

MINUTES OF MEETING OF JOINT COMMITTEE
OF THE OWYHEE PROJECT

January 18, 2011

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 January 18, 2011, at 10:03 a.m. Frank Ausman, Chairman, presiding.

The following members of the Joint Committee were present:

Bruce Corn	Dennis Turner (who arrived at 10:08 a.m.)
Jerry Nagaki	David Shenk (who arrived at 10:08 a.m.)
Frank Ausman	Brett Nielsen (South Board Alternate, who stepped down at 10:08 a.m.)
Dan Tschida	

Also present were: Jay Chamberlin, Manager of the Hydro Projects; Michael W. Horton, Attorney and Secretary of the Joint Committee; Tom Zittercob, Hydro Operator; Eric White, OID Alternate; Ron Keester, South Board Manager (who arrived at 10:08 a.m.); Harvey Manser; OID Assistant Manager; and Robert Kemble, CPA (who joined the meeting at 10:12 a.m.)

MEETING NOTICE. Mr. Chamberlin said that the meeting notice was sent out on January 12, 2011, to the media as to the time, date, and place of the meeting.

MINUTES. The minutes of the meeting of the Joint Committee held on September 28, 2010, were mailed to the Committee members prior to the meeting. A motion was made by Mr. Tschida, seconded by Mr. Corn, and unanimously carried approving the minutes as mailed.

OWYHEE DAM POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the Owyhee Dam Power Project prepared by Nichols Accounting Group for the period ending December 31, 2010. The report was reviewed by the Committee members. The current snow situation was discussed. Chairman Ausman asked about miscellaneous income listed in the report. Mr. Zittercob reported that this income was through the sale of green credits. At 10:08 a.m., Ron Keester, Dennis Turner, and David Shenk joined the meeting.

OWYHEE DAM ACCOUNTS PAYABLE. The Committee members reviewed the accounts payable. A motion was made by Mr. Corn, seconded by Mr. Nagaki, and unanimously carried approving payment of the following accounts payable:

Oregon-Idaho Utilities	\$322.02
AT&T	32.47
U.S. Cellular	51.21
Special District Association	795.00
Ontario Te Answer	138.00
Nichols Accounting Group	<u>303.00</u>
Total	\$1,641.70

TUNNEL #1 POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the Tunnel #1 Power Project prepared by Nichols Accounting Group for the period ending December 31, 2010. The Committee members reviewed the report. The money received for green credits was discussed. Mr. Zittercob said that the payment is based upon megawatt hours for a year.

At 10:12 a.m., Robert Kemble joined the meeting.

TUNNEL #1 POWER PROJECT ACCOUNTS PAYABLE. The Committee members reviewed the accounts payable. After review, a motion was made by Mr. Shenk, seconded by Mr. Nagaki, and unanimously carried approving payment of the following accounts payable:

Oregon Idaho Utilities	\$224.68
Nichols Accounting Group	<u>383.00</u>
Total	\$607.68

REORGANIZATION. Chairman Ausman stated that this, the first meeting of the year, is the time for the reorganization of the Joint Committee.

Representatives. Dennis Turner said that he and Dave Shenk are the designated representatives to the Joint Committee for South Board with Brett Nielsen as the alternate. Mr. Horton said that the OID Board will make its designations at its meeting later today.

Chairman. Chairman Frank Ausman opened nominations for the office of Chairman. Mr. Tschida nominated Frank Ausman as Chairman. Mr. Turner seconded the nomination. Mr. Corn made a motion that nominations be closed and a unanimous ballot cast for Frank Ausman as Chairman of the Joint Committee. Mr. Nagaki seconded the motion which passed unanimously.

Vice-Chairman. Chairman Ausman opened nominations for the office of Vice-Chairman. Mr. Corn nominated Dennis Turner. The nomination was seconded by Mr. Shenk. A motion was made by Mr. Tschida that nominations be closed and a unanimous ballot cast

for Dennis Turner as Vice-Chairman of the Joint Committee. The motion was seconded by Mr. Nagaki and passed unanimously.

Secretary and Legal Counsel. Mr. Horton stated that he is willing to serve as Secretary of the Joint Committee. Mr. Horton further stated that his law firm would agree to act as attorneys for the Joint Committee for the year 2011. Mr. Horton said that the hourly rate for his and his firm's services would be \$150.00 per hour plus expenses. A motion was made by Mr. Corn and was seconded by Mr. Turner that Michael W. Horton be appointed Secretary and general counsel for the Joint Committee for the year 2011 and that his law firm of Stunz, Fonda, Kiyuna & Horton, LLP be appointed as attorneys for the Joint Committee for the year 2011, at an hourly rate of \$150.00 per hour plus expenses. The motion passed unanimously.

Depositories. A Discussion was held concerning the depositories of the funds of the Joint Committee. It was the consensus of the Joint Committee that Sterling Bank, Nyssa Branch; U.S. Bank, Nyssa Branch; and the Oregon Local Government Investment Pool be the official depositories of the funds of the Joint Committee and that the same may be withdrawn from the said depositories on checks or advices signed by any two of the following: Frank Ausman, Bruce Corn, Jerry Nagaki, Dan Tshida, Dave Shenk, and Dennis Turner members of the Joint Committee; Ron Keester, Interim Manager of the South Board of Control; Jay Chamberlin, Project Manager; and Michael W. Horton, Secretary; provided, however, that funds may be transferred electronically from bank accounts of the Joint Committee to the Local Government Investment Pool, or from the Local Government Investment Pool to bank accounts of the Joint Committee, by direction given by Jay Chamberlin.

RADIO UPGRADES. Mr. Chamberlin said that the FCC is requiring new radios in 2013. He said that this will require a new repeater at the dam. He estimates the cost of a new repeater at the dam of \$20,000 to \$25,000. He said that each District will have to do their own radios. Chairman Ausman said that the state of Oregon is going to put up towers for this purpose, but that it is way behind. A discussion on the matter was had. Mr. Keester said that the Districts will need to coordinate the date of the changeover. Mr. Chamberlin said that OID budgeted for this for this year, but most likely the repeater will not be done until the spring of 2013. Mr. Shenk said that the South Board members will need to take the matter back to their board to see what they wish to do. He said that they may decide to go with their own repeater. The matter was discussed. Mr. Zittercob pointed out that it is important for the dam to have contact with both South Board and OID by radio in the event of an emergency.

HYDRO REPORT. Tom Zittercob reported that the cooling water pump and motor at the Tunnel Power Plant requires a lot of work and is currently in for repairs. He asked for a quote for a new pump that is easier to maintain and he said that the quote came in at \$4,135. He said this would cut down on maintenance costs and would pay for itself in about four years. Mr. Corn noted that there is money in reserves and it looks like it is going to be a good water year. Mr. Zittercob said that with the installation, the cost would be about \$5,000 total. He said that the pump is critical to the facility and that he could keep the old one as a spare.

The matter was discussed. A motion was made by Mr. Nagaki, seconded by Mr. Turner, and carried unanimously authorizing Mr. Zittercob to purchase a new cooling water pump. Mr. Corn noted that the money for the purchase should come out of the tunnel's repair and replacement account.

TOM ZITTERCOB EMPLOYMENT CONTRACT. Mr. Horton noted that Mr. Zittercob's employment contract with Owyhee Irrigation District is up for renewal and that a great deal of the work which he does is for the benefit of the Joint Committee. Mr. Zittercob said that he would like to renew his contract under the same terms as his old contract which would include a three-year contract with 2% pay increases each year. In addition, he said that he would like the vehicle use changed to take out the limitation to the Treasure Valley area. He said that he would also like an additional week of vacation. The matter was discussed. Mr. Zittercob said that right now he gets 20 days of vacation while the ditchriders have 30 days.

WATER STORAGE FORECAST. Mr. Chamberlin handed out reports on stream forecasts. He said that the area is currently experiencing a strong la nina weather pattern which is good for the project. He said that so far, the water year compares to 1984. He said that the project is off to a really good start. He said that there were good flow days in December and that the project is experiencing high flows right now. He said that the snow pack has been even amongst all of the snow sites. He said that the forecasts show that the Owyhee should receive good stream flows through the 2011 irrigation season. He said that there is a possibility that the reservoir could fill this year. Mr. Corn asked if the Committee needs to set up guidelines for releases yet. Mr. Chamberlin said not yet, but that if the reservoir level gets closer to 500,000 acre feet and heavy flows are forecasted, that he will call an emergency meeting. Mr. Chamberlin said that according to the USBR forecast, the reservoir should fill. The handouts on the forecasts were reviewed by the Committee members.

At 11:05 a.m., Kris Ward joined the meeting. Mr. Chamberlin said that he has not yet flown the snow course as the pilot cannot get the plane out of the hanger because of snow.

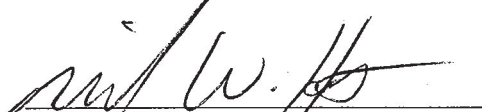
Mr. Chamberlin said that he is contemplating having the local people downstream from the Owyhee Dam meet with regard to the channel capacity. The matter was discussed. Chairman Ausman said that word needs to be gotten out to those downstream property owners. Mr. White suggested that OID put the matter on their agenda for their patron meeting in February. Mr. Chamberlin said that he will put that on the OID agenda.

EXECUTIVE SESSION. Chairman Ausman said that the Board will enter executive session to discuss employee issues. Mr. Horton said that the executive session is authorized pursuant to ORS 192.660(2)(i). At 11:12 a.m., the Committee entered executive session and Mr. Zittercob, Mr. Manser, Robert Kemble, and Kris Ward left the meeting and the

Committee entered executive session. At 11:56 a.m., the Board returned to regular session.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 11:55 p.m.

Respectfully submitted,


Secretary

APPROVED: _____