

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

July 26, 2005

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on July 26, 2005, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 8:26 p.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 Cliff Sebasto, District Employee.

MEETING NOTICE. Mr. Chamberlin reported that he gave notice to the news media as to the time, date, and place of the meeting on July 19, 2005.

MINUTES. The minutes of the regular meeting of Directors held on June 21, 2005, were mailed to the Directors prior to the meeting. Bruce Corn noted a needed correction to the minutes in that the reference to 750 megawatts should read 750 kilowatts. The minutes were corrected. A motion was made by Director Schilling, seconded by Director Nagaki, and unanimously carried approving the minutes as corrected.

OWYHEE IRRIGATION DISTRICT BILLS. Mr. Chamberlin handed out a check register report showing the Owyhee Irrigation District bills. The Directors reviewed the report. Director Ausman asked about the Thatcher bill. Mr. Chamberlin said that it was for moss control chemical. Director Ausman asked about the Home Depot bill. Mr. Chamberlin said that the bill is for lumber and a lawnmower which was purchased for Dead Ox. He said that lots of hardware is also purchased there. Director Ausman said that he feels that locally owned hardware stores are often cheaper. A motion was made by Director Ausman, seconded by Director White, and unanimously carried ratifying and authorizing payment of the bills as presented.

MITCHELL BUTTE POWER PROJECT.

Financial Report. Jay Chamberlin handed out a financial report prepared by Peter Nichols on the Mitchell Butte Power Project for the period ending June 30, 2005. The Directors reviewed

the report. Mr. Horton stated that two members of the Board need to be part of the negotiating team for negotiating with Idaho Power on a revised Power Sales Agreement. It was the consensus of the Board that Directors White and Nagaki be part of the negotiating team when needed.

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

Nichols Accounting Group	\$233.00
AT&T	23.51
US Cellular	113.44
U.S. Bank	1,447.50
Malheur Bell	<u>166.66</u>
Total	\$1,984.11

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.

HEALTH INSURANCE UPDATE. Cliff Sebasto said that the employees are happy with the health insurance. Mr. Chamberlin said that the changeover has not been officially presented to the employees even though they know what is going on. He said that he is still waiting for the booklet and membership cards to arrive from the health insurance company before making a formal presentation. He said that the staff has been working through insurance changes. Mr. Sebasto said that so far there has not been any trouble. Mr. Chamberlin said that a gal from PacificSource came over and explained the changeover.

DELINQUENT ACCOUNT UPDATE. Mr. Chamberlin said that the Hopkins paid their bill in accordance with the payment plan proposed by the Board at last month's meeting. Mr. Chamberlin then handed out a list of the current status of the delinquent accounts and the payments which have been made. The Directors reviewed the list.

ATV FOR DAM MAINTENANCE. Mr. Chamberlin said that he has received one quote for an ATV for use at the Dam in the amount of \$12,058. President Corn stated that he understands that Nyssa Implement has a quote and Mr. Chamberlin said that he will pick up that quote. Mr. Chamberlin explained that there is \$10,000 which has been taken in from the renting of cabins up at the Dam. He said that there are other items which Dam personnel would like to purchase with the money but that they really want and need an ATV there. President Corn said that the cabin fund should be used for maintaining the park and cabins and not for any other purpose. The consensus of the Board agreed with President Corn's statement. Mr. Horton stated that the handling of the cabin fund should be a matter for the Joint Committee. President Corn asked Mr. Chamberlin if a tractor with a loader would work out better than an ATV. Mr. Chamberlin said that it would not. A lengthy discussion on the need for an ATV at the Dam was had. Director Ausman said that it seems like a lot of money to spend for a vehicle to use around

the yard. A motion was made but Director Schilling and seconded by Director White that an ATV for the Dam be purchased with half of the money coming from the cabin fund and the other half of the money coming from the O&M fund for the lowest quote.

DELINQUENT ACCOUNTS. Mr. Chamberlin read a letter from Nellie Bernard requesting a payment plan to pay off her delinquent account. The consensus of the Board was to accept payments on the account. Mr. Chamberlin is to notify her of this fact but to also notify her that water cannot be delivered until the account is brought current.

CANAL DITCH BREAKS. Mr. Chamberlin said that there have been three recent ditch breaks. He said that the break around Joe Wiggins' place was the first break and it appears to have been caused by a gopher hole. He said that the break caused flooding and damage to approximately 65 bales of hay. He said that a break then occurred near Harriman, Clarich, and Echivarria' places. He said that this break was caused by a storm event which overran the canal. Mr. Chamberlin said that he has contacted the insurance company on both breaks. He said that an adjustor has come out and given information to Special Districts. He said that just recently there was a smaller ditch break that occurred near Greg Graham's place.

LONG BOOM. Mr. Chamberlin said that the excavator with the long boom recently fell off the trailer as it was being loaded on. He said that the boom got bent and there is some damage to the excavator itself. He said that the insurance company has been contacted and they asked Mr. Chamberlin to get estimates for repairs. Mr. Sebasto said that the excavator engine does seem to be missing a bit but he believes that the engine should be okay. He said that no one was injured in the accident and that it may have been caused by D-rings on the trailer being on the top side of the trailer where the tracks of the long boom sat. He said that the D-rings have since been removed from the trailer. Director Ausman said that wings need to be welded onto the side of the trailer. Mr. Sebasto said that District personnel have discussed putting foldouts on the trailer.

DITCH BREAKS. Mr. Chamberlin said that the claims of the landowners arising from the ditch breaks have been turned over to the insurance company. He said that one landowner is claiming that Mr. Echivarria's bridge contributed to the flood damage. Mr. Chamberlin said that the ditch break near Echivarria's cost approximately \$35,582.81 in man hours and equipment time. He said that he was quite pleased with the job which District staff did in repairing the ditch. He said that it was very difficult to access. He further advised the Board that at the time of the ditch break, a chemical treatment in the canals was occurring higher up in the canal system. He said that none of the treated water was spilled. Mr. Chamberlin said that if the insurance company denies Mr. Wiggins' claim, then perhaps the District could purchase the damaged hay and then sell it to District employees.

LONG BOOM. Mr. Corn asked where the long boom is at. Mr. Chamberlin said that he is not sure yet. He does have pictures of the damage but that the accident just recently occurred. Mr. Corn said that the long boom has over 9,000 hours on it and the District needs to be careful not to put more money into it than it is worth. Mr. Chamberlin said that it is too early to know what actions will be taken with regard to the long boom. Mr. Sebasto said that it is still a good

what actions will be taken with regard to the long boom. Mr. Sebasto said that it is still a good machine and easy to maintain. President Corn said that with the ditch breaks, it has become obvious that the District needs another bulldozer. Mr. Chamberlin estimated the cost of a new long boom at \$180,000. He said that he will have CAT come over and give an estimate of the damage.

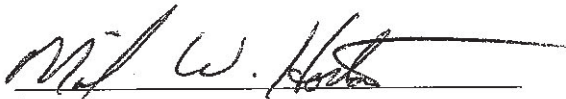
WATER TRUCK FROM ROAD DISTRICT #3. Mr. Chamberlin said that during the ditch break, the Road District and the City of Ontario both loaned the District the use of their water trucks. He said that one of the problems in making the repairs was keeping the road watered down for compaction. He said that after the work was completed, Road District #3 purchased a new water truck and had the old truck which the District used during the repairs available. Mr. Chamberlin said that a trade was worked out whereby the District traded gravel for the truck. Director Schilling asked where the gravel which was traded came from. Mr. Chamberlin said that it is pit run District gravel. A motion was made by Director Nagaki, seconded by Director Ausman, and unanimously carried ratifying the trade.

MANAGER'S REPORT. Mr. Chamberlin said that one of the ditchriders recently damaged a car by opening his door into it. He said that he did not turn the claim over to the insurance and instead is paying the \$300 to repair the car.

Mr. Chamberlin said that a swamp cooler is currently being tested out on one of the units at Dead Ox. He said that it is keeping the heat down on the windings and gear box. He said that the cost of the unit is \$2,900. He said that the unit is working real well and that he would like to purchase it. Mr. Sebasto said that there has not been any moisture detected from the use of the swamp cooler. Director Ausman asked if a similar unit would work for Dunaway. Mr. Chamberlin said that Dunaway does not get that hot.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 10:07 p.m.

Respectfully submitted,


Secretary

APPROVED: _____