

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

September 16, 2008

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on September 16, 2008, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 9:05 p.m., Bruce Corn, President of the District, presiding.

The following Directors were present:

Jerry Nagaki	Curt Sisson
Bruce Corn	Dan Tschida
Frank Ausman	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, General Counsel; Tom Zittercob, Hydro Electric Manager; Rick Uhlman, OID Employee; Mark Carpenter, OID Employee; and Max Taggart, Larry White, Steve Hanson, Bill Bachelor, and Al Garrison, District Patrons.

MEETING NOTICE. Mr. Chamberlin reported that he gave notice to the news media as to the time, date, and place of the meeting on September 9, 2008.

MINUTES. The minutes of the regular meeting of the Board of Directors held on August 26, 2008, were mailed to the Directors prior to the meeting. A motion was made by Director Ausman, seconded by Director Tschida, and unanimously carried approving the minutes as mailed.

MITCHELL BUTTE POWER PROJECT.

Generation and Financial Report. Mr. Chamberlin said that the Mitchell Butte generation and financial report is in the Directors' packets. The Directors reviewed the report.

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

Waldo Insurance	\$17,924.15
Nichols Accounting	<u>75.00</u>
Total	\$17,999.15

A motion was made by Director Ausman, 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.

MAX TAGGART. Max Taggart addressed the Board. He said that he purchased a small acreage up on Oregon Slope and has begun to receive irrigation water. He said that he wants to thank the District Board and its employees for the great job which they do.

STEVE HANSON BURIED PIPELINE. Mr. Hanson next addressed the Board. He said that he lives up on Oregon Slope and that the District has an 18 inch pipeline that runs under his hay field. He said that the pipeline has been leaking and that he has five wet spots in his field. He said that the leaking has occurred over several years. He said that he would like to see the District replace the leaking pipeline within a couple of years. He said that he has hay in the field right now. Rick Uhlman said that approximately 760 feet of the pipeline would need to be piped. He said that plastic pipe would be used and the current price for pipe is \$13.25 per foot. He said the current pipeline is eight to ten feet deep. Mr. Chamberlin said that he would like to budget for the pipeline and do it over a couple of years. Mark Carpenter said that if pipe is purchased to make the repairs, the pipe needs to be installed within a year to prevent deterioration of the pipe. The Board of Directors discussed the matter and the consensus of the Directors is to work towards replacing the pipeline and working it into the District's budget. Mr. Carpenter said that the replacement would be a two-day job. At 9:15 p.m., Steve Hanson left the meeting.

HYDRO REPORT. Mr. Zittercob said that he would like to have the computer at Mitchell Butte Power Plant replaced. He said that he would also like to get a high-speed connection at the Power Plant. He said that if there was a high-speed connection, a phone line would not be needed. He said that there is no maintenance planned on the Mitchell Butte Power Plant for this off season. He said that a new motor starter on a butterfly valve is needed and that one of the units will probably need to be pulled and gone through the year after next. Mr. Zittercob said that the trash rack worked this year, but that it is at the end of its life. He estimates the cost for repairs at \$10,000 to \$15,000 for the mechanical side. He said that the Plant has run flawlessly this summer.

A motion was made by Director Nagaki, seconded by Director Ausman, and unanimously carried authorizing Mr. Zittercob to purchase a new computer system for Mitchell Butte Power Plant. At 9:23 p.m., Max Taggart and Tom Zittercob left the meeting.

LARSON SELECT ONION PIPELINE. Mr. Chamberlin said that Mr. Larson has agreed to a proposed settlement with the District with regard to the pipeline which he tore up and replaced without the District's permission. Mr. Chamberlin said that the District will dig and lay the pipe and that Mr. Larson will bear all costs associated with that, including surveying costs. Mr. Chamberlin said that the District is looking at taking the weir out and putting in a constant head orifice which will also be done at Mr. Larson's cost. He said that the proposed work would take place when the water goes out this fall. Larry White said that his concern is that the replacement pipe size needs to be adequate to supply all of the users on that system. Mr. Bachelor

and Mr. Garrison echoed Larry White's concerns. Mr. Chamberlin said that the engineering has been done to insure that there will be a sufficient water supply for all users entitled to water on that pipeline. A discussion was had relating to the fact that if the pipeline does not work, the District could go up higher on the canal. Mr. Chamberlin said that is not in the written agreement, but that Mr. Larson did agree to that. Mark Carpenter explained the planned pipeline installation process. President Corn said that the District needs to have the agreement signed and the pipe ordered right away. Mr. Chamberlin said that he will keep Director Tschida and Larry White advised as to the progress of the pipeline. At 9:50 p.m., Larry White, Bill Bachelor, and Al Garrison left the meeting. Discussion on the pipeline continued. Mr. Carpenter said that he is confident that the engineered system will deliver more than sufficient water.

JOHN HENDRICKS' RIGHT-OF-WAY ISSUE. Mr. Horton said that he completed his research on the Hendricks' right-of-way issue which came up at last month's meeting. He said that he spoke with Mr. Hendricks and informed him that the District's liability ends at Mr. Baker's property and it is Mr. Hendricks' responsibility to secure an easement for the water to get to his property. Mr. Horton said that he advised Mr. Hendricks to seek legal counsel with regard to his rights as they relate to Mr. Baker.

At 10:02 p.m., Rick Uhlman and Mark Carpenter left the meeting.

MIKE WARREN ISSUE. Mr. Chamberlin said that a couple of issues have come up with regard to Mike Warren. Mr. Horton explained that he received a call from the Oregon Contractor's Board with regard to a complaint from Mr. Warren. He said that Mr. Warren was complaining about the District installing pipeline without a contractor's license. Mr. Horton explained that there is an exemption for the District as it is a public entity. Mr. Chamberlin said that the Sheriff's office called him with regard to an alleged trespass call which Mr. Warren made. Mr. Chamberlin said that the Sheriff's office advised him that Mr. Warren threatened to shoot any District personnel who step foot on his property. Mr. Chamberlin said that he is proposing to have the pipeline cut off at Mr. Warren's property line and be routed around his property. He said that he has advised District personnel to be cautious around Mr. Warren. A discussion of the matter was had. After discussion, a motion was made by Director Tschida, seconded by Director Nagaki, and unanimously carried that the pipeline be cut at Mr. Warren's property line and a new connecting piece installed and routed around Mr. Warren's property.

DRUG TESTING POLICIES. Mr. Chamberlin said that he is still working on getting information for a drug testing program.

MANAGER'S REPORT. Mr. Chamberlin said that he has been contacted with regard to a statewide roundtable discussion on water use. He said that he has been asked to put on a presentation at the discussion which is to occur in October. He then updated the Board on the political situation in Oregon as it relates to water.

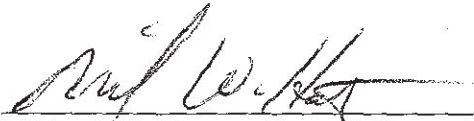
Mr. Chamberlin said that a company made a presentation at the District office on software for irrigation districts. He said that the software looks promising. He said that they could not give him a cost for the software, but Mr. Chamberlin said that he believes that Black Canyon Irrigation District spent approximately \$80,000 for their software system.

Mr. Chamberlin said that he is in the process of changing leadership positions within the organization. He said that he is drafting job descriptions for District foreman. A discussion on the employee annual review process was had.

DIRECTOR COMMENTS. Director Ausman said that he made contact with a guy who may be able to help on the elevator. He said that he will provide Mr. Chamberlin with contact information.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 11:00 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____