

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

March 22, 2005

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on March 22, 2005, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 10:30 a.m., Bruce Corn, President of the District, presiding.

The following Directors were present:

Jerry Nagaki	Fred Schilling
Bruce Corn	Frank Ausman
Larry White	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, Secretary and General Counsel; and Lance Phillips, Malheur Soil and Water Conservation District.

MEETING NOTICE. Mr. Chamberlin reported that he gave notice to the news media as to the time, date, and place of the meeting on March 15, 2005.

MINUTES. The minutes of the Directors' meeting held on February 22, 2005, were mailed to the Directors prior to the meeting. A motion was made by Director Ausman, seconded by Director Nagaki, and unanimously carried approving the minutes as mailed.

SHOESTRING SEDIMENT POND GRANT APPLICATION. Lance Phillips said that he has been working with Mr. Chamberlin on putting together a plan to install sediment ponds along the Shoestring Canal. He said that there are grants available through OWEB. He said that these grants are very favorable and would cover one half of the costs with the District only providing labor. He said that he would also like to get the Bureau of Reclamation involved in taking samples from the canal to measure the impact of the sediment ponds.

At 10:35 a.m., Harvey Manser, District employee, joined the meeting.

Mr. Phillips passed around a map and a handout with regard to the canal project. He said that water samples have been taken from the drains throughout the area and that the Arcadia Drain is running 19 to 49 percent higher than other drains. He said that this will present problems for farmers along the drain when the TMDL becomes effective.

The handouts show three sediment ponds being proposed along the Shoestring Canal. President Corn asked if the District owns the land where the ponds are to be located. Mr. Phillips said that the District does not own the land and would need cooperation from the landowners.

President Corn asked who would be responsible for the maintenance of the ponds after they are installed. Mr. Phillips said that maintenance would be the District's responsibility. President Corn said that he would anticipate that the District would have a tremendous amount of sediment to deal with. Mr. Horton asked if the sediment could be considered hazardous material and create a problem for the District when it needs to remove and dispose of the sediment. Mr. Phillips said that it would not be considered a hazardous material as it would only contain some naturally occurring E.coli and nitrates which would dissipate into the soil.

Mr. Chamberlin said that the ponds would make good bird habitat. He said that the three proposed sites are higher up on the canal and should not be as dirty as they would if located further down the canal. Mr. Phillips said that if the grant application is approved in September, the ponds could be potentially in by next spring. He said that the ponds could be installed one at a time as the grant is for a three-year period. He said that the first pond could be managed and provide guidance as to whether or not the District should continue with the project. He said that the ponds would serve as an example for other Districts. He said that Malheur County is fully behind this project. He said that TMDL enforcement begins in 2012 and that under the TMDL the water quality going out of a system must be the same as it is going in.

Mr. Phillips said that OWEB is excited about system projects and favors them over individual projects. Mr. Chamberlin said that the District has been participating in the sampling of the drains which has been part of a grant process. He said that the next phase is to put in the ponds and then try to get the Bureau of Reclamation to do the water quality monitoring. Mr. Chamberlin said that this is a very well organized plan. Mr. Phillips said that the grant application will be between \$60,000 to \$80,000. Mr. Chamberlin said that the District will need to calculate its labor costs. President Corn said that he thinks that the District should press forward.

Mr. Phillips said that he would also like to encourage the District to support a district-wide analysis of what needs to be done to the system as a whole to bring it up to date. He said that OWEB likes the idea of having an engineer survey and figure out where to start. He said that there is potential for a grant for this project and that the District has until October to write the grant. He said that having the analysis in place would then help the Board in dealing with small pipeline projects and help management have a district-wide plan in place as the system is improved. A discussion was had on pipelines within the District and how this could help with District right-of-ways. Mr. Phillips said that it would be a three person job.

Mr. Phillips said the final thing which he would like to discuss is that two years ago the District wrote a \$10,000 check to help provide salary for a local engineer. He said that a check was not written last year but that it is needed again this year. He said that the amount of this check can go toward the District's cost share on the grant application.

At 11:16 a.m., Lance Phillips left the meeting.

Mr. Chamberlin said that \$10,000 is already plugged into the budget and that the Board authorized the support of an engineer three years ago.

At 11:18 a.m., Craig Froerer, District patron, joined the meeting.

Director Ausman asked if the District gets any use out of the engineer. Mr. Chamberlin said that it does not specifically utilize the engineer but District patrons do. The Board consensus was to continue to pay the \$10,000 toward the engineer salary for this year.

A motion was made by Director Schilling and was seconded by Director White authorizing the District to pursue the OWEB grants for sediment ponds along the Shoestring Canal and further authorizing the District to submit a grant application for a systemwide analysis. Director Ausman asked how much additional workload the sediment ponds would put on the crew. Mr. Chamberlin said that it would be a matter of scheduling the work.

At 11:20 a.m., Paul Kessler, District Patron, joined the meeting.

Mr. Chamberlin said that it would take less man hours to install the pond than are typically incurred during a pipeline installation project. Mr. Schilling said that this will just be accelerating the work that will have to be done in the future. President Corn said that a carryall will be needed to get rid of all of the sediment. He said that he still feels that there will be a significant amount of sediment picked up in these ponds. Mr. Chamberlin said that he does not anticipate cleaning the ponds more than once a year. He said that once the pond becomes filled with sediment, the water will be diverted back through the canal system. He said that he realizes that all of the sediment cannot be gotten rid of but that any amount that comes out will be a benefit. Director Ausman said that the real expense will be in the maintenance of the ponds. Mr. Chamberlin said that the District delivers water and that the installation of the ponds would be a way to clean that water. Harvey Manser said that there was a similar project on the Stewart-Carter lateral many years ago. He said from his experience with that project, the pond cleaning would need to be done more than once a year. A vote on the motion was had and it passed unanimously.

TEMPORARY WATER TRANSFERS WITHIN THE DISTRICT. Mr. Chamberlin said that nothing has changed in the proposed policies which he provided the Directors with in a handout at last month's meeting. He said that he is attempting to allow transfers within the District but still stay within statutory authority. President Corn asked if he had received any applications yet. Mr. Chamberlin said that he has not received any back but that a lot of applications went out. Paul Kessler asked why no transfers are going to be allowed on the Shoestring. He said that it would cost more to check the water for him by not allowing transfers. He said that he feels that if transfers are not allowed on the Shoestring, more water would end up being used and wasted. Mr. Chamberlin said that his concern is that the District could not keep up with the workload on the transfers on the upper ground and allowing transfers on the Shoestring would really add to the workload.

Craig Froerer said that by not allowing transfers on the Shoestring, you end up using more water. Mr. Chamberlin said that he wants to experiment this year up above and then move down to the Shoestring possibly next year. He said that if the Shoestring is allowed to have transfers, Dead Ox would also. He said his concern is with the books and record keeping required by state law in order to keep track of the transfers.

A discussion was had on the benefits and detriments of moving water on lands serviced by the Shoestring canal. Director White said that any transfers must go through the state required temporary transfer process. Mr. Chamberlin recommended that the Board adopt the policies which were discussed at last month's meeting and then tighten up those policies next year.

RECESS. At 12:30 p.m., President Corn declared the meeting in recess.

MEETING RECONVENED. At 2:09 p.m., President Corn declared the meeting reconvened. All of the Board members were present. Also present were Jay Chamberlin, Michael W. Horton, Tom Zittercob, and Harvey Manser.

MITCHELL BUTTE POWER PLANT. Tom Zittercob reported that everything is ready to go on the Mitchell Butte Power Plant.

CHEMICAL APPLICATION. Mr. Chamberlin said that Harvey Manser is the District employee who runs the chemical application program for the District. Mr. Manser said that he has been hearing about third-party lawsuits and is concerned about his personal liability. Mr. Horton said that the District's insurance should cover Mr. Manser but that he would still be personally liable for his own negligent acts. President Corn directed Mr. Chamberlin and Mr. Horton to get a letter from the District's insurance agent of record on the District's coverage for potential liability from chemical application.

MITCHELL BUTTE POWER PROJECT.

Financial Report. Jay Chamberlin handed out a financial report prepared by Peter Nichols on the Mitchell Butte Power Project. The Directors reviewed the report.

President Corn asked if it would be possible to crank up one unit at Mitchell Butte and closely monitor its operation to avoid spilling water. He said that by running more water through Mitchell Butte during this drought year should save pumping costs. Director Schilling said that he thinks that it would be a good idea. Mr. Chamberlin said that he anticipates the voltage problem at Dunaway may be worse this year and that by running the power plant at Mitchell Butte will help to lessen the impact of that voltage problem. A motion was made by President Corn that one unit at Mitchell Butte Power Plant be run at 900 kilowatts all season. The motion was

seconded by Director Schilling. A discussion was had and after discussion, the motion passed unanimously.

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

Nichols Accounting Group	\$233.00
AT&T	23.42
Malheur Bell	<u>122.42</u>
Total	\$378.84

A motion was made by Director Schilling and was seconded by Director Nagaki that the accounts payable for the month, as listed in the agenda, be paid. The motion passed unanimously.

SAUNDERS' MOBILE HOME AT DUNAWAY. Mr. Chamberlin reported that the mobile home at Dunaway was purchased for \$8,000. He said that he went inside the mobile home and it is in really good shape.

RECOMMENDATIONS OF THE JOINT COMMITTEE. Mr. Horton stated that the actions of the Joint Committee need to be ratified. A motion was made by Director White, seconded by Director Nagaki, and carried unanimously that the recommendations adopted by the Joint Committee at its meeting on March 22, 2005, pertaining to the following items, be approved and the officers of the Owyhee Irrigation District be directed to execute the documents necessary to carry out the recommendations of the Joint Committee, and further, that the staff, including the project manager of the Hydro Project, be directed to carry out the steps necessary to perform under the motions adopted by the Joint Committee:

1. Authorizing and ratifying the payment of accounts payable.
2. Setting a tentative turn-on date for the water of April 11, with the District Manager having discretion for a later turn-on date based upon the weather.
3. Setting the water allotment at 2.3 acre feet.

RADKE-CLEAVER PIPELINE PROJECT. Mr. Chamberlin said that the pipeline boundaries are being surveyed. He said that he and Mr. Horton will be going out and viewing the proposed project.

WATER TRANSFERS. President Corn said that the Board needs to decide on policies covering temporary transfers throughout the entire District. Director Ausman asked if transfers are allowed under the Shoestring and Dead Ox if it would in fact save the District pumping costs.

Director Schilling and President Corn said that it would not. Mr. Chamberlin said that it possibly would. He said that if everyone did follow the transfer process then it would. Director Ausman asked if it is fair to allow excess water to be sold on the Shoestring and Dead Ox systems when the acres getting water from the reservoir are limited to 2.3 acre feet.

Mr. Chamberlin passed around a proposed policy on temporary transfers along with a temporary transfer application. He said that these are the policies and application which he proposes the District use. He said that the policies provide that temporary transfers are only allowed if acres do not receive their full allotment. A discussion was had on the fact that if transfers were allowed in a year when a full allotment is available, that many users will utilize the transfer process instead of paying for excess water. Mr. Chamberlin said that he is using the same reasoning for not allowing transfers on the Shoestring and Dead Ox. He went through the proposed policies item by item. A discussion on those policies was had. Director White asked what the procedure will be for review of the transfer applications when they come in. Mr. Chamberlin said that he has not yet developed how staff will handle those applications. Director Ausman suggested rewording the provisions in the policies on no refunds. The policy was reworded. A motion was made by Director White and was seconded by Director Ausman that the District adopt the policies attached to these minutes and that the District attempt to enforce the no transfer policy on the Shoestring and Dead Ox Canal systems as contained in the policies. The motion passed unanimously.

WATER USERS' MEETING. President Corn reported on a joint meeting between the Owyhee Irrigation District water users and Owyhee Ditch Company water users.

MEETING ON BOUNDARY CHANGE. Mr. Horton reported on a meeting he had with Bureau officials on the boundary change. He said that the District is still waiting upon an assent document from the Bureau. Bureau officials requested the meeting in order to clarify questions they had on maps. He said that the meeting went quite well and that Bureau officials promised him an assent document in the near future.

JUNIOR WATER RIGHTS. President Corn said that the District staff needs to make sure that the new application acres do not receive water this year because of their priority date and the fact that a full allotment will not occur.

DELINQUENT ACCOUNTS. Mr. Chamberlin provided the Directors with a list of delinquent accounts. Those accounts were reviewed. After review, a motion was made by Director Schilling, seconded by Director Ausman, and unanimously carried authorizing letters to be written making demand for payment of those accounts. The motion passed unanimously.

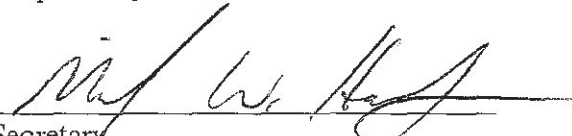
SENATE BILL 693. Mr. Horton said that Senate Bill 693 clarifies the check signing process for irrigation districts. He suggested that a letter be written to Senator Ferrioli and Representative Butler asking for their support of the bill. The Board consensus was to have Mr. Horton write such a letter.

MANAGER'S REPORT. Mr. Chamberlin said that an axle broke on the District's backhoe. He said that the District has been using a rental unit while it is being fixed. He said that the District may continue to use the rental unit even when the backhoe comes back from being repaired. Mr. Chamberlin said that there is a 54,000 pound three-axle trailer that was damaged and is up for sale. He said that he went and looked at the trailer. Mr. Chamberlin explained the damage to the trailer and said the company is asking \$14,500 for the damaged trailer and the cost of a new one is \$24,000. He said that the cost to repair the trailer could be anywhere from \$3,000 to \$5,000. Director Schilling said that purchasing the trailer would all depend on the repair costs. Mr. Chamberlin said that George Martin is willing to go with him and look at the trailer and advise him of its condition, value, and potential repair costs. Mr. Chamberlin said that otherwise the trailer is what he has been looking for. The Board consensus was that if the trailer can be fixed for \$3,000 or less then Mr. Chamberlin should purchase it.

Mr. Chamberlin said that on the excavator, he wants to wait and see what happens with Mitchell Butte but it looks like there is a \$300,000 to \$400,000 carryover from last year in the budget. He said that the Nyssa backhoe which broke its axle is getting worn out.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 4:15 p.m.

Respectfully submitted,

  
Secretary

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