

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

November 22, 2011

A meeting of the Joint Committee of the Owyhee Project was held at the Homedale Bowling Alley, on November 22, 2011, at 12:52 p.m. Frank Ausman, Chairman, presiding.

The following members of the Joint Committee were present:

Frank Ausman	Dan Tschida
Bruce Corn	Brett Nielsen
David Shenk	

Also present were: Jay Chamberlin, Manager of the Hydro Projects; Michael W. Horton, Attorney and Secretary of the Joint Committee; Ron Keester, South Board Manager; Dennis Turner, South Board Alternate; and Rick Smith, South Board Member.

MEETING NOTICE. Mr. Chamberlin said that the meeting notice was sent out on November 15, 2011, to the media as to the time, date, and place of the meeting.

STORAGE REPORT. Mr. Chamberlin pointed out that the agenda shows that as of November 15, there was 463,761 acre feet of water in the reservoir. He then read aloud from the Dam Power Plant Operating Criteria which the Joint Committee set as policy on February 15, 1990. He said that the power plant units ran well this year. The snow pack was discussed.

MINUTES. The minutes of the meeting of the Joint Committee held on August 16, 2011, were mailed to the Committee members prior to this meeting. A motion was made by Mr. Corn, seconded by Mr. Tschida, and unanimously carried approving the minutes as mailed.

OWYHEE DAM POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the Owyhee Dam Power Project prepared by Nichols Accounting Group for the period ending October 31, 2011. The report was reviewed and discussed by the Committee members.

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

FERC	\$ 27,835.99
AT&T	73.65
Stunz, Fonda, Kiyuna & Horton	75.00
Oregon-Idaho Utilities	162.48
Century Link	45.00
OWRD	2,220.28
McGowan Computer	95.00
M&W Market	3.77
Nichols Accounting	<u>650.50</u>
Total	\$31,161.17

Mr. Chamberlin explained that there was a FERC penalty and interest due to a mixup with FERC staff. He said that his staff have asked for a waiver of the penalty and interest and are waiting for a response.

TUNNEL POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the Tunnel #1 Power Project prepared by Nichols Accounting Group for the period ending October 31, 2011. The report was reviewed and discussed by the Committee members. Mr. Chamberlin explained the power contracts and debt obligations.

ADDITIONAL SAFETY SPILLWAYS. The need for additional safety spillways for water that flows through the tunnel and into the different districts' systems was discussed. In the event of high water flows, the South Board would need to spill 200 cfs of water. Mr. Keester said that he has a site identified for a spillway which he thinks will work. He said that he will talk to USBR and report back. Mr. Chamberlin noted that canal safety is a high priority right now for USBR.

At 1:45 p.m., David Shenk left the meeting and Mr. Turner took his place on the Committee.

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

AT&T	\$ 123.08
Oregon-Idaho Utilities	108.32
FERC	24,575.44
OWRD	3,758.04
M&W Market	3.77

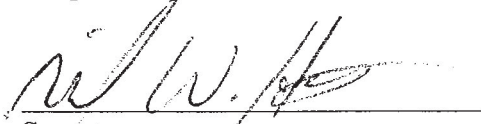
Valley Wide Co-Op	27.49
Nichols Accounting	<u>650.00</u>
Total	\$29,246.14

IDAHO WATERCRAFT INSPECTION STATIONS. Mr. Chamberlin said that the State of Idaho sent out a press statement that they had been successful with their watercraft inspections in helping prevent quagga mussels from getting into local waters. Mr. Chamberlin said that there has not been any identified in the Owyhee Reservoir yet. The matter was discussed.

USBR PHASE II ENERGY REPORT. Mr. Chamberlin said that after doing an inventory of potential hydro sites, USBR is proposing to put out Phase II of their energy report. This report would make all of the sites public. Mr. Chamberlin said that Oregon Water Resources Congress and Owyhee Irrigation District have raised issues with USBR that once the report goes public, that there will be a high number of filings on the identified sites. Mr. Horton said that USBR has also put out proposed changes to their Power Lease Manual. He said that there is a December 5 deadline for making comments. Mr. Chamberlin said that USBR is also looking at internal changes that would change policy to allow USBR to use water for municipal and industrial purposes at higher rates.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 2:11 p.m.

Respectfully submitted,



 Secretary

APPROVED: _____