

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

February 17, 2009

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on February 17, 2009, at the Cairo Grange Hall in Ontario, Oregon, at 10:00 a.m., Bruce Corn, President of the District, presiding.

The following Directors were present:

Jerry Nagaki
Bruce Corn
Curt Sisson

Frank Ausman
Dan Tschida

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, General Counsel; Harvey Manser, Assistant District Manger; Wes Allison, Manager of Nyssa Road District; and Larry Meyer, Argus Observer Newspaper.

MEETING NOTICE. Mr. Chamberlin reported that he gave notice to the news media as to the time, date, and place of the meeting on February 12, 2009.

MINUTES. The minutes of the regular meeting of the Board of Directors held on January 20, 2009, were mailed to the Directors prior to the meeting. A discussion and clarification on the railroad right of way discussion during last month's meeting was had. A motion was made by Director Tschida, seconded by Director Nagaki, and unanimously carried approving the minutes as mailed.

Mr. Chamberlin said that a question came up last month with regard to a charge for welding rod. Mr. Chamberlin said that he investigated the bill and that it was actually for hard hats and safety equipment and not welding rod. He said that the items were mis-coded.

ROAD DISTRICT BUILDING PROPOSAL. Wes Allison, Manager of the Nyssa Road District, informed the Directors that the Nyssa Rural Road District is looking at building a shop and would like to do so across the highway from the Dunaway Pumping Plant. He said that the Road District currently uses some of the area and would like to lease a portion of the ground in order to build a shop. He said that he would imagine the use would be similar to the Ontario Road District's use at Owyhee Irrigation District's Ontario location. He said that he realizes that the Bureau of Reclamation would have to be worked with. A discussion on the matter was had. Director Ausman pointed out the possibility of selling the railroad property which the District is acquiring to the Road District instead of leasing the property which presents issues with the Bureau of Reclamation. Mr. Chamberlin and Mr. Allison will investigate the railroad property to see if it is a suitable location.

At 10:22 p.m., Wes Allison left the meeting.

MITCHELL BUTTE POWER PROJECT.

Generation and Financial Report. The generation report for the Mitchell Butte Power Plant was reviewed by the Directors. President Corn noted that the District will need to be transferring another \$0.20 per acre from the Mitchell Butte Account to the District Account for the new computer system.

Accounts Payable. Mr. Chamberlin presented the following schedule of accounts payable for the Mitchell Butte Power Project:

Malheur Bell	\$170.20
AT&T	181.99
Granger Engineering	3,000.00
Owyhee Irrigation District	67,161.00
Nichols Accounting	<u>75.00</u>
Total	\$70,588.19

Director Tschida asked about the Granger Engineering charges. It was noted that these charges are for equipment testing and annual maintenance. A motion was made by Director Sisson, seconded by Director Nagaki, and unanimously carried that the accounts payable for the month, as listed in the agenda, be paid. The motion passed unanimously.

WATER REPORT. Mr. Chamberlin passed around handouts on snow packs and stream flow forecasts. He said that the snow-water equivalent is still around 90% to 93%. President Corn said that it appears that with the minimum predicted inflows and the current storage added together, the District will have sufficient water for this irrigation season. Mr. Chamberlin said that he has not flown the snow course yet. He said that there is approximately 20,000 acre feet more in storage than there was last year.

500 KV Line. President Corn gave an update on the proposed Idaho Power 500 KV transmission line. He said that Owyhee Irrigation District has been approved as a cooperating agency, but has not gotten official word yet. He said that the NEPA meetings are coming up. He said that it appears that the District will have a place at the table and that it is an ongoing process.

HYDRO POWER GENERATION PROPOSED OREGON SENATE BILL. Mr. Chamberlin said that there is a proposed senate bill which may generate funds to co-generation facilities by providing "green" credits to co-generation providers. The potential bill was discussed and Mr. Chamberlin will investigate the matter further.

WHEELING FERC DECISION. Mr. Chamberlin said that the Irrigation Districts have won their hearing with FERC on Idaho Power's wheeling charges. He said that Idaho Power can still appeal the matter, but that at this point, the Districts are entitled to a refund. He said that he is not yet sure of the amount of that refund.

BPA AGREEMENT. Mr. Chamberlin said that he has signed an agreement with BPA for 2009 for them to do a free analysis on the District's pumps. He said that BPA may be able to help the District with rewinding of motors to the extent that it makes the motors more efficient.

OWYHEE DAM POWER PROJECT.

Owyhee Dam Hydro Accounts Payable. Mr. Chamberlin presented the following schedule of accounts payable for the Owyhee Dam Power Project:

Nichols Accounting Group	\$303.00
Oregon-Idaho Utilities	157.80
Stunz, Fonda, Kiyuna & Horton, LLP	695.50
US Cellular	48.69
Granger Engineering	<u>4,290.50</u>

Total \$5,495.49

The Granger Engineering bill and services provided by the company were discussed. A motion was made by Director Nagaki and was seconded by Director Ausman that the accounts payable for the month for the Owyhee Dam Power Project, as listed in the agenda, be paid. The motion passed unanimously.

TUNNEL #1 POWER PROJECT.

Accounts Payable. Mr. Chamberlin presented the following schedule of accounts payable for the Tunnel #1 Power Project:

Oregon-Idaho Utilities	\$3,758.09
Granger Engineering	4,290.50
Nichols Accounting Group	<u>383.00</u>

Total \$4,831.30

A motion was made by Director Sisson and was seconded by Director Nagaki that the accounts payable for the month for the Tunnel #1 Power Project, as listed in the agenda, be paid. A vote was had on the motion which passed unanimously.

EMPLOYEE POLICIES. Mr. Chamberlin handed out proposed policies on a work place violence program and working hours. The policies were reviewed and discussed. A motion was

made by Director Ausman, seconded by Director Tschida, and unanimously carried adopting the policy for reporting to duty after normal working hours.

WINTER WORK. Mr. Chamberlin gave an update on the work being done this winter by District crews. He said that all District purchasing is now being done through a District purchasing agent who has been designated as J.L. Eldred.

COUNTY PLANNING MEETINGS. Mr. Horton advised the Board that he met with the County Planner recently to try to keep the Irrigation District in the loop on planning decisions which may affect the District.

UPCOMING PATRON MEETING. Mr. Chamberlin passed out a proposed agenda for the patron meeting to take place later this afternoon. The proposed agenda and meeting were discussed.

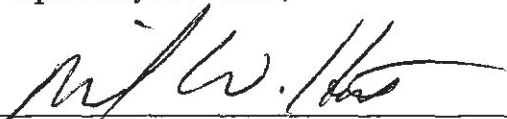
EMPLOYEE LAYOFFS. Mr. Chamberlin explained what happened with regard to the employee layoffs which occurred at the end of the year.

HYDRO FINANCIAL REPORTS. At 11:38 a.m., Peter Nichols joined the meeting. He handed out financial reports for the Hydro Projects. He then gave a short summary of his planned presentation for the patron meeting.

DISTRICT ACCOUNTS PAYABLE. The accounts payable for the District were reviewed and discussed by the Directors. A motion was made by Director Tschida, seconded by Director Ausman, and unanimously carried approving payment of the accounts payable as presented.

ADJOURNMENT. At 12:30 p.m., President Corn declared the meeting adjourned and the Directors attended a District water users' meeting at 1:00 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____