

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

December 19, 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 December 19, 2017, at 1:00 p.m. Eric White, Chairman, presiding.

The following members of the Joint Committee were present:

Frank Ausman	Eric White
Dan Tschida	Brett Nielson
Chris Landa	

Also present were: Jay Chamberlin, Manager of the Hydro Projects; John Eells, South Board Manager; Michael W. Horton, Secretary; Harvey Manser, OID Assistant Manager; J.L. Eldred, OID Watermaster; Bruce Corn(OID Alternate); and Larry Meyer, *Argus Observer* Newspaper Reporter.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on December 13, 2017.

MINUTES. The minutes of the meeting of the Joint Committee held on November 21, 2017, were mailed to the Committee members prior to the meeting. A motion was made by Mr. Ausman, seconded by Mr. Nielson, and unanimously carried approving the minutes.

TUNNEL #1 POWER PROJECT.

Tunnel #1 Financial Report. Mr. Manser handed out a financial report for the Tunnel #1 Power Plant. The report was reviewed and discussed by the Committee members. Mr. Eells said the South Board Districts approved and ratified the agreement with SELP to amend the Bond Payment Agreement.

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

Oregon Idaho Utilities	\$224.40
Stunz, Fonda, Kiyuna & Horton	605.75
Riverside	1,133.00
Oregon Dept. of Energy	4,877.60
AT&T	145.28
Nichols Accounting	<u>1,650.00</u>
TOTAL	\$8,636.03

OWYHEE DAM POWER PROJECT.

Owyhee Dam Financial Report. Mr. Manser handed out a financial report for the Owyhee Dam Power Plant which the Committee members reviewed.

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

Oregon Idaho Utilities	\$611.70
AT&T	42.19
Nichols Accounting	<u>1,160.00</u>
TOTAL	\$1,813.89

TUNNEL POWER PLANT MAINTENANCE. J.L. Eldred said that the crappie egg filter system is all done. He said it looks nice and it is more convenient. He then reported on further filters and screen improvements which he is looking at doing. He explained the condition of the machine and season operations. He reported on the PLC changes and costs.

DAM POWER PLANT MAINTENANCE. J.L. Eldred said he wants to open up the machine and look at the wickets. He said that otherwise the machine is ready to go. He said that the PLC changeover does need to be completed. He said that will be the first PLC to be replaced.

RESERVOIR STORAGE. Mr. Chamberlin said there is currently 449,000 acre feet of water in the reservoir. He reported on a recent meeting he had with the Bureau on operations of Bureau facilities. He said the Bureau is looking at doing spills on their systems in Idaho earlier in the year. He said the Owyhee watershed needs only 14% of normal inflow to fill. He said he is estimating that spills will start around the end of January or first of February.

SUMP PUMPS AT TUNNEL. J.L. Eldred reported on the sump pumps at the Tunnel being replaced. He showed pictures of the pumps and piping being replaced.

ELEVATOR AT OWYHEE DAM. Mr. Chamberlin said the elevator inspector came and did a six month review. He said the cables which need replaced cost between \$4,000 to \$6,000. However, he said that according to the inspector, the hoist cables also need replaced and all of the cables must be bought at one time. He said he is getting quotes on those and the estimate is around \$50,000 for the hoist cable. The inspector said that the controls will need to be changed out at some point and when that is done, the cables will have to be replaced as you cannot change the controls without changing the cables. He said for this reason he is not recommending doing the cable replacement without also doing the controls at the same time. Mr. Chamberlin said the panel change out is estimated to cost \$300,000. The need for the elevator to operate the power plant at the dam was discussed. J.L. Eldred said that the elevator is critical for the operation of the Owyhee Dam Power Plant. Mr. Chamberlin said the elevator car itself is in good shape. He

said the inspector is estimating a three-year window on the control and cable replacement. Mr. Eldred said he will try to get better numbers and time frames and report back to the Committee.

SDAO GRANT FOR ENTRY BASKET AT TUNNEL. Mr. Chamberlin said in order to get into the sumps at the Tunnel Power Plant, an OSHA compliant entry basket is needed. He said the cost is around \$6,250 and that staff is looking at getting an SDAO grant for half of the basket cost. He said the basket has been ordered.

2018 OWYHEE DAM BUDGET. Mr. Chamberlin handed out a revised budget for 2018 for the Owyhee Dam. He stressed that the budget is a work in progress. He explained the changes from last month. He said the elevator controls and cables costs are included, however, part of the costs can be paid by the hydro. The Committee members discussed how much of the elevator costs should be paid by the hydros. J.L. Eldred said that the elevator is used 80% for hydro and 20% for dam maintenance. A discussion on the timing of the elevator repairs was had. Mr. Tschida made a motion which was seconded by Mr. Nielson and unanimously carried approving the budget with 20% of the estimated elevator repairs included in the Owyhee Dam budget and the other 80% to be paid out of the hydros. Mr. Chamberlin said the Bureau of Reclamation may have some safety money available.

REIMBURSEMENT TO OID. Mr. Chamberlin said that at last month's meeting he was asked to research the item on the Tunnel Power Plant financial statement showing a long-term loan payable to OID in the amount of \$22,500. He said he researched it and it was money which OID paid to operate the Tunnel Power Plant when other funds were not available. A motion was made by Mr. Nielson, seconded by Mr. Ausman, and unanimously carried that the sum of \$22,500 be paid from the Tunnel Power Plant to OID.

BOAT RAMP. Mr. Chamberlin said the agreement between USBR and Malheur County on the boat ramp ends at the end of 2017. He said that the Bureau staff said that they will continue to honor the agreement after the expiration. He said that his preference is to extend the current agreement with some modifications. He said that negotiations will continue. He said that the Bureau will not allow a dock at the ramp. The matter was discussed.

RELEASE AND STORAGE REPORT. A release and storage report on the Owyhee Dam was included in the Committee member packets. Mr. Tschida pointed out a typographical error in the report. The report was discussed. Mr. Chamberlin said that he will be reporting winter releases from the Owyhee Dam to the Bureau of Reclamation.

TUNNEL INTAKE. Mr. Eldred said that a diver came out and was able to get the grate put back in on the tunnel intake. Mr. Chamberlin said that buoys are now in place to keep boats away from the intake. He said there is also signage up.

TUNNEL PAYMENT. The Committee members discussed possible prepayments on the Tunnel Bond to the state of Oregon. Mr. Horton reported on the FERC licenses and their expiration dates and the potential impact on the operation of the power plants. Mr. Ausman said that he would like to see the debt owed to the state of Oregon paid off as soon as possible.

ADJOURNMENT. There being no further business, the meeting was adjourned at 2:25 p.m.

Respectfully submitted,



Secretary

APPROVED: _____