

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

September 22, 2015

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on September 22, 2015, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, at 106 Main Street, Nyssa, Oregon, at 8:17 p.m. Jerry Nagaki, President of the District, presiding.

The following Directors were present:

Jerry Nagaki	Bruce Corn
Dan Tschida	Eric White

Director Frank Ausman was absent.

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, Attorney; Harvey Manser, OID Assistant Manager; Larry Meyer, Argus Observer Newspaper; and Quinten Shenk, OID Employee.

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on September 17, 2015.

MINUTES. Minutes of the meetings of the Board of Directors held on August 12 and September 4, 2015, were mailed to the Directors prior to the meeting. A motion was made by Director Tschida, seconded by Director Corn, and unanimously carried approving the minutes as mailed.

DISTRICT FINANCIAL REPORT. Mr. Chamberlin handed out financial reports for the District for the months of July and August. The Directors reviewed the reports.

DISTRICT ACCOUNTS PAYABLE. Two lists of the District's accounts payable for the month were included in the Directors' packets. The Directors reviewed and discussed the lists. Equipment leases were discussed. A motion was made by Director White, seconded by Director Tschida, and unanimously carried approving and ratifying payment of the accounts payable.

MITCHELL BUTTE POWER PROJECT.

Financial Reports. The financial reports for Mitchell Butte Power Project were included in the Director's packets. The reports were reviewed by the Directors.

Accounts Payable. The agenda for the meeting listed accounts payable for the Mitchell Butte Power Project. A motion was made by Director Corn, seconded by Director White, and unanimously carried approving payment of the following accounts payable:

AT&T	\$13.57
Riverside	393.90
Century Link	141.12
Waldo Insurance	14,197.10
Brian Richins	2,025.00
Ontario Bearing	<u>306.51</u>
Total	\$17,131.20

EMPLOYEE COMMITTEE. Quinten Shenk from the Employee Committee presented a written proposal from the Employee Group. He said the employees would like a 1% pay increase. He said the HRA worked out really well last year. He said there are 19 employees interested in starting a 457 Plan. Chairman Nagaki said that the matter would be put on the agenda for next month.

At 8:40 p.m., Quinten Shenk left the meeting.

PUMPING PLANT TURN OFF DATE. Mr. Chamberlin reported on the amount of water currently being pumped at the pumping plants. He said that Old Owyhee will be shutting off their pumps at Dunaway on October 2. He recommended that the OID Pumping Plants be shut off at the same time. The matter was discussed. The fact that there are very few users using pumped water was discussed. After discussion, a motion was made by Director Corn, seconded by Director White, and unanimously carried that the Dunaway and Dead Ox Pumping Plants be shut off on September 30th.

2016 BUDGET. Mr. Chamberlin explained the planned budget process for the next budget. He said that he is planning on adding two new line items to the budget, one for permanent water right transfers and the other for lien collections. He asked for direction from the Board on their thoughts on the budget before starting the process. He said that he does not believe there will be carryover at the end of this year. He said that he also does not expect chemical costs to remain as low as they have been. He said that power costs are projected to go up 11% to 13%.

The Directors discussed a plan for the overall budget. Bulk fuel tanks and the possible purchase of tanks were discussed. Mr. Chamberlin reported on a fuel tanker truck that is for sale. Staffing for the District was discussed. Director White said that the Directors need to know what impact the proposed employee wage increases will be and what equipment purchases are planned. Director Tschida asked about the gopher fund.

SDAO TRAINING REPORT. Director White reported on a recent SDAO training which he attended. He said that it was a good refresher. Mr. Manser said that the annual SDAO Conference will be in Redmond in February.

FRY FOODS. Mr. Chamberlin reported on the status of the Fry Foods water plans. He said he will check with Fry Foods to see where they are at. The matter was discussed by the

Directors.

OWRD TOUR REPORT. Director Corn said that the OWRD Tour of the Owyhee Project went really well. He said he received positive comments from the Director and Board Commissioners. Mr. Chamberlin reported on the overall tour.

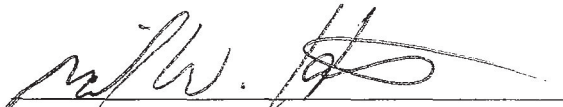
POSSIBLE PIPELINES FOR WATER DELIVERIES TO OLD OWYHEE. Mr. Chamberlin said that he is exploring the idea of doing some pipelines for water deliveries to Old Owyhee in order to decrease pumping costs. He said that he is going to continue to investigate the idea further.

FALL WORK LIST. Mr. Chamberlin explained planned projects for this fall. He said that staff will be looking at putting in screening at Dead Ox. He explained the reasons for the need for automated screens on the intakes. He said that the Malheur Siphon will also be worked on.

DATE OF NEXT MEETING. The date of the next Board meeting was discussed. After discussion, it was determined that the Board meeting will be held on October 20 following the Joint Committee meeting.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 9:50 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____

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

September 22, 2015

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 September 22, 2015, at 7:25 p.m. Chris Landa, Vice-Chairman, presiding.

The following members of the Joint Committee were present:

Bruce Corn	Jerry Nagaki (OID Alternate)
Dan Tschida	Chris Landa
Eric White (who joined the meeting at 7:53 p.m.)	

Also present were: Jay Chamberlin, Manager of the Hydro Projects; Harvey Manser, OID Assistant Manager; Clancy Flynn, South Board Manager; John Eells, South Board Watermaster; Michael W. Horton, Attorney; Larry Meyer, Argus Observer Newspaper; and Quinten Shenk, OID Employee.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on September 17, 2015.

MINUTES. The minutes of the meeting of the Joint Committee held on August 7, 2015, were mailed to the Committee members prior to the meeting. A motion was made by Mr. Corn, seconded by Mr. Nagaki, and unanimously carried approving the minutes as mailed.

OWYHEE DAM POWER PROJECT.

Financial Report. Mr. Chamberlin handed out two financial reports for the Owyhee Dam Power Project. The Committee members reviewed the reports. Mr. Chamberlin said that the Dam Plant is still running.

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. Corn, seconded by Mr. Tschida. Mr. Tschida asked about the Tunnel loan payment. Mr. Chamberlin said that he will check in to it. A vote on the motion was held and passed unanimously approving payment of the following accounts payable:

Oregon Idaho Utilities	\$318.66
Tunnel Hydro - loan	52,200.00
Stunz, Fonda, Kiyuna, & Horton	1,340.38
Field-Waldo Insurance	29,449.36
Special District Assoc of Oregon	<u>1,092.00</u>
TOTAL	\$84,400.40

TUNNEL #1 POWER PROJECT.

Financial Report. Mr. Chamberlin handed out two financial reports for the Tunnel Power Project. The Committee members reviewed the reports.

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. Nagaki, and unanimously carried approving payment of the following accounts payable:

Field-Waldo Insurance	\$52,279.82
Special District Assoc of Oregon	<u>111.80</u>
TOTAL	\$52,391.62

WATER OPERATIONS REVIEW. Mr. Chamberlin said that he wanted the Committee to look back and review the year given the drought. He said he thought the three Districts worked well through this short water season. He said that he thought the MOU worked well. He said he would like to have a meeting with the Bureau of Reclamation since Jerry Gregg is leaving. He said he feels that OID hit the allotment as well as it could. Mr. Flynn said that the key was that the watermasters for the North and South had a good working relationship this year and that he believes it will continue.

WATER MEASUREMENT. Mr. Manser handed out USGS reports on water measurement. Mr. Chamberlin and Mr. Flynn said that they will need time to review the reports to compare them with their numbers since these reports just came in. Mr. Chamberlin said that he does not think that the Bureau of Reclamation will pay for the measurements next year, but he thinks that it may be something the Districts will want to consider doing next year as he feels that it is important. Mr. Corn expressed satisfaction with the Boards and Districts working well together through the hard times. He said it is great to see everyone coming together. Vice-Chairman Landa said the Boards need to be commended. Mr. Tschida asked about the Bureau's evaporation pan loss calculations and how they were factored into the MOU. Mr. Chamberlin said that he is unable to tell from the USBR numbers as they are not very straight forward or concise. He said the USBR staff had a hard time figuring out how the MOU was supposed to work. Mr. Manser said the evaporation numbers are included in the MOU calculations by using reservoir levels as a measurement.

POWER LINE TO OWYHEE DAM COMPOUND. Mr. Chamberlin said that the Joint Committee is to generate a budget each year and let the Districts know what expenses to expect for the dam. He said that he wanted to give the Districts a heads up that the power lines and poles at the Dam Compound need to be repaired. He said he will be getting quotes on the costs.

At 7:53 p.m., Eric White joined the meeting.

Mr. Chamberlin said that the generator at the Dam Compound also needs to be installed this off-season.

OWYHEE DAM POWER PLANT. Mr. Chamberlin said that the plant is still running and has run better than it has run in a long time. He said he does not anticipate any needed off-season repairs.

TUNNEL POWER PLANT. Mr. Chamberlin said that he was glad that the Tunnel Power Plant was run at the beginning of the season. He said there are some brushes that need to be replaced and that the crappie egg filter will need worked on.

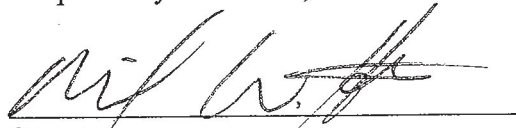
JOHN KEYS USBR TRAINING PROGRAM. Mr. Chamberlin said that the John Keys Young Engineer Training Program which the Bureau uses to introduce young engineers at the Bureau to on-the-ground district operations occurred recently at the dam and it went well. He explained the program and said that it is very important for the Districts so that the new folks at the Bureau understand District operations. He said that the engineers will come back October 27 and 28 and do an inspection of the Tunnel and Pumping Plants, along with the Malheur Siphon.

WEATHER FORECAST. Mr. Chamberlin said that the current forecasts for this coming winter are not good. He said the forecasters are predicting a winter similar to 1982 and 1983 which were warmer winters with dryer conditions.

BASIN STUDY REQUEST. Mr. Chamberlin said that the Bureau has responded to Mr. Flynn's request for a basin study by calling for a meeting with the Districts to discuss the situation. Mr. Chamberlin updated the Joint Committee on the Federal Agreement with the Duck Valley Tribe and its potential impact to the Owyhee Project.

ADJOURNMENT. There being no further business, the meeting was adjourned at 8:15 p.m.

Respectfully submitted,


Secretary

APPROVED: _____