

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

May 16, 2017

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 May 16, 2017, at 7:00 p.m. Eric White, Chairman, presiding.

The following members of the Joint Committee were present:

Frank Ausman	Jerry Nagaki
Dan Tschida	Chris Landa
Eric White	Brett Nielson

Also present were: Jay Chamberlin, Manager of the Hydro Projects; John Eells, South Board Manager; Michael W. Horton, Secretary; Harvey Manser, OID Assistant Manager; Linda Henderson, OID Patron; Darla Sebasto, OID Patron; Bruce Corn (OID Alternate); Tyler Sweet, CPA; and Larry Meyer, Argus Observer Reporter.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on May 11, 2017.

MINUTES. The minutes of the meeting of the Joint Committee held on April 18, 2017, were mailed to the Committee members prior to the meeting. A motion was made by Mr. Ausman, seconded by Mr. Tschida, and unanimously carried approving the minutes.

TUNNEL #1 POWER PROJECT.

Tunnel #1 Financial Report. Jay Chamberlin handed out a financial report for the Tunnel #1 Power Plant. He said there is currently 1,150 cfs running through the tunnel. He said the plant is making 5.7 megawatts. The Committee members reviewed the financial 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. Tschida, seconded by Mr. Nagaki, and unanimously carried approving payment of the accounts payable as follows:

Oregon Idaho Utilities	\$254.66
AT&T	<u>138.66</u>
TOTAL	\$392.68

OWYHEE DAM POWER PROJECT.

Owyhee Dam Financial Report. Jay Chamberlin handed out a financial report for the Owyhee Dam Power Plant. The report was reviewed by the Committee members. Mr. Chamberlin said that the elevator is now operating fairly well, but there is still water getting into the shaft. The road to the Dam Power Plant was discussed. Mr. Nagaki said that the dam will probably spill water next year so we may not want to put the road back in this year.

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. Nielson, seconded by Mr. Landa, and unanimously carried approving payment of following accounts:

Stunz, Fonda, Kiyuna & Horton, LLP	\$721.75
Oregon Idaho Utilities	168.61
Nationwide Insurance	<u>348.00</u>
TOTAL	\$1,238.36

TUNNEL POWER PLANT POWER RATES AND BOND NEGOTIATION. Mr. Horton handed out an email from Idaho Power showing that the power rates will stay up during 2017. The rates will drop beginning January 1, 2018. Tyler Sweet reported on negotiations and numbers which have been discussed with the Oregon Department of Energy on the bond repayment. The potential to pay off the line bond and not include it in the reamortization was discussed. The need to maintain reserves was also discussed. Mr. Sweet said that according to his calculations the annual payment would be around \$417,000 per year based upon a 20-year amortization. Mr. Sweet then explained issues on the O&M component and the fact that it has been going down the last few years. Mr. Horton explained the history on the calculation of the O&M component and suggested that calculation may need to be renegotiated with Idaho Power. He said that Idaho Power is self insured and the insurance costs are one of the larger costs to the project.

The Committee members continued discussion on paying off the line bond rather than amortizing it out with the tunnel payment. After discussion, it was the consensus of the Committee members to pay off the line bond.

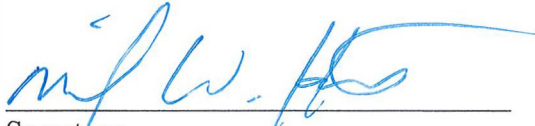
RESERVOIR STORAGE. Mr. Chamberlin said that the reservoir is full. He explained the process for maintaining the reservoir level. He said he thinks the Owyhee will continue to have good stream flows throughout the summer. He said right now everything is really wet.

OREGON GOVERNMENT UPDATE. Mr. Chamberlin reported on changes in Oregon State departments and commissions. He further reported on problems which are occurring in the Klamath Falls area. Bruce Corn who is a commissioner on the Oregon Water Resource Commission gave an update on the Commission and the changes the Commission and Water Resource Department are facing under the current Oregon administration. He and Mr.

Chamberlin further explained potential impacts to the irrigation districts and farmers which may arise from new legislation in Oregon to try to generate revenue for the state. Mr. Chamberlin said he will try to visit the Duck Valley Reservation and visit with tribal members in order to keep a good relationship with them in place.

ADJOURNMENT. There being no further business, the meeting was adjourned at 7:53 p.m.

Respectfully submitted,



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Secretary

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