State of Oregon Deferred Compensation Investment Program, also known as the Oregon Savings Growth Plan, established by the OIC under ORS 243.421 and administered by the Public Employees Retirement Board according to ORS 243.435 for its eligible personnel.

Be it further resolved that the proper officers are herewith authorized and directed to take all actions and make such reductions and submit such deferrals as are required by the Public Employees Retirement Board of the State of Oregon pursuant to ORS 243.478 (1), and

Be it further resolved that Employer agrees to be bound by the terms and conditions of the contracts between the State, its investment providers and record keeping company, and the "Plan Document" as identified in ORS 243.401 to 243.507 and TPA services as amended from time to time. Specifically, without limitation, Employer agrees to appoint its governing body as Trustee of its Plan, as required by Section 457(g) of the Internal Revenue Code (IRC), 26 USC 457(g)(2). The Employer certifies it is an "eligible employer" under IRC Section 457(e)(1) and has received a copy of the Plan Document and P.A. Services.

Be it further resolved that Employer shall submit a certified copy of this resolution and "Notification Memo" to the State of Oregon, Public Employees Retirement System (PERS) as the Plan Administrator.

Be it further resolved that the Governing Body and Employer, recognize the PERS Board's responsibility for maintaining the integrity of the Plan and hereby agree to cooperate fully with the Plan Administrator in accordance with procedures established by PERS, including without limitation in processing requests for withdrawal in case of an unforeseeable emergency as defined in IRC Sec. 457(b)(5) and Treasury Regulations 1.457-2(h)(4) and (5).

DESIGNATION OF AGENT

The person in the following position is hereby designated as the agent in matters pertaining to the State of Oregon Deferred Compensation Investment Program.

Title Manager - Owyhee Irrigation District

Agent Jay Chamberlain

Address _____

Phone Number _____

E-mail address _____

Office Hours _____

Alternate Agent Harvey Manser

Phone Number _____

Fax Number _____