

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

June 23, 2015

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on June 23, 2015, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, at 106 Main Street, Nyssa, Oregon, at 7:55 p.m. Jerry Nagaki, President of the District, presiding.

The following Directors were present:

Jerry Nagaki	Bruce Corn	Eric White
Frank Ausman	Dan Tschida	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, Attorney; Harvey Manser, OID Assistant Manager; J.L. Eldred, OID Watermaster; Brian Richins, Auditor Mike McClain, Nyssa Rural Fire Department; and Jay Williams, Fry Foods Representative.

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on June 19.

MINUTES. Minutes of the Board of Directors meeting held on May 19, 2015, were mailed to the Directors prior to the meeting. A motion was made by Director White, seconded by Director Ausman, and unanimously carried approving the minutes as mailed.

2014 AUDIT. Brian Richins presented the audit for the District for 2014. He handed out charts and graphs along with the audit. He said that overall the audit went really well. He went through the charts and graphs as the Directors followed along. He pointed out that the cash to liabilities is now over two to one which is good. He said the District did a good job of dropping expenses while the revenue have stayed up. Mr. Manser pointed out that \$150,000 of savings on expenses was on weed control due to the drought. Mr. Richins pointed out that the actual to budget is pretty close. He said that doing accrual accounting makes closing the books at the end of the year an issue, but other than that, everything went great. Mr. Richins said that next year's reporting will be more involved because of PERS. Mr. Richins said that the District staff did a great job getting information to him.

Director Corn asked how the internal controls are for the District. Mr. Richins said that having Nichols Accounting do the accounting work helps a lot. He said overall the controls are good and he has no recommendations for change. He said that pipe projects and rent receivables are the only areas that could create issues and could potentially be outsourced to Nichols Accounting, but the cost benefit on those items is not there.

A motion was made by Director Ausman, seconded by Director Corn, and unanimously carried approving the audit as presented.

At 8:22 p.m., Brian Richins left the meeting.

PROCESS FOR HYDRO EXPENSES PAID BY OID. Director Tshida asked about the process for allocating the hydro expenses which OID pays. Mr. Chamberlin said that the internal expenses of OID need a portion allocated to the Hydro Projects. Mr. Horton said that was historically done but it appears it has not been done the last few years. Mr. Chamberlin said that he will work on a formula. Director Corn said that an MOU with the other Districts may be needed.

NYSSA RURAL FIRE DISTRICT BUILDING. Mike McClain addressed the Board and said that the Nyssa Rural Fire District is looking at possibly building a substation at the corner of Jefferson and Grand. He said this is property which the District currently owns. Mr. Chamberlin said that the property is BOR ground and that any transfer of property would have to get BOR's approval. Mr. Chamberlin said that building a substation at that location would benefit the District. The matter was discussed and after discussion, it was the consensus of the Board of Directors to have staff investigate the potential options for having a rural fire substation located on the property and proceed forward. Mr. Chamberlin said he will make contacts with USBR.

At 8:36 p.m., Mike McClain left the meeting.

FRY FOODS. Mr. Williams said that he is wondering if the District has found anything out from the Bureau of Reclamation with regard to Fry Food's proposal on commingling water and watering outside of the District boundaries. Mr. Chamberlin said that the issues are still being investigated. Mr. Williams said that Fry Foods would like to start construction in August.

At 8:50 p.m., Mr. Williams left the meeting.

DISTRICT FINANCIAL REPORT. Mr. Chamberlin handed out a financial report for the District which the Directors reviewed and discussed.

OWYHEE IRRIGATION DISTRICT ACCOUNTS PAYABLE. Two lists of the District's accounts payable for the month were included in the Directors' packets. The Directors review, discussed, and asked questions about specific items on the lists. Director Tschida suggested doing an appreciation breakfast for the ditchriders. Director White suggested that this be done after the water is out of the canal. A motion was made by Director Corn, seconded by Director White, and unanimously carried approving and ratifying payment of the accounts payable as presented.

CHEMICAL APPLICATION. Mr. Manser reported on chemical applications in the District.

MITCHELL BUTTE POWER PROJECT.

Financial Report. The financial report for Mitchell Butte Power Plant was included in the Directors' packets. Mr. Chamberlin said that the plant is running.

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

AT&T	\$63.57
Verizon	110.16
Century Link	141.42
J.L. Eldred	<u>31.79</u>
Total	\$346.94

DROUGHT EFFECT ON PUMPING PLANTS. Mr. Manser reported on the Dead Ox system that they expect a 25% loss on the High Lift. Mr. Eldred said that on the Shoestring they do not expect to see very much return flows. Mr. Eldred said that all of the OID pumps are running at the Dunaway Pumping Station. He said that the moss impact has been low so far.

Mr. Chamberlin said that staff will be concentrating on measurements on the Dead Ox system this winter. Director Corn asked if a user under the Dead Ox system orders water two days in advance if they can then get it. Mr. Chamberlin said that they can, but the problem is that some of the users do not order their water two days in advance. President Nagaki said that one of the problems on the Dead Ox system is the number of new users that do not understand the system and are not planting accordingly. He said there have been years past when users only got a half inch on the High Lift system. Mr. Eldred noted that there is no grain being grown on the lower part of the system.

SAGE FARMS. Mr. Chamberlin reported on a meeting with Sage Farm representatives and OID staff about water deliveries. Mr. Eldred and Mr. Manser also reported on the meeting. Mr. Chamberlin noted that the usage percentages between Dunaway and Dead Ox Pumping Plants are within 2% of each other. The Board held a lengthy discussion with regard to some of the issues raised by Sage Farms, along with the farming practices of Sage Farms.

WATER TRANSFERS. Mr. Chamberlin said that the District has gotten 45 transfer applications. He said that only two have been denied so far. He said that on lengthy transfers losses are being taken into account.

YEAR-END LATERAL SHUT OFFS. Year-end lateral shut offs were discussed by the Board. Mr. Chamberlin said that the District would need to leave some water in the pool in order to treat everyone equally. The matter was discussed.

SDAO TRAINING. Mr. Chamberlin said that SDAO is having training in Baker City on September 14.

OWRD AND OWRC TOUR. Mr. Chamberlin said that a tour of the area is scheduled for September 10. He said that both OWRD and OWRC will be making the tour. Director Corn said that the governor may also visit the area in July. He said there may be some state money available for storage projects.



FRANKS' DELINQUENT ACCOUNT. Mr. Manser said that the District received a letter from the Franks asking for delinquent account forgiveness. He said they have changed their water system and he explained those changes. Mr. Manser said that he invited them to tonight's meeting. A motion was made by Mr. Tschida, seconded by Mr. Ausman, and unanimously carried denying the request for the delinquent account forgiveness.

GOPHER BUDGET. Mr. Chamberlin said that the gopher budget is right at 50%.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 10:20 p.m.

Respectfully submitted,

  
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Michael W. Horton, General Counsel

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

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

June 23, 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 June 23, 2015, at 7:02 p.m. Frank Ausman, Chairman, presiding.

The following members of the Joint Committee were present:

Frank Ausman	Mark Amen (South Board Alternate)
Dan Tschida	
Bruce Corn	

Also present were: Jay Chamberlin, Manager of the Hydro Projects; Harvey Manser, OID Assistant Manager; Clancy Flynn, South Board Manager; Jerry Nagaki, OID Alternate; J.L. Eldred, OID Water Master; Michael W. Horton, Attorney; and Brian Richins, CPA

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on June 19, 2015.

MINUTES. The minutes of the meetings of the Joint Committee held on May 19, 2015, and June 10, 2015, were mailed to the Committee members prior to the meeting. A motion was made by Mr. Corn, seconded by Mr. Tschida, 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 May. The Committee members reviewed the report.

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. White, seconded by Mr. Corn, and unanimously carried approving payment of the following accounts payable:

Oregon-Idaho Utilities	\$111.86
California Electric	2,840.38
AT&T	48.22
Nichols Accounting Group	<u>325.00</u>
TOTAL	\$3,325.46

OWYHEE DAM POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the month of May. The Committee members reviewed the report. Mr. Chamberlin said that the Power Plant is running well.

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

Oregon-Idaho Utilities	\$324.16
Stunz, Fonda, Kiyuna, & Horton	546.99
Nichols Accounting	<u>325.00</u>
TOTAL	\$1,196.15

OLD OWYHEE RESERVOIR WATER USAGE. Mr. Chamberlin handed out a worksheet on Old Owyhee Ditch's reservoir water usage. Mr. Chamberlin said that the usage at Dunaway is being measured using the new ramp flume. Mr. Eldred said that Old Owyhee Ditch will most likely start using stored water in the next ten days.

SELP. Mr. Chamberlin said that he contacted staff at SELP and they were going to come over for this meeting, however, the date did not work out. Mr. Chamberlin said that he is going to try to get them over for a meeting in the next couple of months.

HYDRO OPERATION. Mr. Eldred and Mr. Chamberlin reported on the operations and running of the hydros.

USBR OVERSIGHT AND USGS MEASUREMENTS. Mr. Chamberlin and Mr. Flynn gave updates on working with USBR in calculating water usage. They also gave updates on the USGS measurements. Mr. Flynn said that the measurements on their system went well. Mr. Eldred said that the measurements for OID have been on the low side. He said that according to the measurements when the gauge reads 540 cfs, Owyhee Irrigation District is only getting 511 cfs. Mr. Eldred said that he is not confident yet in the measuring. Mr. Flynn said that he does not feel the boat measuring is super accurate especially given this time of year with plant growth. Mr. Flynn said that he never received any written report on the measuring even though he has requested one. Mr. Eldred said that he would like to see the measurement be in a slightly different spot. Mr. Chamberlin said that he will get with Jerry Gregg at USBR and request information on the measuring.

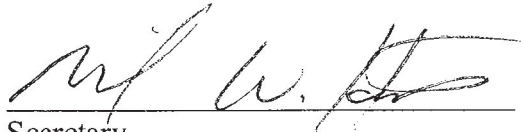
BOAT RAMP MEETING. Mr. Manser reported on a meeting he went to on the boat ramp. Mr. Chamberlin explained that the meeting was held because of federal legislators getting involved. Mr. Manser said that the legislators' staff and interested parties all met. He

said the result of the meeting is that if the county takes over the boat ramp, then the ADA would have to be complied with. He said that the focus has now extended to other ramps. Mr. Manser said that the districts can gate and repair the current ramp and use it along with the sheriff, but no one else. The matter was discussed. Chairman Ausman said that maybe the Committee should check into the cost to bring the ramp up to ADA standards. The matter was discussed further. Mr. Manser said that discussions among the interested parties are continuing.

WATER SITUATION. Mr. Chamberlin said that current storage in the reservoir is 36,000 acre feet. He said that this is more than was in the reservoir at this time last year. He said that OID users as a whole have approximately 47% of their water remaining to be delivered. Mr. Flynn said that he has a couple of users that are out of water. He said that the action of the Joint Committee in bumping the allotment up helped some of the users in his area. The Joint Committee discussed water usage throughout the project.

ADJOURNMENT. There being no further business, the meeting was adjourned at 7:50 p.m.

Respectfully submitted,

  
Secretary

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

**Owyhee Irrigation District  
Employee Committee  
Wage and Benefit Proposal for 2016**

**Committee Members:**

**Quinten Shenk**

**Mark Legg**

**Rob Bair**

**Scott Lawrence**

The members of the Employee Committee met with the staff of the Owyhee Irrigation District and after some deliberation would like to propose the following wage and benefit for 2016:

- 1% increase in hourly rate for all employees
- 1% incentive increase to be determined by annual evaluation

The employees would also like to request that the HRA amounts remain the same for 2016; individuals receive \$4,250 and families receive \$8,500.

Due to drought conditions this year and the past several years, the employees are sympathetic to the hardships of the farming community. With a reduction in our insurance costs we hope that you, as Directors of the Owyhee Irrigation District, will find the request for a wage increase and continuation of the HRA reimbursement amounts to be reasonable.

The Committee would also like the Directors to review the information provided regarding the 457 Growth Savings Plan. Nineteen (19) employees are interested in participating in this program. We ask that the Board consider allowing these employees to take part, as this would involve minimal administrative costs to the District.

Sincerely,