

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

April 15, 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 April 15, 2014, at 7:00 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, District Manager; Harvey Manser, OID Assistant Manger; Michael W. Horton, Attorney; Ron Keester, South Board Manager; Tom Zittercob, Hydro Operator; Dan Tschida, OID Alternate; Brett Nielson, South Board Patron; Debbie Odett, OID Patron; Larry Myer, Argus Observer; and a reporter from the Homedale newspaper.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on April 11, 2014.

MINUTES. The minutes of the meetings of the Joint Committee held on March 18, 2014 and April 1, 2014, were mailed to the Committee members prior to the meeting. A motion was made by Mr. Corn, seconded by Mr. Smith, 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 March 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. White, seconded by Mr. Smith, and unanimously carried approving payment of the following accounts payable:

AT&T	\$136.92
Owyhee Irrigation District	2,322.95
Northwest Hydroelectric Association	<u>266.67</u>
Total	\$2,726.54

OWYHEE DAM POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the month of March 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. Corn, seconded by Mr. Landa, and unanimously carried approving payment of the following accounts payable:

Stunz, Fonda, Kiyuna	\$512.50
AT&T	66.60
Owyhee Irrigation District	1,692.60
Century Link	47.99
Northwest Hydroelectric Association	<u>226.67</u>
Total	\$2,585.76

WATER CALLS AND TURN ON DATE. Mr. Chamberlin said that the phone calls he has received from landowners go both ways. He said that some calls ask for water to be turned on shortly and other calls asking that the turn on date be held back as long as possible. Mr. Keester said that he has the same situation in the South. Mr. White reported that the Adrian area is getting dried up. Mr. Chamberlin said that Nyssa seems to be the cutoff. He said that everyone from North of Nyssa is asking to hold off until May 1st while everyone South of Nyssa is asking for water to be turned on right away. Chairman Ausman noted that the wind is not helping the ground moisture. Mr. Chamberlin then explained a possible new approach for filling the Owyhee system. He said that the pumps have been started and that the demand is there. He said that Old Owyhee Ditch Company called for water today and 120 cfs is being released from the dam.

Mr. Tschida said that his area can wait until Monday. Mr. Landa agreed. Mr. Keester said that he thinks it would be best to wait until the 21st to turn on, but that the Ridgeview users are asking for water now. A possible turn on date was discussed. Chairman Ausman reiterated that the water needs to come on in such a way that there are as little spills as possible. Debbie Odett said that she is from the Vale area and it is very dry and her crops have little moisture.

WATER ALLOTMENT. Mr. Chamberlin handed out NRCS and USBR stream flow forecasts and snow pack reports. He said that there is 192,000 acre feet in the reservoir today. He said that he has gone through the number of acres which will need serviced out of the Owyhee Reservoir and with the available water, it looks like the allotment could be raised to 1.7 foot per acre. Comparing this year to 1992 and the allotment made in that year was discussed. Mr. Chamberlin and Mr. Keester said that they are both comfortable with the allotment being raised to 1.7 foot per acre. Chairman Ausman called for a motion. Mr. Smith made a motion to raise the allotment to 1.7 foot per acre. The motion was seconded by Mr. Nagaki and passed

unanimously. Mr. Keester said that it needs to be stressed to water users that if they hold out for water to the end, it may not be there. Mr. Corn noted that there is no guarantee when the end date will be.

TURN ON DATE (Continued). Chairman Ausman said that he would entertain a motion to set the turn on date. A motion was made by Mr. White and seconded by Mr. Corn to begin releases through the Tunnel tomorrow. A vote was had on the motion. Mr. White and Mr. Corn voted in favor. Mr. Nagaki, Mr. Landa, Mr. Smith, and Chairman Ausman voted against and the motion failed.

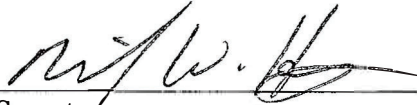
A motion was made by Mr. Nagaki and seconded by Mr. White to start releases through the Tunnel on Thursday, April 17. A vote on the motion was had. Mr. Corn, Mr. White, Mr. Nagaki, Mr. Smith, and Chairman Ausman voted in favor of the motion. Mr. Landa voted against and the motion passed.

MOU OLD OWYHEE DITCH IMPROVEMENT DISTRICT. Mr. Horton reported that the negotiating teams have come to an agreement and that the matter is now in the hands of the attorneys to prepare the agreement. He said that he is currently working on the agreement with Old Owyhee's attorney. Mr. Corn said that it is a good exercise and that the process has been all positive. He said that the net gain will be beneficial for everyone. He said that it will change how the system is operated to the benefit of all.

OWYHEE DAM HYDRO. Tom Zittercob reported that the Dam Plant is on and is running. He said that there is currently 120 cfs going through the system. He said that the river gauge is inaccurate. He said that it has to be re-calibrated from winter to summer flows. He said that the Old Owyhee will pick up the water that they have ordered tomorrow. He said the machine is working good, but that it does tend to run a little rougher at the lower flows. Mr. Chamberlin said that the Tunnel Power Plant will not spin at all this year. Mr. Zittercob said that the water level in the reservoir is just not there.

ADJOURNMENT. There being no further business, the meeting was adjourned at 8:05 p.m.

Respectfully submitted,


Secretary

APPROVED: _____

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

April 15, 2014

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on April 15, 2014, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 8:10 p.m. Jerry Nagaki, President of the District, presiding.

The following Directors were present:

Bruce Corn	Jerry Nagaki
Eric White	Frank Ausman
Dan Tschida	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, Attorney; Harvey Manser, OID Assistant Manager; Tom Zittercob, Hydro Operator; and Larry Myer, Argus Observer.

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on April 11, 2014.

MINUTES. The minutes of the meetings of the Board of Directors held on March 18, 2014, and April 1, 2014, were mailed to the Directors prior to the meeting. Director White asked for a report on the auction sale and Mr. Chamberlin handed out a report. A motion was made by Director White, seconded by Director Ausman, and unanimously carried approving the minutes as mailed.

FINANCIAL REPORT. Mr. Chamberlin handed out a financial report for the month which was prepared by Nichols Accounting. The report was reviewed and discussed by the Directors. Mr. Chamberlin said that he thinks the District broke a record today with the amount of assessments coming in.

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 Ausman, seconded by Director White, 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.

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 Corn, seconded by Director Tschida, and unanimously carried approving payment of the following accounts payable:

Century Link	\$130.32
Owyhee Irrigation District	1,474.23
Verizon	50.08
AT&T	40.00
Northwest Hydroelectric Association	<u>110.00</u>
Total	\$1,961.29

PUMPING PLANTS UPDATE. Mr. Chamberlin gave an update on the pumping plants. He said that Dunaway was started a week ago Tuesday. He said that Old Owyhee started their pumps at the same time. He said that Dead Ox was started this morning. He said that the pumps are running well.

MOU OLD OWYHEE DITCH COMPANY. Mr. Horton said that with the pumps coming on before water is started through the dam is a different situation than has occurred in previous years. He said that he will need to take this issue into account in working on the MOU. Mr. Chamberlin said that Linda Layton from USBR has come over and toured the Dunaway Pumping Plant with regard to how power usage is measured there. He said they have determined that it would be best to install another electrical meter at Dunaway.

NEWELL PIPELINE UPDATE. Mr. Chamberlin said that the Newell pipeline is all tied in. He said that the plan is to fill it slowly and check it. He said that it will take two days to fill the line.

FLETCHER GULCH PIPELINE PROJECT. Mr. Chamberlin reported that the Fletcher Gulch Pipeline will be ready to go.

FLETCHER GULCH PIPELINE PROJECT 12.4. Mr. Manser reported that the Fletcher Gulch Pipeline has been done for a few years. He said there is some money left over on the grant and OWEB has asked if the District could find a way to spend the money on the project rather than turn it back. Mr. Manser said that there was \$34,000 available and that they purchased pipe for a portion of lateral 12.4. He said that now that the pipe has been purchased, there are neighbors wanting all of 12.4 piped and NRCS is going to have a meeting to determine interest in the project.

OPERATION OF MITCHELL BUTTE POWER PLANT. Mr. Chamberlin said that Mitchell Butte Power Plant will go on when it gets water to it. Mr. Zittercob said that the plant is ready to go. He said that it probably won't go on until the middle of May. He said that how long it runs will depend upon the water demand on the lateral.

ANNUAL INCURRED CHARGE RECEIPTS. Mr. Chamberlin reported that receipts are coming in and he thinks that collections have done well. He said that he is no longer concerned with collections and thinks that the District will be okay.

STARTUP OF IRRIGATION WATER. Mr. Chamberlin asked the Board for their consensus on starting water through the system. The matter was discussed.

SNAKE RIVER FLOWS AND FORECAST. Snake River water flows and the forecast for the Snake River were discussed.

DUCK VALLEY INDIAN RESERVATION. Mr. Chamberlin reported on the Duck Valley Tribe's plans for water usage. He also reported on the storage levels in the Wild Horse Reservoir.

HYDRO INSURANCE. Mr. Zittercob asked if the insurance for mechanical break down on the hydro facilities may be reduced since Tunnel #1 will not be running and the other plants will be generating much less power. Mr. Horton said that he thinks the rates are already based upon generation. Mr. Chamberlin said that he will check with the insurance agent.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 9:00 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____