

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

March 16, 2004

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on March 16, 2004, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 10:35 a.m., Bruce Corn, President of the District, presiding.

The following Directors were present:

Fred Schilling	Frank Ausman
Bruce Corn	Jerry Nagaki

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, Secretary and General Counsel; and Kathy Glenn, Assistant to Michael W. Horton.

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 10, 2004.

RESERVOIR STORAGE. Mr. Chamberlin presented an agenda for the meeting. On the agenda, the reservoir storage as of March 11, 2004, shows 140,776 acre feet and storage as of March 11, 2003, was 181,559 acre feet.

MINUTES. Minutes of the meeting of Directors held on February 17, 2004, had been mailed to each Director prior to the meeting. A motion was made by Director Schilling, seconded by Director Nagaki, and unanimously carried approving the minutes as mailed.

MITCHELL BUTTE POWER PROJECT.

Financial Report. Jay Chamberlin handed out a financial report prepared by Nichols Accounting Group for the Mitchell Butte Power Project for the period ending March 12, 2004. The Directors reviewed the report.

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

Nichols Accounting Group	\$233.00
AT&T	41.78
Malheur Bell	245.83

Granger Engineering	<u>3,578.34</u>
Total	\$ 4,098.95

President Corn asked if the Granger Engineering bill was for the Service Agreement. Mr. Chamberlin said that it was. A motion was made by Director Nagaki and seconded by Director Ausman that the accounts payable for the month of March, as listed in the agenda, be paid. The motion passed unanimously.

OWYHEE IRRIGATION DISTRICT BILLS. Jay Chamberlin handed out a list of accounts payable for the District which the Directors reviewed. President Corn ask about the \$3,000 for floor covering. Mr. Chamberlin said the bill was for carpeting for the houses at the Dam and for the floor covering in the Ontario shop.

At 10:38 a.m., Director White joined the meeting.

President Corn asked Mr. Chamberlin if the Visa check is for his travel expenses. Mr. Chamberlin said that it is and that he can provide receipts if needed. Mr. Chamberlin said that petty cash will be up because of the expense of mailing the newsletters to the patrons. Director Schilling commented that he really liked the newsletter and has received several positive comments from patrons. A motion was made by Director Ausman and seconded by Director Nagaki that the accounts payable for the month as presented, be paid and ratified. The motion passed unanimously.

CARL HILL PROJECT. Mr. Chamberlin said that Carl Hill has contacted the landowners regarding his pipeline project and has received verbal approvals. Mr. Chamberlin said that it sounds like it will come down to a District right-of-way and the District will do a special use permit for the project.

PUMPING COSTS. Mr. Chamberlin stated that he recently had a meeting with Bureau of Reclamation representatives and that the Bureau is still waiting on FERC in order to get estimates for the pumping costs. He said that the preliminary amount for the wheeling charges were overcharged and the District will get approximately \$5,000 to \$6,000 in credit for this year but that the power usage at Dunaway is estimated at approximately \$65,000. He said that he should get a bill for the 2003 costs and an estimate for 2004 based on the 2003 usage. He said the prescheduling of the power usage costs came close and was only off by about \$800. He said that he has some concerns because the person at USBR who was doing the scheduling is no longer there and that the scheduling will now be coordinated through Burley.

MANAGER'S REPORT. Mr. Chamberlin said that he has not yet obtained the bid documents for a replacement backhoe. He said that repairs have been completed on the backhoe to get by but he still wants to get bids in the next 30 days so that he may have bids to open at next month's meeting. President Corn mentioned possible equipment that was available at a local sale.

Mr. Chamberlin said that he recently talked to Dave Krause and he said that the old D6 CAT needs a lot of small repairs. He said that the machine is not worth anything but that if \$3,000 to \$4,000 in repairs were put into it the District could get more service out of it. He said that the undercarriage, motor, and drivetrain is okay on the machine. He said that the Ontario excavator will need to eventually be replaced. He said he would like a D6N or D5N replacement CAT by buying a rental return at approximately \$60,000 to \$80,000. He said that a new machine costs approximately \$150,000.

Mr. Chamberlin said that two pickups were purchased at the auction. He said the prices were up this year as compared to last year. A 1998 Ford extended cab with 70,000 miles was purchased for the Dam for \$10,500 and a two-wheel drive 3/4 ton pickup, standard cab, was purchased for \$4,300. He said that the truck used at the Dam will be used by a ditchrider.

ROBERTS WATER SITUATION. Director White said that he received a call from Russell Roberts wanting the District to guarantee him excess water for the year in advance. President Corn questioned whether the land needing water is even within the District's boundaries. Mr. Chamberlin said that he heard that they are exchanging their water rights from below. Director White said that he would like clarification regarding the matter. President Corn said that the District needs to establish the number of acres and what trading is happening. He said that if there is equal trading, excess water should not be needed. Mr. Horton recommended having the watermaster investigate the situation to straighten out the water rights. Mr. Chamberlin said that the District office does not have all the water right information regarded land that is outside of the District's boundaries. He said that he will contact Steve Hanson and meet with him. President Corn asked if there are water rights for Jacobson Gulch. Mr. Chamberlin said that there are but that the water supply varies from year to year and the District uses Jacobson Gulch as part of its delivery system. President Corn said he would like to know what the water rights are.

PRISON SEWER LINE PROJECT. Director White asked if Mr. Chamberlin has a report on the prison sewer line project. Mr. Chamberlin stated that he thinks that it is complete. He said that it has been rerouted and put on grade. He said that the City used a pipe with concrete head walls run through the North Canal rather than digging under. He said that there was a special use permit issued for the project. Mr. Chamberlin said that the City went through a stable area on the canal and that the pipe is well below the lateral.

HUNTER LANE. Mr. Chamberlin said that Steve Gashler from the City of Ontario contacted him about relocation the North Advancement Pump. He said that it is located where Hunter Lane ties in with Verde Drive. He said that Hunter Lane is being relocated. Mr. Chamberlin said that he would like to do away with the old system and he may look at putting in a new pump system. He said he will meet with the City of Ontario to discuss it further.

Mr. Chamberlin said that the District is working on a fairly large pipeline project for Dr. Mairs. President Corn asked what happened to Mr. Hauter's pipeline. Mr. Chamberlin said that the District replaced the pipeline from below Hauter's property but that from Mr. Hauter's place



up, replacement still needs to be done. He said that Mr. Hauter needs to take care of 300 to 400 feet of pipeline and his farming around it. President Corn asked if the Barlow project is complete. Mr. Chamberlin said that the project is real close to being completed and that he thinks it will work really well.

CHECK STRUCTURE AUTOMATION. Mr. Chamberlin said he met with Brian Sauer who handles the water conservation funds at the Bureau of Reclamation. He said that there will be a lot of money available for water conservation next year. He said that he is looking at automation for the District. He said that he wants to automate Tunnel Canyon using equipment similar to that which was used at Sheep Creek without the need for an additional radio license. President Corn asked if it would be a 50/50 cost share with the Bureau and if the District could receive grant money from NRCS. Mr. Chamberlin said that it is a possibility and that paperwork needs to be completed and sent in to USBR by the end of April. He said that the District's cost after the cost sharing would be around \$25,000. He said that he would like to install a gate in front of the Malheur siphon and a gate at 38-9. President Corn asked if it was widened, could weeds plug the siphon. Mr. Chamberlin said probably not. Mr. Chamberlin said the estimated cost on the 38-9 project would be approximately \$23,000 to \$28,000.

The need for new check structures around Kesler's and Froerer's farms were discussed. Mr. Chamberlin said that there is a weed problem with check structures when the canals reach full flows.

Director Ausman asked if gate automation will save water. Mr. Chamberlin said that it would and that it works well at the Sheep Creek gate. Mr. Chamberlin said that from speaking with the Bureau of Reclamation, he feels that the conservation funds may not be available very long. It was the Board's consensus to get more information on the matter.

NRCS. Mr. Chamberlin said that he will be meeting with Lance Phillips on receiving grant money for settlement ponds on the Shoestring Canal. He said that he will be going out to the Shoestring to look at possible sites.

At 11:45 a.m., Director White left the meeting.

GIS MAPPING SOFTWARE. Mr. Chamberlin said that GIS has a mapping system which uses aerial photos to map out districts. A number of districts use the mapping software. He said that a large computer is needed to run the program and that the company is offering systems and NRCS money is available for the system. He said that the company could set up the program in house for an annual fee where the District would use their own computers to tie into the program through the internet. He said the problem with that method would be that the District would not own the system. He said that the District needs to have its maps updated and this needs to get started at some point.

At 11:54 a.m., Director White rejoined the meeting.

Mr. Chamberlin reported that storage at the reservoir is 180,000 a.f. with inflows at 5,000 cfs. He stated that the Glory Hole is now buttoned up.

RECESS. At 11:56 a.m., President Corn declared the meeting in recess.

MEETING RECONVENED. At 2:43 p.m., President Corn declared the meeting reconvened. All of the individuals present at the meeting at the time it was recessed were present except for Larry White. Also present was Tom Zittercob.

RECOMMENDATIONS OF THE JOINT COMMITTEE. President Corn stated that the actions of the Joint Committee need to be ratified. A motion was made by Director Schilling, seconded by Director Nagaki, and carried unanimously that the recommendations adopted by the Joint Committee at its meeting on March 17, 2004, 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:

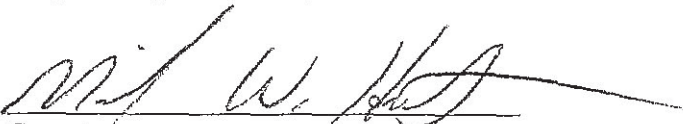
1. Authorizing and ratifying the payment of accounts payable for the Owyhee Dam and Tunnel Power Projects;
2. Calling an emergency meeting of the Joint Committee if prior to next month's regular meeting, reservoir storage exceeds 450,000 a.f. and river flows exceed 15,000 cfs as measured at the Rome gauge; and
3. Setting a tentative turn-on date for the water of April 12, with the District manager having discretion based upon user demand and the weather.

Tom Zittercob said that there have been youths up at Mitchell Butte at night. Mr. Chamberlin said that Tunnel Canyon has been gated off. He said that the observation deck at the Glory Hole has also been fenced off.

Mr. Chamberlin said that the pumps are together and ready to go for the season.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned by President Corn at 2:46 p.m.

Respectfully submitted,

  
Secretary

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