

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

March 18, 2014

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 March 18, 2014, at 1:00 p.m. Frank Ausman, Chairman, presiding.

The following members of the Joint Committee were present:

Frank Ausman	Jerry Nagaki
Eric White	Rick Smith
Bruce Corn	Chris Landa

Also present were: Jay Chamberlin, Manager of the Hydro Projects; Harvey Manser, OID Assistant Manager; Michael W. Horton, Attorney; Ron Keester, South Board Manager; Andy Peutz, Old Owyhee Ditch Chairman; Monty Culbertson and Dylan Mitchell, Old Owyhee Ditch.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on March 13, 2014.

MINUTES. The minutes of the meeting of the Joint Committee held on February 25, 2014, 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.

TUNNEL #1 POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the month of February for the Tunnel #1 Power Project which was prepared by Nichols Accounting Group. The report was reviewed and discussed by the Committee Members.

TUNNEL #1 POWER PROJECT ACCOUNTS PAYABLE. The Committee members reviewed the accounts payable for the Tunnel #1 Power Project. A motion was made by Mr. Corn, seconded by Mr. Nagaki, and unanimously carried approving payment of the following accounts payable:

Frank's Extinguisher Service	\$140.88
Oregon Idaho Utilities	216.86
Nichols Accounting Group	<u>325.00</u>
Total	\$684.48

OWYHEE DAM POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the month of February for the Owyhee Dam Power Project which was prepared by Nichols Accounting Group. The report was reviewed and discussed by the Committee Members.

OWYHEE DAM ACCOUNTS PAYABLE. The Committee members reviewed the accounts payable for the Owyhee Dam Power Project. A motion was made by Mr. Nagaki, seconded by Mr. Landa, and unanimously carried approving payment of the following accounts payable:

Oregon Idaho Utilities	\$218.60
Stunz, Fonda, Kiyuna	2,428.50
Frank's Extinguisher Service	49.99
Century Link	51.99
Verizon	207.14
FERC	25.00
Nichols Accounting Group	<u>325.00</u>
Total	\$3,417.24

MOU OLD OWYHEE DITCH IMPROVEMENT DISTRICT. Mr. Chamberlin and Mr. Horton reported on the progress being made with Old Owyhee Ditch Improvement District on a Memorandum of Understanding for water supply and usage from the Dunaway Pumping Plant and the Owyhee Dam. Mr. Peutz said that everyone needs to try to help each other out this year. Mr. Culbertson gave an update on automation which Old Owyhee is doing.

WATER FORECAST. Mr. Chamberlin said that he attended a meeting last Friday in Idaho and learned that the storms which have been coming in the last three weeks helped the upper Snake River. He said that the Owyhee system did not get much benefit out of the storms. Mr. Chamberlin said that according to the Idaho State Hydrologist, the ground is dry in the upper watershed. He said there may be some small storm cells that come through. Mr. Chamberlin said that the forecast from the National Weather Service is for normal precipitation the next three months. Snow pack is predicted to be below normal for next year.

Mr. Chamberlin said that current storage is around 22% of capacity. He said that it appears that inflows have peaked. He said that this year is similar to 2003, but the closest year is 1992. He said that the system is within a few feet of being the same as 1992. He said during that year, the turnon date was April 6 and the system ran out of water on August 5. Mr. Chamberlin said that currently the steam flows at Rome are 350 cfs. Mr. Keester agreed that this year is very similar to 1992. Monty Culbertson recalled that the pumps were started early in 1992. Mr. Keester said that the allotment in 1992 was set at 1.5 foot per acre.

The Joint Committee members discussed the potential Snake River flows.

WATER ALLOTMENT. Mr. Corn said that he believes that a 1.5 foot per acre allotment is doable. Mr. Chamberlin said that was what was done in 1992, but there was more water in storage at this time of the year in 1992 then there is this year. Chairman Ausman said that he would rather see the allotment set low and then be worked up as water becomes available. Mr. White agreed.

Mr. Chamberlin gave a report on NRCS projected stream flows. Mr. Keester said he believes there will be close to 170,000 acre feet in the reservoir by time the water is turned on.

Mr. Chamberlin said that he would recommend a 1.3 foot per acre allotment. A motion was made by Mr. White, seconded by Mr. Landa, and unanimously carried setting the allotment at 1.3 foot per acre, with the allotment to be revisited at the next meeting of the Joint Committee.

WATER TURNON DATE. The Joint Committee discussed a turnon date for the release of water from the Owyhee Dam. The turning on of the pump ditches was also discussed. It was the consensus of the Joint Committee that the pumps will go on as decided by management based upon weather conditions and user demand. Mr. White made a motion that the Joint Committee meet on April 1, at 11:00 a.m., at Mr. Horton's office to review and discuss a potential turnon date. Mr. Corn seconded the motion, which passed unanimously.

HYDRO OPERATIONS. Operations of the hydro plants were discussed. After discussion, it was determined that management will look into the hydro operator's work load and determine a course of action if the power plants are operating only minimally.

ADJOURNMENT. Mr. White made a motion to adjourn, which was seconded by Mr. Nagaki and carried unanimously. The meeting was adjourned at 2:15 p.m.

Respectfully submitted,



Secretary

APPROVED: 4-15-14

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

March 18, 2014

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on March 18, 2014, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 10:00 a.m. Jerry Nagaki, President of the District, presiding.

The following Directors were present:

Bruce Corn	Jerry Nagaki
Eric White	Frank Ausman

Dan Tschida was absent.

Also present were: Jay Chamberlin, District Manager and Michael W. Horton, Attorney

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on March 13, 2014.

MINUTES. The minutes of the February 25, 2014, meeting of the Board of Directors were mailed to the Directors prior to the meeting. A motion was made by Director Ausman, seconded by Director White, and unanimously carried approving the minutes as amended.

FINANCIAL REPORT. Jay Chamberlin handed out a financial report for the month of February and a final 2013 year-end financial report. The Directors reviewed the report. Director Corn asked why the bills have not yet been sent out yet. Mr. Chamberlin said that the computer is waiting for the allotment which goes on the bills. The idea of putting "tentative allotment" on the bills was discussed. Director White asked about the 2013 power bills being over budget. The matter was discussed. Director Ausman said that he agrees with the discussion from last month's meeting that the Mitchell Butte fund transfer should be moved forward to be considered after the year for budgeting purposes. He complemented the staff on doing an excellent job on the budget. Director Corn agreed with Mr. Ausman and said that the staff is to be commended on the budget and staying within the budget. All of the Board members agreed with this assessment.

Mr. Chamberlin said that he met with Nichols Accounting staff and clarified some items. Director Corn asked Mr. Chamberlin if he is still concerned with collections being down given the water situation. Mr. Chamberlin said that he is not concerned as much as he was earlier.

OWYHEE IRRIGATION 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. A motion was made by Director White, seconded by Director Corn, and unanimously carried approving and ratifying payment of the bills as presented.

MITCHELL BUTTE POWER PROJECT.

Financial Report. The regular monthly financial report for the Mitchell Butte Power Project was included in the Directors' packets. The Directors reviewed the report. Director Corn asked about planned assignments for the Mitchell Butte Power Plant operator if the plant is not fully operating. Mr. Chamberlin said that he does have some planned assignments as he will for the whole operation. Director Corn said that the Mitchell Butte Power Plant will probably shut off early and that this is a serious situation that should be looked at. Mr. Chamberlin said that even if the tunnel does not run, there will still be alarms and other work that will have to be done. Mr. Chamberlin said he will analyze the situation and coordinate work with the operator. Partial layoffs were discussed.

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

Frank's Extinguisher Service	\$34.99
Verizon	50.00
AT&T	77.86
Nichols Accounting Group	<u>110.00</u>
Total	\$272.85

WATER FORECAST. Mr. Chamberlin said that the water situation will be discussed during the Joint Committee meeting later today. Director White said that if farmers do not grow certain crops, they will need to get letters from the irrigation district with regard to the water situation.

ANNUAL WATER USERS' MEETING. The Board recapped the annual water users' meeting. The consensus of the Directors is that the meeting went really well. Mr. Chamberlin said that there were close to 300 people in attendance.

MOU OLD OWYHEE DITCH COMPANY. Mr. Chamberlin said that he is still getting questions on the status of the agreement with Old Owyhee. Mr. Horton said that Old Owyhee is looking at the numbers at this point. Mr. Chamberlin said that he understands that they will be putting a measuring device in the system.

TESSARO PIPELINE. Mr. Horton said that at the last meeting he was given a pipeline license agreement to review. He said that this is all coming through the Bureau of Reclamation

and that the irrigation district is one of the signers to the agreement. Mr. Horton said that he has reviewed the agreement and that he recommends its signing. A motion was made by Director Corn, seconded by Director Ausman, and unanimously carried authorizing Mr. Chamberlin to sign the agreement on behalf of the District.

CASCADE GAS. Mr. Chamberlin said that he was approached by representatives from Cascade Gas with regard to the fact that natural gas is available for farmers to use in powering their drip systems. Mr. Chamberlin said that he was asked to get the word out to farmers. The matter was discussed.

PUMPING PLANT UPDATE. Mr. Chamberlin said that the pumping plants are getting put back together and are just about ready to go. He said that the upper Snake River has really recovered. He said that he has been running a drag line and that samples have been pulled on the transformers.

ANNUAL NEWSLETTER. Mr. Chamberlin said that the District annual newsletter will be mailed out the end of this week, along with billings.

TRUE POINT SOFTWARE. Mr. Chamberlin said that he and staff had a conference call with True Point with regard to updating the water accounting software. He said there will be two components. He said that water use information should be available for users this year, but that they will start out with just a few users having access in order to test the system. He said that next year RRA forms and reporting will be digitized and become part of the system. The idea of ditchriders being able to take water orders by text was discussed. The headgate numbering system was discussed.

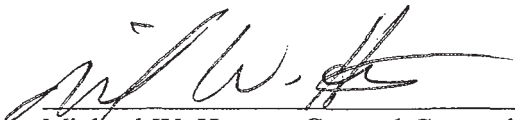
DITCH RIDES. Mr. Chamberlin updated the Board on Ditchrider changes and potential consolidation of rides.

STREAM FLOW FORECAST. Mr. Chamberlin gave a report on stream flow forecasts.

OREGON WATER RESOURCES COMMISSION. Director Corn gave a report on recent Water Resource Commission activities.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 12:00 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____