

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

March 18, 2003

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on March 18, 2003, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 10:10 a.m., Bruce Corn, President of the District, presiding.

The following Directors were present:

Fred Schilling	Bruce Corn
Frank Ausman	Larry White

Also present were: Jay Chamberlin, District Manager; Jim Farmer and Warren Farmer, Patrons; Michael W. Horton, Secretary and General Counsel; and Kathy Glenn, Assistant for Michael Horton.

RESERVOIR STORAGE. Mr. Chamberlin reported that the reservoir storage as of March 18, 2003 is 187,361 acre feet and the storage as of March 18, 2002 was 201,473 acre feet.

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, 2003.

MINUTES. Minutes of the meeting of Directors held on February 18, 2003, had been mailed to each Director prior to the meeting. A motion was made by Director Schilling, seconded by Director White, and unanimously carried approving the minutes as mailed.

MITCHELL BUTTE POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the Mitchell Butte Power Project for the month ending February 28, 2003 which was prepared by Nichols Accounting Group. The report was reviewed by the Directors. The report shows a net loss of \$15,634.55 for the month of February.

At 10:14 a.m., Director Jerry Nagaki joined the meeting. Mr. Chamberlin said the water forecast does not look good and that power generation will most likely be down this year.

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

Stunz Fonda Law Firm	111.06
AT&T	9.19
Malheur Bell	131.78
Nichols Accounting Group	<u>234.00</u>
Total	\$ 486.03

A motion was made by Director White and seconded by Director Schilling that the accounts payable for the month of February, as listed in the agenda, be paid. The motion passed unanimously.

OWRC MEETING. Mr. Chamberlin said that the OWRC meeting in Salem went very well. He thanked Bruce Corn and Michael Horton for attending the meeting. He said it was a great opportunity to meet with John Keyes and the legislators. He said that they discussed trying to get a bill passed which would allow internal district water transfers. Mr. Chamberlin stated that the bill has been drafted but that the District was left out. The District will be added back in through amendments to the draft. Mr. Chamberlin read a portion of the draft bill. He said that he left the legislators and the Bureau issue papers. President Corn said that he was impressed with the meeting with John Keyes. He said that John Keyes was appreciative of the in-stream flows.

President Corn noted that there may be problems with the loss of return flows from certain farms in the District. Water runoff impact was discussed. Jay Chamberlin indicated that the District controls return flows and that patrons do not have a right to return flows. Jerry Nagaki stated that farmers could use sprinklers to eliminate runoff and return flows.

HOUSE BILL 3281. Jay Chamberlin stated that Tom Butler is carrying the bill to allow internal-district water transfers. He stated that it looks like there will be environmental opposition to bill. He said that he has not seen the full text of the bill and the District may not want to support it until the language has been reviewed. President Corn said that the bill will need to pass right away in order to help the patrons this year.

Mr. Chamberlin asked the Board for guidance on allowing water transfers and how the District should handle them before the bill passes. A discussion was had. Michael Horton advised that the law allows water transfers but they must go through OWRD for approval first. He said that the Board cannot authorize water transfers without following the law.

President Corn asked if the State Watermaster will get involved and what the State Watermaster's policies are. Mr. Chamberlin said that the Watermaster will not get involved unless the District is unable to resolve a particular situation. Michael Horton indicated that the legal process for water transfers is in place but that it just gets slowed down at the state level. The process of allowing transfers if the bill passes was discussed. After discussion, it was the Board's consensus that Mr. Chamberlin may allow water transfers in his discretion.

AQUATIC HERBICIDES - NPDES PERMIT. Jay Chamberlin stated that this is the first year to operate under the NPDES Permit. In the past, the District has operated under the MAO. Mr. Chamberlin said that because of the short water year, it is most likely that only half as many chemical applications will be needed. Mr. Horton explained the process and procedures used under the permit. He said that some type of fish screening device is needed to qualify for the permit. He said that an effective screening device plan will need to be in place by September and that there is another year to get the plan in place. He said that that more time can be requested if needed. Mr. Horton explained that strobe lights and sound barriers are also potential screening devices. He said that he and Mr. Chamberlin will be meeting with a biologist to discuss putting together a plan. Director Ausman asked how much the permit costs. Mr. Chamberlin said that it was approximately \$40,000. He explained the history of NPDES permit requirements. He said that the product costs \$20,000 every time the water is treated. Mr. Chamberlin said that there may not be as many water samples needed this year.

WATER USERS' MEETING. Jay Chamberlin said that a water users' meeting is scheduled for 7:00 p.m. at the Boulevard Grange tonight. He handed out a graph showing the storage comparison for the years 1955 through 2003. He compared this year's water year to 1992 but noted many differences. He said that there is not going to be the inflows that there were in 1992. He said that he has flown the area and the snow pack does not appear to be there. He said that this is the 4th year in a row that the reservoir has not filled. He said that over the life of the

project, the water has never been this short. A discussion was had regarding the format of the meeting and the information which will be provided to water users at tonight's meeting. Mr. Chamberlin indicated that at tonight's public meeting, the District can provide information and the facts and the patrons can make their own decisions on planting. He said that Owyhee Ditch Company has been invited to attend.

Director White asked Mr. Chamberlin to explain the Owyhee Ditch Company's water rights. Mr. Chamberlin explained that their water rights are 220 cfs of river flow but when the water flow drops below 220 cfs and they use the water, it is then deducted from the 21,000 acre feet they have in storage. He said that this year the Owyhee Ditch Company will call for water on a daily basis. President Corn asked about the Owyhee Ditch Company pumping water. Mr. Chamberlin said that their pumping of water from the Snake River benefits the District. He said that in 1992, Owyhee Ditch Company pumped 42,000 AF.

Director Schilling asked about pumping water out of dead storage in the reservoir. Mr. Chamberlin indicated that it would not be cost effective or financially feasible to do so.

Jim Farmer said that he is hoping pumps come on earlier this year. He said that it seems that the farmers are planting their crops earlier down low and later up above.

At 11:40 a.m., Tom Zittercob joined the meeting.

TURN ON DATE. A turn on date was discussed. Director Schilling said that he understood that the farm ground was wetter down below and that there was no need to turn on the pumps before turning out water in the canal. Mr. Chamberlin stated that the Owyhee Ditch Company wants to receive their water the same time as Owyhee Irrigation District. He said that historically, the pumps are turned on at the same time the water in the canal is.

Mr. Chamberlin said that this year when patrons call for water and then do not use the water, it will be charged against their allotment.

POWER WHEELING CHARGES. Mr. Chamberlin said that power usage must be estimated this year. If the District is above its estimate, there will be an extra charge. BPA will pay for additional charges this year but next year the Districts will have to pay the extra charges.

LENGTH OF SEASON. Jay Chamberlin stated that the districts are not liable for the length of the irrigation season. He said the District cannot regulate how long the season will last. He

said that the length of the season will depend upon the usage of the water. Mr. Chamberlin estimates that the water will run out mid July. President Corn and Director Schilling agreed with Mr. Chamberlin. Director Schilling said that this year can be compared to 1992. He said that in 1992, some farmers had water left on their allotment but were never able to receive it because there was no more water. Mr. Chamberlin stated that it takes water to deliver water.

PUMP DISTRICTS. Mr. Chamberlin stated that when the various irrigation districts were merged into OID, some of the lands have varying water rights. Specifically those on pumps and the Shoestring have pumping rights and should receive 4 acre feet. He said that the District will try to satisfy the 4 acre feet on those acres with no excess water.

Director Ausman asked about the Owyhee Ditch Company's measuring devices. Mr. Chamberlin said that at the present time, there are no devices used. Director Schilling stated that he understood that it would flood their weirs if devices were used. Mr. Chamberlin stated that there is technology that will now allow it but Owyhee Irrigation District can not make them install the devices. He said that eventually, he believes that the TMDL will require them to account for their water use. Mr. Chamberlin said that Owyhee Ditch Company's willingness to work with OID is higher than it has ever been.

Director White stated that potato growers in his area are wanting the water to be turned on later this year.

RECESS: at 12:10 p.m., President Corn declared the meeting in recess.

RECONVENE: at 2:47 p.m., the meeting reconvened. The same Directors and individuals present when the meeting recessed were present when it reconvened except for Jim Farmer and Warren Farmer who were not present.

RECOMMENDATIONS OF THE JOINT COMMITTEE. Mr. Horton stated that the actions of the Joint Committee need to be ratified. A motion was made by Director Schilling, seconded by Director White, and carried unanimously that the recommendations adopted by the Joint Committee at its meeting on March 18, 2003 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 the payment of accounts payable, 2) setting water allotment at 1.3 acre feet, and 3) setting a tentative water turn on date of April 7.

NEW ACRES IN DISTRICT. Michael Horton said that the new acres being brought in to the District have a 1991 priority date. Mr. Chamberlin stated that the new acres will not receive water this year. Director Schilling said that the users will need to be notified right away. Mr. Chamberlin said he would notify them.

PIPELINES. Jay Chamberlin stated that a lot of pipelines have been installed. He explained the problem on one of the pipeline projects which has now been resolved. He said that the District has put in a record number of Yakima boxes this season. Mr. Chamberlin explained other pipeline projects throughout the District.

RECESS: at 3:20 p.m., President Corn declared the meeting in recess until 7:00 p.m., when it will reconvene at the Boulevard Grange at Cairo Junction.

RECONVENE: At 7:04 p.m., the meeting reconvened at the Boulevard Grange at Cairo Junction.

The following Directors were present:

Fred Schilling	Bruce Corn
Jerry Nagaki	Larry White
Frank Ausman	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, Secretary and General Counsel; and approximately 130 patrons and public members. President Corn presided.

President Corn introduced the Board and outlined the agenda for the meeting.

Jay Chamberlin stated that there is currently 187,835 acre feet of storage as of today. He explained that the inflows into the reservoir are way down. He stated that the Board has set the water allotment for 1.3 acre feet per acre at this time. The proposed turn-on date is tentatively set for April 7. He stated that the pumping plants will come on the same time the water is turned on. He stated that power will need to be pre-ordered 24 hours in advance so the patrons on pumps will need to call for water 24 hours in advance.

He stated that headgates will be locked by the District for patrons who mess with the headgates.

NEW ACRES. Mr. Chamberlin stated that the new acres being brought into the District have a priority Date of 1991. He explained that there will be no water for the new acres this water season.

INTERNAL-DISTRICT WATER TRANSFERS. Mr. Chamberlin explained the details regarding a bill pending before the legislature regarding water transfers. He stated that water transfers within the District will be handled on a case by case basis.

POWER GENERATION. Mr. Chamberlin said due to the low water year, the Tunnel turbine will not be used.

LENGTH OF WATER SEASON. Mr. Chamberlin stated that the length of the water season is unpredictable and the District can not say how long the season will be.

PUBLIC COMMENTS. President Corn opened the meeting for comments. Scott Kesler asked the Board if it would help if the patrons cleaned the weeds out of the ditches before the water comes in. Mr. Chamberlin replied that it would.

Craig Froerer asked if the turn-on date is set for April 7. Mr. Chamberlin stated that April 7 is the target date but that it could change depending on the demand and weather conditions.

One of the patrons asked if water users will be limited to 5/8ths starting out. Mr. Chamberlin replied that the Board is considering it but he is not sure that it would benefit all patrons equally.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned by President Corn at 8:00 p.m.

Respectfully submitted,



Secretary

APPROVED: _____