

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

August 27, 2013

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 August 27, 2013, at 8:00 p.m. Frank Ausman, Chairman, presiding.

The following members of the Joint Committee were present:

Frank Ausman	Jerry Nagaki
Eric White	Rick Smith
Dan Tschida	Chris Landa

Also present were: Jay Chamberlin, Manager of the Hydro Projects; Michael W. Horton, Attorney and Secretary of the Joint Committee; Harvey Manser, OID Assistant Manager; Ron Keester, South Board Manager; Bruce Corn, OID Alternate; J.L. Eldred, OID Watermaster; Ray Waldo, Insurance Agent; Steve Iida, Andy Peutz, and Randy Kameshige, Owyhee Ditch Company Board Members; and Monty Culbertson, Owyhee Ditch Company Manager.

MEETING NOTICE. Mr. Chamberlin said that the meeting notice was sent out on August 19, 2013, to the media as to the time, date, and place of the meeting.

HYDRO INSURANCE. Mr. Waldo gave a presentation on property and casualty insurance for the Hydros. He explained that public entity insurance rates are up across the board but for the Owyhee Project the premium went down. He said the premium for all three Owyhee Projects is \$134,068.01. He said that his commission is included in that figure and is \$30,000 which is the same amount which he charged the last number of years. Mr. Waldo explained that the charges are allocated amongst the three Hydro Projects. He then went on to explain the insurance coverage. A motion was made by Mr. Nagaki, seconded by Mr. Smith, and unanimously carried that the Joint Committee renew the hydro insurance as outlined in Mr. Waldo's presentation.

At 8:13 p.m., Ray Waldo left the meeting.

MINUTES. The minutes of the meeting of the Joint Committee held on July 23, 2013, were mailed to the Committee members prior to this meeting. Mr. Tschida noted a correction on the minutes that the meeting adjourned at 8:45 p.m., instead of 9:45 p.m. The minutes were corrected. A motion was made by Mr. White, seconded by Mr. Landa, and unanimously carried approving the minutes as corrected.

TUNNEL #1 POWER PROJECT.

Financial Report. Mr. Chamberlin handed out financial reports for the months of June and July for the Tunnel #1 Power Project which were prepared by Nichols Accounting Group. The reports were 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. Tschida, seconded by Mr. White, and unanimously carried approving payment of the following accounts payable:

AT&T	\$123.20
Dept. Consumer & Business	224.00
Owyhee Irrigation	142.50
Oregon-Idaho Utilities	114.46
Nichols Accounting Group	<u>325.00</u>
Total	\$929.16

OWYHEE DAM POWER PROJECT.

Financial Report. Mr. Chamberlin handed out financial reports for the months of June and July for the Owyhee Dam Power Project which were prepared by Nichols Accounting Group. The reports were 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. Tschida, seconded by Mr. Nagaki, and unanimously carried approving payment of the following accounts payable:

Oregon Idaho Utilities	\$171.69
AT&T	159.27
Verizon	125.84
Stunz, Fonda, Kiyuna	989.53
Owyhee Irrigation	142.49
Century Link	45.99
Nichols Accounting Group	<u>325.00</u>
Total	\$1,959.81

WATER FORECAST AND WATER DEMAND. Mr. Chamberlin said that he ran a report comparing 2003 to the current year. He said that in 2003 there was about

31,000 acre feet in storage in the reservoir on this date. He said today there was approximately 52,000 acre feet in storage in the reservoir. He said that in 2003 water was run until September 16. Mr. Corn said that if demand drops off, the Districts may want to shut off before the reservoir level gets down to 8,800 acre feet. Mr. White said that the Joint Committee will be having a meeting before then and can look at the matter then. Mr. Chamberlin said that OID is going to try to cut back the upper end of its system in order to get the lower end water as the season goes on. Mr. Keester noted that the South will probably be out of water by the 15th of September. It was noted that the next meeting of the Joint Committee will be September 17th.

DUNAWAY PUMPING PLANT PUMPING COSTS. Mr. Horton gave an update on talks between representatives from the Joint Committee and representatives from Owyhee Ditch Company. Mr. Chamberlin said that both sides will continue to review water rights and contracts. Mr. Culbertson noted that Old Owyhee Ditch Company will shut off Owyhee River water when the Owyhee Project shuts off. He said that their pump will most likely run until the end of the season.

IDAHO POWER BOARDMAN TO HEMINGWAY TRANSMISSION LINE. Mr. Horton and Mr. Chamberlin gave updates on the B2H Power Line process. They encouraged Joint Committee members to remain vigilant in looking at and commenting on proposed routes once those become public.

RESERVOIR STORAGE. Mr. Chamberlin said that current storage is 52,800 acre feet in the reservoir as of today. Mr. Eldred said that the reservoir is losing 30,000 acre feet per day. Mr. Chamberlin said that OID is having a lot of folks drop off. He said that there are 20 transfers as of today. He said that there are people still getting water clear to the end of the system.

GUARD GATES AT DAM. Mr. Tschida asked if the guard gates should be repaired while the water is low. Mr. Chamberlin explained the situation with the guard gates and said the Bureau of Reclamation has not recommended that these gates be repaired. Mr. Chamberlin noted that the four-inch drain takes all of the leakage from the guard gates. He said that USBR believes that the gates have always leaked and they do not seem to have gotten any worse over the years. Mr. Chamberlin said that in order to fix the guard gates a stop log would have to be put in and he is not sure on that cost. Mr. Corn noted that the proposed penstock coating work was what brought the matter up. Mr. Smith asked about leakage and winter releases which were discussed.


OWYHEE PROJECT ACREAGE. Mr. Tschida asked how many acres are being serviced between the North and South and where such water usage is measured. He then asked what the percentages of loss are within the system. Mr. Chamberlin explained how the North measures water and Mr. Eldred explained measurement at the radial gates where the water exits the tunnel. Mr. Chamberlin said that a figure of 30% for losses is typically used. Mr. Chamberlin said that OID services approximately 53,000 acres from the North Canal and Mr. Keester said the South Canal services around 25,000 acres. Mr.

Keester explained how they measure the water on the South Canal and said that their measurements are within 5% of the measurements taken at the radial gates. He said that water losses seem higher this year and are above 25%.

Mr. Culbertson noted that there is water standing in areas where normally they are just damp. Mr. Chamberlin said that this seems to be the case in a dry year as there seems to be more seepage. Mr. Tschida asked if more piping should be looked at for more water conservation. Mr. Chamberlin said that pivots and drips seem to be really helping this year. He said that Owyhee Irrigation District is putting in pipe each year. Mr. Keester said that South Board has been putting a lot of pipe in also. He said that these projects have been great for the South. Mr. Chamberlin said that with the FDA onion issue, piping the entire system has been discussed. He said that he does not believe those discussing such piping realize the extent of the cost of doing so. The matter was discussed.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 9:20 p.m.

Respectfully submitted,


Secretary

APPROVED: _____

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

August 27, 2013

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on August 27, 2013, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 9:24 p.m. Jerry Nagaki, President of the District, presiding.

The following Directors were present:

Bruce Corn	Dan Tschida
Eric White	Frank Ausman
Jerry Nagaki	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, Attorney; Harvey Manser, Assistant Manager; J.L. Eldred, OID Watermaster; and Monty Culbertson, Owyhee Ditch Company Manager.

MEETING NOTICE. The meeting agenda showed that notice to the news media as to the time, date, and place of the meeting was given on August 19, 2013.

MINUTES. The minutes of the July 23, 2013, meeting of the Board of Directors were mailed to the Directors prior to the meeting. A motion was made by Director White, seconded by Director Corn, and unanimously carried approving the minutes as mailed.

OWYHEE IRRIGATION DISTRICT FINANCIAL REPORT. Mr. Chamberlin handed out a financial report for the District prepared by Nichols Accounting Group for the month of June. The report was reviewed. Pumping cost allocations were discussed. Director White asked if a dozer has been purchased and Mr. Chamberlin said that it was in June. Mr. Chamberlin then handed out a financial report for the month of July which the Directors reviewed. Director Corn noted that the billings which go out to Owyhee Ditch Company for power charges for the Dunaway Pumping Plant will need to include wheeling charges. The purchase of a vehicle for the manager's use was discussed.

OWYHEE IRRIGATION DISTRICT ACCOUNTS PAYABLE. Two lists of the District's accounts payable for the month were included in the Directors' packets. Director White asked about the D&B Supply bill. Mr. Chamberlin said that he will check into it. Mr. Manser explained the Roadrunner Towing bill. A motion was made by Director Corn, seconded by Director White, and unanimously carried approving and ratifying payment of the accounts payable.

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 if the repaired unit has been installed yet. Mr. Chamberlin said that it has not and that they are waiting for the season to end to do the installation.

Accounts Payable. The agenda for the meeting listed the following accounts payable for the Mitchell Butte Power Project:

Owyhee Irrigation	\$188.01
Century Link	126.21
AT&T	71.58
Nichols Accounting Group	<u>110.00</u>
Total	\$495.80

A motion was made by Director White, seconded by Director Ausman, and unanimously carried that the accounts payable for the Mitchell Butte Power Project be paid.

NEWELL PIPELINE PROJECT. Mr. Chamberlin said that he had contractors do a site review and that they will be submitting proposals for the pipe installation. Director Corn questioned whether that part of the line should be installed by the OID crew rather than contracted out given the short water year. Mr. Chamberlin explained the proficiency of the contractors cannot be matched by the crew and he wants the work to get done quickly. He said the District will still have to do the turnouts. Mr. Chamberlin said the OID crew needs to work on laterals so that as much water as possible can get through them given the potential for a short water year. Director Corn said that he is concerned about the budget. The matter was discussed. Directors White and Ausman said that they would like to see the OID crew focus on canal and lateral work. Mr. Chamberlin said that he will look at the dollars, but he wants to put an emphasis on work on the delivery system. Discussion on the matter continued.

DUNAWAY AND DEAD OX TURNOFF DATE. Director Corn said that grasses in the lateral in his area need cleaned out. He said that the lateral in his area could be shut off by October 1st. Director White noted that the matter could be discussed at the next OID Board meeting. A tentative date of Friday, October 4 for shutoff was discussed as was shutting off when the North Canal runs out of water.

SDAO BOARD TRAINING. Mr. Chamberlin said that he, Mr. Manser, and Mr. Tschida will be attending board training in La Grande tomorrow morning.

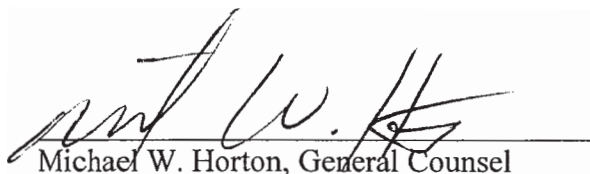
FDA FOOD SAFETY ACT. Mr. Chamberlin said that meetings on the proposed FDA Food Safety Act rules are continuing. He said that the comment gathering stage is in process. He encouraged Board members to make comments. He said that Oregon Water Resources will be having a law seminar on October 23 and 24 in Redmond, Oregon. He said that Director Corn may want to attend.

TOLL ROAD TO OWYHEE RESERVOIR. Mr. Chamberlin updated the Board on the County Court's action towards a possible toll road to the Owyhee Reservoir. The matter was discussed.

BOAT RAMP AT OWYHEE RESERVOIR. Mr. Chamberlin updated the Board on the lower boat ramp at the Owyhee Reservoir. The matter was discussed.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 10:48 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____