

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

December 16, 2008

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on December 16, 2008, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 10:04 a.m., Bruce Corn, President of the District, presiding.

The following Directors were present:

Jerry Nagaki
Bruce Corn
Curtis Sisson

Frank Ausman
Dan Tschida

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, General Counsel; Robert Kemble, CPA; Harvey Manser, Assistant District Manger; and Jerome Peterson, Dick Wagstaff, Mark Hartley, and Dennis Bowns, District Patrons.

MEETING NOTICE. Mr. Chamberlin reported that he gave notice to the news media as to the time, date, and place of the meeting on December 9, 2008.

MINUTES. The minutes of the regular meeting of the Board of Directors held on November 18, 2008, were mailed to the Directors prior to the meeting. A motion was made by Director Nagaki, seconded by Director Tschida, and unanimously carried approving the minutes as mailed.

DISTRICT FINANCIAL REPORT. Robert Kemble passed around a monthly financial report for the District which the Directors reviewed. Mr. Kemble went through the report in detail. The report was discussed by the Directors. A motion was made by Director Sisson, seconded by Director Nagaki, and unanimously carried approving the financial report as presented.

DISTRICT ACCOUNTS PAYABLE. The accounts payable for the District were reviewed by the Directors. A motion was made by Director Tschida, seconded by Director Ausman, and unanimously carried, approving payment of the accounts payable as presented.

OLD ONTARIO DUMP SITE. Mr. Chamberlin gave an update on the canal liner which will be going in at the Old Ontario Dump site. A discussion was had on the matter and after discussion, it was the consensus of the Board that a bill be sent to Mr. Wilson for the labor costs since the District will be incurring costs for the liner itself as Mr. Wilson had agreed to share in those costs.

MITCHELL BUTTE POWER PROJECT.

Generation and Financial Report. Mr. Chamberlin said that the Mitchell Butte generation and financial reports are in the Directors' packets. The Directors reviewed the reports.

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

| | |
|----------------------|--------------|
| Malheur Bell | \$122.16 |
| Bolens Control House | 12.50 |
| Nichols Accounting | <u>75.00</u> |
| Total | \$209.66 |

A motion was made by Director Ausman, seconded by Director Nagaki, and unanimously carried that the accounts payable for the month, as listed in the agenda, be paid. The motion passed unanimously.

2009 BUDGET. Robert Kemble handed out a proposed budget for the District. The proposed budget was reviewed and discussed as Mr. Kemble went through it. Mr. Kemble noted that 30% of the payroll expenses is PERS. A discussion was had on realigning the ditchriders' positions. Working hours during winter months were discussed. The audience members participated in the discussion on realigning ditchrider work. President Corn said that the District staff needs to work further on the budget and the Board needs to make a decision on the District assessment in January.

MEETING RECESS. President Corn declared the meeting in recess at 12:23 p.m.

MEETING RECONVENED. The meeting was reconvened at 3:01 p.m., with all of the Directors present, Jay Chamberlin, Michael W. Horton, Tom Zittercob, and Harvey Manser present.

MITCHELL BUTTE POWER PROJECT. Mr. Zittercob reported that the Mitchell Butte Power Plant has been having hiccups, but that it has not cost the District any money. At 3:05 p.m., Tom Zittercob left the meeting.

LIDAR MEETING. Director Ausman reported on the recent LIDAR meeting. He said that he can see some potential uses for the program. He said that the problem he sees is that the program will have to be updated every once in a while. The matter was discussed.

SEDIMENT POND PROJECT. Mr. Chamberlin said that the last check structure on the project is being poured. He said that the area will not be seeded until next spring. He said that the grant administrator has agreed to that. Mr. Chamberlin said that the project will be completed within the time lines required by the grant.

LARSON PIPELINE PROJECT. Mr. Chamberlin said that the Larson Pipeline Project is done except for a little concrete structure. The project was discussed.

OLD ONTARIO DUMP LINER (CONTINUED). Mr. Chamberlin said that the installation of the liner at the Old Ontario Dump site will be completed if the weather holds.

COW HOLLOW PIPELINE PROJECT. Mr. Chamberlin said that District staff are putting in the last pipeline. He said that the District should get approximately \$7,000 in grant money. He said that there is still some cleanup work to be done.

OWRC CONFERENCE REPORT. Mr. Chamberlin, Mr. Manser, and Mr. Horton reported on the OWRC conference. Mr. Chamberlin said that it was a good conference. Mr. Horton said that Keith Beardsly, the new assistant area manager, maybe touring the District facilities with the Board of Directors this spring.

RAILROAD RIGHT OF WAY PURCHASE. Mr. Chamberlin said that the railroad has accepted the offer of the LLC to buy the abandoned railroad right of way. He said that the District needs to purchase 4.345 acres at a cost of \$2,047.20. He recommends completing the purchase in order to preserve the power line and access. He said that there is also some gravel within the area which the District could use. A motion was made by Director Ausman, seconded by Director Nagaki, and unanimously carried to complete the purchase.

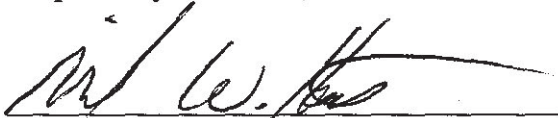
2009 BUDGET (CONTINUED). A discussion on the budget continued. A discussion on completing the ring gate during this budget year was discussed. Newsletter items were discussed.

IDAHO POWER PROPOSED TRANSMISSION LINE CORRIDOR. The proposed Idaho Power transmission line corridor was discussed. After discussion, a motion was made by Director Ausman, seconded by Director Tschida, and unanimously carried authorizing the District to become an entity in standing in the matter and opposing the proposed power line project to the extent that it crosses lands within the District.

DATE OF NEXT BOARD MEETING. A discussion was had on the date of the next Board meeting. After discussion, it was determined that the next meeting will be on January 20.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 3:47 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____