

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

June 21, 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 June 21, 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; J.L. Eldred, OID Watermaster; Michael W. Horton, Secretary and General Counsel; Frank Ausman, OID Alternate; and Larry Meyer, Argus Observer Newspaper.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on June 15, 2016.

MINUTES. The minutes of the meeting of the Joint Committee held on May 24, 2016, were mailed to the Committee members prior to the meeting. A motion was made by Mr. Nielson, seconded by Mr. Landa, and unanimously carried approving the minutes.

TUNNEL #1 POWER PROJECT.

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

Tunnel #1 Power Plant Hydro Report. Mr. Chamberlin said that the Tunnel is producing 4.1 megawatts and is running 1,400 cfs. He said that the plant needs more head.

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

Oregon Idaho Utilities	\$125.11
California Electric	1,927.63
AT&T	94.59
Owyhee Irrigation District	27,338.53
Nichols Accounting	<u>325.00</u>
TOTAL	\$29,810.86

OWYHEE DAM POWER PROJECT.

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

Owyhee Dam Hydro Report. Mr. Chamberlin said that the power rates drop next year on the Tunnel. The matter was discussed.

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. Nagaki, and unanimously carried approving payment of the following accounts payable:

AT&T	\$88.65
Stunz, Fonda, Kiyuna & Horton	345.00
California Electric	252.92
Riverside Inc.	382.50
Oregon Idaho Utilities	168.67
Owyhee Irrigation District	27,160.77
Nichols Accounting	<u>325.00</u>
Total	\$28,723.51

B2H UPDATE. Mr. Horton gave an update on the B2H Power Line. He said the cooperating agencies will be reviewing and commenting on a draft environmental impact statement. He said the statement is very long and includes over 3,600 pages.

WATER USAGE. Mr. Eldred and Mr. Eells gave an update on water being used by the North and South Boards. Mr. Eldred said the usage has been slow and the Committee members discussed weather patterns. Mr. Chamberlin said he will try to do projections and spreadsheets next month on water usage. Mr. Eells estimated that the South Board has used 25% of its allotment so far.

SELP REVIEW. Mr. Chamberlin said he has had communication with John Hobbs at SELP with regard to the Tunnel Bond. Mr. Chamberlin said that Mr. Hobbs was planning on coming over next month but because of legislative hearings, he will not be able to come until August 16. Mr. Horton said that he and Mr. Chamberlin will be meeting with Mr. Hobbs prior to the Joint Committee meeting and will be gathering information for that meeting.

WATER RESERVATION. Mr. Chamberlin, Mr. Eells, and Mr. Corn gave an update on the water reservation process for the Owyhee River.

COUNTY BOAT RAMP AT OWYHEE RESERVOIR. Mr. Chamberlin said that Roland Springer with USBR is coming over next Tuesday to tour the boat ramp, along with

other OID facilities. He said that the area manager will be meeting with the county court with regard to the boat ramp. He said that in the meantime, the District is supposed to gate and block off the boat ramp. He said he has not yet gotten a bid on making the boat ramp handicap accessible.

CHAMBERLIN CONTRACT RENEWAL. Mr. Chamberlin said that his contract renewal was at the first of the year and that OID will be addressing the situation during their meeting.

ADJOURNMENT. There being no further business, the meeting was adjourned at 7:42 p.m.

Respectfully submitted,


Secretary

APPROVED: _____

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

June 21, 2016

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on June 21, 2016, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa Oregon, at 7:45 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, OID Watermaster; Brian Richins, Auditor; Greg Clark and John Roland, Engineers (who joined the meeting at 8:14 p.m.); and Larry Meyer, *Argus Observer Newspaper*.

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on June 15, 2016.

MINUTES. Minutes of the meeting of the Board of Directors held on May 24, 2016, were handed out to the Directors prior to the meeting. A motion was made by Director Corn, seconded by Director Ausman, and unanimously carried approving the minutes.

2015 AUDIT. Brian Richins presented the audit for the District for 2015. He handed out reports and charts which he went through in detail as the Directors reviewed them. He said the audit went very well. He explained the change to cash basis versus accrual reporting for the audit only. He said the budgeting process of the District has been pretty good. He said all controls look great and the books were in great order. He said Nichols Accounting is doing a great job. He said the communication between office staff and Nichols Accounting has been good. He said that overall everything went smoothly and the District's controls are good. A motion was made by Director White, seconded by Director Corn, and unanimously carried approving the audit as presented.

At 8:06 p.m., Brian Richins left the meeting.

FINANCIAL REPORT. Handouts from Nichols Accounting with the monthly financial reports were provided to the Directors. The Directors reviewed the reports. Director White asked why there was more overtime this year. Mr. Chamberlin said that there were a lot of bugaboos to start the season with the gopher holes and that the District is short staffed. Director White asked about the gopher fund and Mr. Chamberlin said it is down to \$5,700.

At 8:14 p.m., Greg Clark and John Roland from MWH Engineering, joined the meeting.

DISTRICT ACCOUNTS PAYABLE. Two lists of the District accounts payable for the month were included in the Directors' packets. The Directors reviewed the lists. Mr. Chamberlin said that on aquatic weeds that there will still be some bills come in. Tire purchases were discussed. A motion was made by Director White, seconded by Director Corn, and unanimously carried approving and ratifying payment of the accounts payable.

MITCHELL BUTTE POWER PROJECT.

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

Hydro Report. Mr. Eldred said that one unit is running.

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	\$67.68
California Electric	252.92
Riverside Inc.	361.67
Verizon	105.16
Century Link	133.59
Owyhee Irrigation District	24,372.29
Nichols Accounting	<u>110.00</u>
Total	\$25,403.31

MALHEUR SIPHON REPORT. Greg Clark from MWH Engineering gave a PowerPoint presentation on the engineering work which he has been doing on the Malheur Siphon. He said the entire pipe line has been surveyed. He said the current pipe itself is worth saving. He said in doing research, it was noted that the pipeline had issues in 1938 just three years after it was installed. He presented a USBR report noting the problems. He said that from his surveys, the problem is the soil type and he recommends deeper supports. He estimates three years of work. He then showed options on possibly filling in one of the draws. He said his cost estimate for the overall project is close to two million dollars, but that this does not include Oregon prevailing wage or Davis Bacon wages.

John Roland with MWH said that he feels this problem is all due to a design deficiency. He said the pipeline was defective when the District received it from USBR. He suggested contacting USBR and see if there are any emergency grant monies available.

The Directors discussed the report and findings with the engineering firm. It was determined that future geo-technical work on the soil would be beneficial.

At 9:20 p.m., Greg Clark and John Roland left the meeting.

SNIVELY SIPHON. Mr. Chamberlin said the new drains on the Snively Siphon are functioning as designed. Mr. Manser further reported on the drains.

HERBICIDE WATER TREATMENT. Mr. Manser reported on chemical treatments throughout the system.

NPDES PERMIT. Mr. Chamberlin said that the NPDES permit expires in September of this year. He said that they are still working on getting permits for next year. He said they are five year permits. He said the District may have to hire a biologist to show why screening is unnecessary. He said the permitting process has been involved and will continue to be an ongoing struggle.

AUTOMATED GATE MALFUNCTION AT JACOBSON GULCH. Mr. Chamberlin and Mr. Eldred reported on an automated gate malfunction at Jacobson Gulch. Mr. Eldred said that it is back to the way it was before automation.

ISSUES THROUGHOUT SYSTEM. Mr. Chamberlin and Mr. Eldred gave updates on issues throughout the system. These issues were discussed by the Directors. Director Ausman suggested having a teaching presentation on how the system works and what the ditchriders do.

INTEGRATED STRATEGY OPEN HOUSE. Mr. Chamberlin said the Oregon Water Resources Department hosted an open house in Ontario on their integrated water strategy. He reported on that meeting.

NYSSA RURAL FIRE STATION. Mr. Ausman updated the Board on the planned Nyssa Rural Fire Station.

EXECUTIVE SESSION. Mr. Horton said that an executive session is needed pursuant to ORS 192.660(2)(i) to evaluate the District manager. At 10:00 p.m., the Board entered into executive session and J.L. Eldred and Harvey Manser left the meeting.

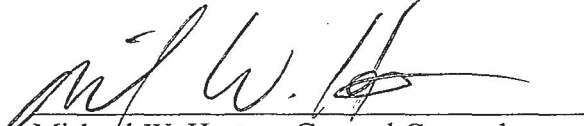
At 10:15 p.m., the Board returned to regular session.

JAY CHAMBERLIN CONTRACT. A motion was made by Director White, seconded by Director Ausman, and unanimously carried that Mr. Chamberlin receive a raise the same as the employees received with the contract length being the same as the employees and that such raise is retroactive to January 1, 2016.

MALHEUR SIPHON (Continued). The Board discussed having more geo-technical work done on the Malheur Siphon. Mr. Chamberlin was authorized to proceed with additional soil testing.

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: _____