

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

November 21, 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 November 21, 2017, at 1:17 p.m. Brett Nielson, Vice-Chairman, presiding.

The following members of the Joint Committee were present:

|              |                            |
|--------------|----------------------------|
| Frank Ausman | Jerry Nagaki               |
| Dan Tschida  | Brett Nielson              |
| Chris Landa  | Bruce Corn (OID Alternate) |

Also present were: Jay Chamberlin, Manager of the Hydro Projects; John Eells, South Board Manager; Michael W. Horton, Secretary; Harvey Manser, OID Assistant Manager; Tyler Sweet, CPA; and Larry Meyer, *Argus Observer Newspaper* Reporter.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on November 16, 2017.

MINUTES. The minutes of the meeting of the Joint Committee held on October 17, 2017, were mailed to the Committee members prior to the meeting. A motion was made by Mr. Corn, seconded by Mr. Landa, and unanimously carried approving the minutes.

TUNNEL #1 POWER PROJECT.

Tunnel #1 Financial Report. Tyler Sweet presented a financial report for the Tunnel #1 Power Plant. He explained the changes to the report now that the Bond Amendment Agreement has been signed with the State of Oregon. He explained the accounting changes being made. He said the new annual payment amount is \$395,493.71. This payment is due on the 30<sup>th</sup> day of November each year. Mr. Horton explained a discrepancy in the initial annual payment amount calculation done by the state. He said Tyler Sweet was able to point out the discrepancy and as a result, reduce the annual payment by about \$3,000 each year. Mr. Sweet said that if the Committee wants to make an extra payment, he recommends considering this in the spring.

The financial statement, a copy of which is attached to these minutes, shows a long-term loan payable to OID in the amount of \$22,500. Questions were asked as to what this loan payable was for. Mr. Chamberlin said he will research the matter to determine why it is owed, what it was for, and whether or not it can be paid.

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. Landa, seconded by Mr. Ausman and unanimously carried approving payment of the accounts payable as follows:

|                               |                   |
|-------------------------------|-------------------|
| Oregon Idaho Utilities        | \$112.20          |
| Stunz, Fonda, Kiyuna & Horton | 540.00            |
| OWRD                          | 3,758.04          |
| Cable Huston LLC              | 2,642.50          |
| AT&T                          | 139.66            |
| Nichols Accounting            | 590.00            |
| SELP                          | <u>395,493.71</u> |

TOTAL \$403,276.11

OWYHEE DAM POWER PROJECT.

Owyhee Dam Financial Report. Tyler Sweet presented the financial report for the Owyhee Dam Power Project. He explained it as the Committee members reviewed it. Mr. Horton noted the financial statement shows a 13.8 million dollar obligation owed from the Tunnel Power Project. He noted that when these sums are paid, that Old Owyhee Ditch Company may be entitled to a portion of the payment. He said he will research the matter further.

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. Nagaki, seconded by Mr. Tschida, and unanimously carried approving payment of following accounts:

|                        |               |
|------------------------|---------------|
| Oregon Idaho Utilities | \$305.85      |
| AT&T                   | 98.53         |
| OWRD                   | 2,220.28      |
| Nichols Accounting     | <u>590.00</u> |

TOTAL \$3,214.66

TUNNEL POWER PLANT MAINTENANCE. Mr. Chamberlin said that filters are being put in and the work on the PLCs should start after Thanksgiving. He said the sump has been de-watered and the runner is being looked at. He said coatings will be done next. He said all of the work should stay within the budget.

DAM POWER PLANT MAINTENANCE. Mr. Chamberlin said the Dam Power Plant ran well through the season and there is no planned major maintenance other than the PLC replacement. He said the Dam Plant PLC will be the first one to be done.

GAUGING STATION. Mr. Chamberlin said the stream flow gauging station below the dam is being tied in for communications so that staff can have real time information. He said a vendor will be doing that work this fall.

2018 DAM BUDGET. Mr. Manser handed out a draft budget for the Owyhee Dam for 2018. The Committee members reviewed the budget as Mr. Manser explained it. Mr. Horton

pointed out that the draft budget may be missing OID reimbursement for cost of administration. Elevator repairs were discussed. Mr. Chamberlin explained needed sidewalk repairs. Items that were missing from the budget were discussed and Mr. Chamberlin explained those items which need to be added. He said he will update the budget and present it at next month's meeting.

OWYHEE RESERVOIR STORAGE REPORT. Mr. Corn said that the current storage in the Owyhee Reservoir is 433,813 acre feet.

B-2H POWER LINE. Mr. Horton updated the Committee on the status of the B-2H Power Line. He explained that the work has been done at the federal level and is now in the state siting process being done through the Oregon Department of Energy. He encouraged Committee members who want to stay involved and updated on the status of the project to check with the State of Oregon.

SELP BOND AGREEMENT. Mr. Horton said that the South Board of Control still needs to ratify the amendment to the Bond Purchase Agreement with the State of Oregon. Mr. Eells said he will work on that.

TUNNEL #1 POWER PLANT FIRE PREVENTION PLAN. Mr. Manser said the CO2 suppression system has been removed. He said a fire prevention plan has been implemented and is now in place. He presented a copy of that plan and explained it.

ADJOURNMENT. There being no further business, the meeting was adjourned at 2:20 p.m.

Respectfully submitted,

  
Secretary

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