

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

October 21, 2014

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on October 21, 2014, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 8:46 p.m. Jerry Nagaki, President of the District, presiding.

The following Directors were present:

Bruce Corn	Jerry Nagaki
Eric White	Frank Ausman
Dan Tschida	

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

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on October 17, 2014.

MINUTES. The minutes of the meeting of the Board of Directors held on September 16, 2014, were mailed to the Directors prior to the meeting. Director Tschida asked if the clips have been put back in on the Mitchell Butte Power Plant. Mr. Chamberlin said that they have not yet been put in and that rubber boots are also going to be installed. A motion was made by Director White, seconded by Director Ausman, and unanimously carried approving the minutes as mailed.

OWYHEE IRRIGATION DISTRICT FINANCIAL REPORT. Mr. Chamberlin handed out a financial report for the month which was prepared by Nichols Accounting. The report was reviewed and discussed by the Directors. Director White asked Mr. Chamberlin if he felt that the District was going to make it through the end of the year within budget or if reserves will have to be dipped into. Mr. Chamberlin said that he thinks the District is going to make it. He said that the Kingman project will be a multi-year project. He then explained the planned Kingman work. Director Tschida said that he recommends that the District put money aside each year to fund the Kingman project. Mr. Chamberlin said that the Board has been putting money aside for betterments and this is where those funds have been used. He then updated the Board on other canal issues that need to be addressed.

FALL WORK. Director Corn asked if the Malheur Siphon has been drained yet. Mr. Chamberlin said that it has. He said that the Kingman Lateral work will dictate how much work will be done on the Malheur Siphon this off season.

OWYHEE IRRIGATION DISTRICT ACCOUNTS PAYABLE. Two lists of the District's accounts payable for the month were included in the Directors' packets. The Directors reviewed, discussed, and asked questions about specific items on the lists which Mr. Chamberlin answered. A motion was made by Director Corn, seconded by Director White, and unanimously carried approving payment of the accounts payable.

MITCHELL BUTTE POWER PROJECT.

Financial Report. The regular monthly financial report for the Mitchell Butte Power Project was included in the Directors' packets. The Directors reviewed the report.

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

AT&T	\$24.69
Nichols Accounting	<u>110.00</u>
Total	\$134.69

2015 BUDGET. Mr. Chamberlin said that he and staff have begun work on the 2015 budget. He said he has yet to involve the Nichols Accounting office in assistance with the budget due to their extra cost. He said that in order to maintain coverage for last year's expenses with no Mitchell Butte income and no excess water income during the 2013 year, he said that the District is looking at a potential \$7.00 per acre increase. Mr. Manser handed out a wage comparison sheet with regard to ditchriders and maintenance workers. Wages were discussed and it was noted that the discrepancy in wages for new ditchriders and new maintenance personnel will need to be discussed at the next meeting with employees. Director Tschida said that in his opinion, ditchriders should not get extra paid leave when the water is out of the ditches early in the year such as this year. Mr. Chamberlin said that matter will need to be taken up with the Employee Group also.

Mr. Chamberlin said that in trying to cut back on expenses and with changes to irrigation practices, he is considering consolidating a couple of the ditch rides and eliminating one ditchrider position. The matter was discussed.

The Joint Committee action of eliminating the hydro operator position and whether or not the District needs to maintain the hydro operator position for Mitchell Butte Power Project was discussed. After discussion, a motion was made by Director White, seconded by Director Tschida, and unanimously carried that the Mitchell Butte Hydro Operator position be eliminated for financial reasons and that the actions of the Joint Committee of eliminating the hydro operator position for the Owyhee Dam Power Plant and Tunnel #1 Power Plant are ratified and approved.

Director Corn stated that the drought is slowly strangling this area and economy.

Director Tschida said that some money may need to be cut from the gopher payments. The idea was discussed.

Mr. Chamberlin said that power costs will be greater because of the additional pumping done this year.

Mr. Chamberlin said that the District recently went through a PERS audit and the auditor said that a number of the part-time pumping plant employees may be entitled to PERS. Mr. Chamberlin said that the District may have around \$25,000 of exposure. He said the matter is still being investigated.

Director Ausman said that he cannot support an increase in the annual water charges if water users do not get water because of the drought. The idea of waiting and setting the budget after more is known about potential runoff was discussed.

Director White noted that if the District does not impose some type of increase, that the increases the next year will have to be pretty significant. He said that historically it has worked out to a 4% increase each year just to keep up. Director Tschida said that the District may have to look at layoffs next fall if there is another short water year.

FALL WORK (Continued). Director Tschida said that he would like management to provide the Board with a list of fall and winter work projects with progress reports each month during the winter in order for the Board to chart progress. He said he would also like to have an estimate of the number of people needed for each project and the anticipated time to complete each project. Director Ausman said that a field trip day for the Board would also be helpful. Mr. Chamberlin then gave an update on planned projects.

NEW ACRES - HOUSE BILL 3111. Mr. Chamberlin said that he is working with USBR and the State of Oregon on getting an extension for the new acres under House Bill 3111. He said that District staff will be working on it this winter.

BOARD POLICIES. Mr. Horton said that last month it was noted that SDAO is requesting that boards of special districts adopt board policies. He said that such action is necessary in order to get a 2% discount on the District's liability insurance. Mr. Horton presented proposed Board Policies document which he put together. He also submitted a proposed resolution adopting the policies. The proposed policies were discussed and modified. A motion was made by Director Tschida, seconded by Director White, and unanimously carried adopting the following resolution:

RESOLVED THAT:

WHEREAS, Owyhee Irrigation District is an Oregon Special District which is governed by an elected board of directors; and

WHEREAS, the Board of Directors desires to adopt a policy addressing the Board's duties and responsibilities to ensure good governance practices;

NOW THEREFORE, be it resolved:

That the Owyhee Irrigation District Board of Directors hereby adopts the attached Owyhee Irrigation District Board Rules and Policies.

DIRECTOR POSITIONS. Mr. Horton stated that the deadline for filing nomination petitions for the Director positions for Divisions 2 and 4 have passed. He said that only one petition for each division has been received and that the petition for Division 2 nominated Frank Ausman and the petition for Division 4 nominated Dan Tschida. 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 White, seconded by Director Corn, and unanimously carried that Frank Ausman be named as a duly elected Director for Division Number 2 and that Dan Tschida be named as a duly elected Director for Division 4, each to serve for a 3-year term commencing on the 3<sup>rd</sup> Tuesday of January, 2015.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 10:35 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

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

## **OWYHEE IRRIGATION DISTRICT BOARD RULES AND POLICIES**

### **RULES AND REGULATIONS**

1. The Owyhee Irrigation District (“District”) Board of Directors shall operate directly under the general provisions for irrigation districts and special districts established by the State of Oregon, and the following general operating procedures.
2. These rules and regulations are intended to provide a general understanding and a uniformity in the practices and procedures for the operation of the District.
3. These rules and regulations express the judgement and will of the District Board of Directors and are binding on all employees.
4. In the event that any part or parts of these rules and regulations are found to be in conflict with the law, then only such part or parts so found shall be null and void and the remainder thereof shall remain in full force and effect.

### **AMENDMENT OR SUSPENSION OF RULES**

1. The rules and regulations of the District Board of Directors may be amended or suspended by a majority of the Directors at any Board meeting, provided that each Director shall have been notified in writing of the proposed amendment or notice of the proposed suspension at least forty-eight (48) hours in advance of the meeting.
2. Where a new regulation replaces or amends an existing regulation, the Board shall repeal the older one by direct action.
3. The District Manager may, in case of emergency, suspend any part of these rules and regulations which may be in conflict with handling an emergency; provided, however, that the District Manager shall report the fact of, and the reason for, such suspension at the next meeting of the Board; and provided further that the suspension shall expire at the time of said report unless continued in effect by the Board.

### **DUTIES OF THE DISTRICT BOARD**

Recognizing the legal definition of its duties, the Board of Directors, in providing adequate and suitable irrigation services for the citizens of the Owyhee Irrigation District shall consider its major responsibilities to be:

1. To select and employ a professionally trained and experienced executive (manager) to administer the District.



2. To provide for the preparation and subsequent adoption of an annual budget.
3. To provide District facilities, equipment and supplies for implementing the District's programs, operations and maintenance.
4. To determine questions of policy.
5. To consider and act upon recommendations of the District Manager in all matters of policy, salary schedules or other personnel matters of significance.
6. To require reports by the manager concerning the conditions, efficiency and needs of the District.
7. To inform the public concerning the progress and needs of the District and to solicit and consider public opinion as it effects the programs and services provided by the District.

## **ORGANIZATION**

1. At the first Board meeting in January of each year, there shall be elected a President, Vice-President, and Secretary of the Board. Each officer so elected shall take office immediately and shall serve until the first Board meeting of the following year, or until his/her successor is elected and qualified to serve. In order for a member of the Board to be eligible for nomination for the office of President, he/she shall have served one previous year on the Board of Directors.
2. If the President should resign or for any reason be unable to fulfill his/her obligation during his/her term of office, the Vice-President shall automatically fill the position of President. In the event any other office becomes vacant, the position found vacant shall be filled at the next regular meeting of the Board of Directors by nomination and vote of the remaining Board members.
3. The duties of the President shall be to preside at all meetings/work sessions of the Board, to sign all documents which require a formal signature of the Board, to create standing and special committees, and to appoint Board members to those standing and special committees. Board concurrence will be requested on the creation of committees and the appointment to those committees.
4. The Vice-President shall preside in the absence of the President and shall perform such other duties as may be assigned by the President.
5. A recording secretary who need not be a member of the Board of Directors may be hired to take the minutes of all Board meetings and all informal minutes when requested by the President to do so.

## **MEETINGS**

1. Dates of regular Board meetings, if not set by resolution of the Board at the organizational meeting each year, shall generally be held on the Tuesday following the third Monday of each month. Meetings will be during the day November through March and in the evenings April through October.

2. Special meetings may be called by the President at any time. Notice thereof shall be given to every member not less than (2) days in advance, if possible, unless such notice be waived by the members. No business shall be transacted at any special meeting which does not come within the purpose or purposes set forth in the call for the meeting, unless all the members of the Board are present and agree to the consideration of the additional items.

3. All regular meetings of the Board shall be subject to the State of Oregon Public Meetings statutes. The District's books, budgets, and minutes of Board meetings are public property and as such are open to inspection at the District office by any citizen, subject to State of Oregon Public Records statutes and Administrative Policy. When during any such Board meeting, in the order of business as hereinafter provided, any member of the public requests to address the Board, such person shall state name, place of residence, and the subject matter.

4. A quorum shall consist of a majority of the Board. If the scheduled meeting time arrives and a recognized quorum is not assembled, the meeting may be officially cancelled after a fifteen (15) minute waiting period.

5. Robert's Rules of Order, Revised, shall be observed except as otherwise specified by these rules and regulations.

## **MINUTES OF MEETINGS**

1. The official minutes of the Board meeting signed by the attorney for the District shall be kept in a safe place by the attorney and shall be made available by him/her to citizens desiring to examine them, subject to the State of Oregon Public Records statutes and Administrative Policy.

2. Copies of the minutes shall be prepared as soon as practical after each meeting and shall be distributed to all Board members.

## **COMMITTEES**

1. Special committees may be created by the President, with concurrence by the Board. Committee members will be appointed by the President, with concurrence by the Board. Whenever desirable, the Board will function as a committee of the whole. Other committee members may be selected from the public when deemed desirable. The President will set time lines for each committee.

2. The functions of a committee shall be those designated by title. It shall be the responsibility of a committee to study topics referred to it and to make recommendations to the Board for final action.

3. The District Manager shall be eligible to attend any meetings of any standing or special committees except when his or her employment is under consideration.

4. Standing committees may be created by the President, with concurrence by the Board. Committee members will be appointed by the President, with concurrence by the Board.

5. All special and standing committee meetings will be subject to the State of Oregon Public Meetings and Public Records statutes.

### **AUTHORITY OF MEMBERS**

1. The Board shall not be bound in any way by any statements or action on the part of any individual Board member or employee, except when such statement or action is pursuant to specific instructions by the Board.

2. All business must be conducted at legal meetings. If a proposition or complaint comes to a Director, he/she should be courteous, but should not commit the Board. Routine matters should be referred to the District Manager. Matters of policy should come before the Board.

3. All District business brought to the attention of an individual Board member shall be handled in the following manner: Be courteous to the constituent and determine whether the stated business shall be referred to the District Manager or to the Board. Then direct the constituent to either call the District Manager or to appear at the next Board meeting and discuss the matter with the entire Board. No District business decision is ever to be made by an individual Board member outside an official Board meeting.

### **TRAINING, EDUCATION, AND CONFERENCES**

1. It is the policy of the District to encourage Board development and excellence of performance by reimbursing expenses incurred for tuition, travel, and lodging as a result of training, educational courses, participation with professional organizations, and attendance at state, regional, and national conferences associated with the interests of the District.

2. The District Manager is responsible for registration and lodging arrangement for Board members attending state, regional, and national conferences. Board Members will make their own travel arrangements. Expense reporting forms will be forwarded to each Board Member attending a conference.



3. When a Board Member requests to attend a training or educational course and that request is approved by the Board of Directors, the District Manager shall be responsible for the registration of the Board Member.

4. Upon returning from conferences, seminars, workshops, etc., each Board Member will either prepare a report or make a verbal report during the next Board meeting detailing what was learned at the session(s) that will be of benefit to the District.

### **LEGAL COUNSEL**

1. An attorney shall be selected by the Board. The District Manager and the President of the Board may request any legal advice that may be needed in handling or in dealing with matters pertaining to the welfare of the District. Individual Board members should direct requests through the District Manager and/or the President.

### **AUDITOR**

1. An auditor shall be selected and appointed by the Board and retained on a yearly retainer fee. The auditor must be a Certified Public Accountant and a member of the State Board of Accountancy roster authorized to conduct municipal audits. The District Manager and the President of the Board may request advice on any financial matters pertaining to the financial welfare of the District. Individual Board members should direct requests through the District Manager and/or the President.

### **INSURANCE AGENT(S) OF RECORD**

1. An Insurance Agent(s) of Record shall be selected and appointed by the Board. The District Manager and the President of the Board may request any advice that may be needed in handling or in dealing with insurance matters pertaining to the welfare of the District. Individual Board members should direct requests through the District Manager and/or the President.

### **BOARD OF DIRECTOR RULES**

The Board of Directors of the District is committed to providing excellence in legislative leadership that results in the provision of the highest quality of services to its Patrons. In order to assist in the government of the behavior between and among members of the Board of Directors, the following rules shall be observed.

1. We, as Board of Directors, value confirming the dignity of each individual Board member. We also recognize the importance of respecting the style, values, and opinions of one another. We encourage responsiveness and attentive listening in our communication.

2. We, as a Board of Directors, shall place the needs of the District patrons first.

3. We, as a Board of Directors, recognize that our primary responsibility is the formulation and evaluation of policy. Routine matters concerning the operational aspects of the District are to be delegated to professional staff members of the agency.

4. We, as a Board of Directors, shall commit ourselves to emphasizing the positive, avoiding double talk, hidden agendas, gossip, talking behind people's backs, and other negative forms of interaction.

5. We, as a Board of Directors, commit ourselves to focusing on issues and not personalities. We will encourage the presentation of others' opinions. We will avoid cliques and voting blocks based on personalities rather than issues.

6. We as a Board of Directors, commit to supporting Board action. The role of the Board member is not to place barriers once a decision has been made by the Board and is ready to be implemented. We acknowledge the right of individuals to disagree with ideas, without being disagreeable. Different points of view are healthy in contributing to the decision-making process.

7. We, as a Board of Directors, shall practice the following procedures in: 1) seeking clarification on informational items; 2) handling complaints; 3) handling items related to safety; 4) presenting items for discussion at Board meetings and in other forums; and 5) seeking clarification for policy-related concerns.

- \* Informational Items. Board members may directly approach professional staff members to obtain information needed to supplement, upgrade, or enhance their knowledge to improve legislative decision-making.
- \* Handling Complaints from Patrons of the District. Complaints made to members of the Board of Directors should be directly referred to the Manager of the District.
- \* Safety. Concerns for safety or hazards should be reported to the District Manager. Emergency situations should be dealt with immediately by seeking appropriate assistance.
- \* Agenda Items. Board members wishing to have items placed on the Board meeting agenda or at other Board functions should present these to the District Manager and/or the President.
- \* Policy-related Concerns. Policy-related questions, especially related to personnel, legal action, land acquisition and development, finances, and programming should be directed to the District Manager and/or to a Board member when advisable.

8. We, as a Board of Directors, when approached by professional staff members concerning policy within the District, shall direct inquiries to their supervisor. The chain of command should be followed.

9. We, as a Board of Directors, recognize the work of the District as a team effort. All individuals shall work together in collaborative process, assisting each other and the President, in conducting the affairs of the District.

10. We, as a Board of Directors, when responding to patron requests and concerns, shall be courteous, responding to individuals in a positive manner and routing their concerns and interests through appropriate channels.

11. We, as a Board of Directors, are encouraged to work with the District Manager at our convenience, to discuss current issues, concerns and District projects.

12. We, as a Board of Directors, shall each operate as part of the whole. Issues will be brought to the attention of the Board as a whole, rather than to individual members selectively.

13. We, as a Board of Directors, are responsible for monitoring the District's progress in attaining its goal and objectives, while pursuing its mission.

14. We, as a Board of Directors, shall be prepared by reviewing District materials and will engage in a program of development directed toward improving our legislative decision-making capabilities.

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

October 21, 2014

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 21, 2014, at 7:00 p.m. Frank Ausman, Chairman, presiding.

The following members of the Joint Committee were present:

Frank Ausman	Jerry Nagaki
Eric White	Mark Aman (South Board Alternate)
Bruce Corn	Chris Landa

Also present were: Jay Chamberlin Manager of the Hydro Projects; Harvey Manser, OID Assistant Manger; Michael W. Horton, Attorney; Ron Keester, South Board Manager; and Dan Tschida (OID Alternate).

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on October 17, 2014.

MINUTES. The minutes of the meeting of the Joint Committee held on September 16, 2014, were mailed to the Committee members prior to the meeting. A motion was made by Mr. Corn, seconded by Mr. Nagaki, and unanimously carried approving the minutes as mailed.

TUNNEL #1 POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the Tunnel Power Project for the month of September. The Committee Members reviewed the report.

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

Oregon Idaho Utilities	\$111.54
AT&T	1.68
Nichols Accounting	<u>650.00</u>
Total	\$763.22

OWYHEE DAM POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the Owyhee Dam Power Project for the month of September. The Committee Members reviewed the report.

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

AT&T	\$32.81
Stunz, Fonda, Kiyuna & Horton, LLP	1,078.50
Century Link	47.99
Oregon Idaho Utilities	315.88
Nichols Accounting	<u>650.00</u>
Total	\$2,125.18

O&M WORK AT OWYHEE DAM. Jay Chamberlin reported on work being done at the Owyhee Dam. He said that the guard gate is still stuck and that other repairs have taken priority over the continued work on the guard gate. He said that staff have spent a lot of time working at the dam. He said that they have started to put coatings on the center penstock. He said that repairs on the ring gate shaft have begun. He said that an inspection of the ring gate was done and he provided photographs of the inspection. He said that there was some concrete cracking at the bottom elbow of the ring gate shaft and that the cracks are being repaired. He said that similar repairs have been done to concrete in other places and the repairs have held up well. He said that overall the ring gate shaft looks to be in good shape.

Mr. Chamberlin said that the fence and gate coming into the Dam Compound need to be cleaned up in order to better secure the compound. He then reported on the penstock coating work which is being done. He said that the work got started today. He reported that the de-watering has worked extremely well.

COUNTY BOAT RAMP. Mr. Chamberlin reported on USBR and County negotiations on the County boat ramp. He said that it appears that USBR is leaning towards shutting down the boat ramp all together. Mr. Chamberlin explained a situation this summer during a low water time when a boat was pulled over towards the inlet to the tunnel structure. He said that it makes sense to close the ramp during such low water times, but not at other times. Chairman Ausman, Mr. White, and Mr. Corn all expressed their opinions that it does not make sense to close the ramp when the reservoir is not in a low water situation. Mr. Chamberlin said that the County boat ramp is where staff access the tunnel inlet structure. He said that without the ramp there, it would be difficult to get access to the structure. The matter was discussed and after discussion, a motion was duly made by Mr. Corn, seconded by Mr. Landa, and unanimously carried adopting the following resolution:



RESOLVED that the Joint Committee of the Owyhee Project is opposed to the permanent closure of the Malheur County boat ramp at the Owyhee Reservoir.

REVIEW OF BUDGET PROCESS. Mr. Chamberlin explained the process the Joint Committee is to go through in submitting budgets to the North and South Boards for operation of the works under the control of the Joint Committee.

POWER ALLOCATIONS. Mr. Chamberlin said that the Joint Committee is to go through a process in power allocations at the end of each water season. Mr. Horton explained the contract provisions have been outlined in a flowchart provided by the Bureau of Reclamation. He suggested that next month the Joint Committee have representatives from the Bureau of Reclamation come to the meeting and walk through the flowchart and allocation process.

OWYHEE DAM AND HYDRO BUDGETING. Mr. Keester said that the South Board of control needs budgeting work done by the Joint Committee earlier in the year as they set their budget earlier. Discussion on budgeting for the dam and hydros began. Mr. Chamberlin explained that the hydro facilities are in serious financial circumstances. He presented financial statements which are attached. He then explained the generation potential for the facilities for the next three years and that the project is over two million dollars behind in bond payments. Mr. Chamberlin and Mr. Corn explained the history of the Hydro Project. Mr. Chamberlin then gave a handout on the costs on the hydro operator position. Mr. White noted that the cost of the hydro operator is almost half of the gross generation. Mr. Chamberlin was asked if there was anything in the power contracts which require the Districts to employ a hydro operator and Mr. Chamberlin said that there is not. Mr. Corn noted that when the Dam Power Plant first came on line, there was not a hydro operator position. He explained that when the other two facilities came on line, the Joint Committee determined to establish a hydro operator position. Mr. Chamberlin was asked if the hydro facilities could be operated without a paid, full-time hydro operator. Mr. Chamberlin said that the dam tenders can operate the facilities as part of their duties without extra cost to the project. He said that the Owyhee Irrigation District Water Master could provide oversight during startup and shut down of the facilities and this would be extra cost to the project. Mr. White noted that the current hydro operator calls in third-party contractors when big problems arise. Mr. Corn said that the position would go away. Mr. Chamberlin noted that in eliminating the position, that some institutional knowledge would be lost. Chairman Ausman stated that this is a financial situation and the operator costs are a scratch in the surface of the overall financial situation the hydro projects are in, but that if there is not money for the position, then the position needs to go away. Chairman Ausman said that this is one of the costs which the Joint Committee really has control over. Mr. Landa noted that currently the projects are generating power for one job. Mr. Corn said that the job has disappeared due to circumstances beyond the Committee's control.

Mr. Horton was asked that if the hydro operator position were to be eliminated whether it would be best to let the operator employment contract terminate at the end of the year or rather terminate it immediately. Mr. Horton explained that the current contract does provide for severance pay in the event the contract is terminated, whereas, it does not provide such severance pay if it simply expires at the end of the year. He said that typically relations are better with outgoing employs if some severance is paid. He said that in his experience with other employers,

problems often arise if an employee is kept on knowing that their employment status will be ending soon.

Mr. Tschida reminded the Committee members that the hydro operator was made aware during his last contract negotiations of the tenuous nature of his employment position given the current water situation. During discussions, it was noted that the hydro projects are over two million dollars behind in scheduled loan payments. It was also noted that the last three short water years have significantly reduced the income generation of the facilities. The fact that payments for power generated at the Tunnel Power Plant will significantly be reduced at the end of the 2017 calendar year under the Power Sales Agreement was also discussed, along with the fact that even if water levels do come up in the next few years, there still will not be adequate money generated to fund the position. The need for further discussions with Idaho Power and the State of Oregon on the bonds and power contracts were also discussed.

A motion was made by Mr. Nagaki, seconded by Mr. Corn, and unanimously carried to eliminate the hydro operator position because of the financial situation the hydro projects are in. Mr. Chamberlin said that he will let the hydro operator know when he gets back from elk hunting.


SDAO RESOLUTION. Mr. Horton explained that at last month's meeting a question came up on SDAO wanting Board policies. Mr. Horton explained that the Joint Committee is not a special district, but is a committee made up of special districts. He said that he and Mr. Chamberlin met and discussed the matter and that the insurance discounts are not available to the Joint Committee.

IDAHO POWER B2H TRANSMISSION LINE. Mr. Horton said that the draft Environmental impact statement on the proposed power line was to be released this month, but that the release has been delayed to November 14. He said that after the statement comes out, there will be a 90-day public comment period.

WINTER WATER RELEASES FROM DAM. Mr. Chamberlin said that he has spoken with USBR with regard to the required winter releases at the Owyhee Dam. He said that given the low water and the reduction of the water allocation to the users, the amount of the winter releases will be 12 cfs this winter.

ADJOURNMENT. There being no further business, the meeting was adjourned at 8:45 p.m.

Respectfully submitted,

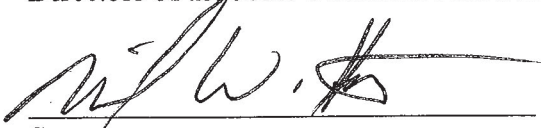
  
Secretary

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

**JOINT COMMITTEE OF THE  
OWYHEE PROJECT RESOLUTION**

RESOLVED that the Joint Committee of the Owyhee Project is opposed to the permanent closure of the Malheur County boat ramp at the Owyhee Reservoir.

I certify that the above resolution was duly adopted at a meeting of the Board of Directors of the Joint Committee held on October 21, 2014.

  
Secretary