

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

June 22, 2010

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on June 22, 2010, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 8:03 p.m. Bruce Corn, President of the District, presiding.

The following Directors were present:

Dan Tschida	Jerry Nagaki
Frank Ausman	Eric White (who joined the meeting at 8:06 p.m.)
Bruce Corn	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, General Counsel; Harvey Manser, District Assistant Manger; and Tom Zittercob, Hydro Operator.

MEETING NOTICE. Mr. Chamberlin reported that he gave notice to the news media as to the time, date, and place of the meeting on June 16, 2010.

MINUTES. The minutes of the May 25, 2010, meeting of the Board of Directors were mailed to the Directors prior to the meeting. A motion was made by Director Ausman, seconded by Director Tschida, and unanimously carried approving the minutes as mailed.

District Accounts Payable. The accounts payable for the District were reviewed and discussed by the Directors. Mr. Manser said that some coatings were put on the Malheur siphon and there are some expenses relating to that in the accounts payable. Director Ausman asked about the tire bill. President Corn asked about the Riverside, Inc., bill and if Owyhee Ditch Company will pay the bill. Mr. Chamberlin said that Owyhee Ditch Company has not been asked yet to pay the bill. A discussion was had on having Owyhee Ditch Company pay the bill and pay the District back this winter when Owyhee Ditch Company owes Owyhee Irrigation District money. A motion was made by Director Ausman, seconded by Director Nagaki, and unanimously carried approving payment of the accounts payable as presented.

OWYHEE DITCH PUMP. A motion was made by Director White, seconded by Director Nagaki, and unanimously carried that Owyhee Irrigation District accept Owyhee Ditch Company's loan on the repairs to the Owyhee Ditch pump and that such loan be paid back next winter.

MITCHELL BUTTE POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the Mitchell Butte Power Project prepared by Nichols Accounting Group. The report was reviewed by the Directors.

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

AT&T	\$ 65.30
Granger Engineering	7,410.00
Valley Wide Cooperative	49.04
Northwest Hydroelectric	<u>333.33</u>
Total	\$7,857.67

A motion was made by Director Tschida that all of the listed bills be paid. Director Ausman asked about the Granger Engineering billing. Mr. Zittercob said that the charges were for the butterfly valve repair. Director Ausman seconded the motion to pay the bills, which passed unanimously.

Mitchell Butte Hydro Report. Mr. Zittercob said that one of the units at Mitchell Butte is still broken. He said that the unit is currently out and that it appears a brass nut that moves the wicket gates up and down is stripped out. He said that the unit is worn out and Riverside, Inc., quoted between \$50,000 and \$60,000 to repair the unit. Mr. Zittercob said that there is too much play in the main turbine shaft. He said that the piece of equipment is out in a pickup in the parking lot. The Board of Directors went out to the pickup and viewed the unit. Mr. Zittercob said that if the unit is repaired, it will only have a life expectancy of two to three years. He said that there is a possibility that the power plant could get a different set up and use a different type of turbine and generator for approximately \$400,000. President Corn asked if there would be any grant money available. Mr. Chamberlin said that he could look into it. Mr. Zittercob said that the current units at Mitchell Butte are very inefficient. He said that a new retro-fitted unit could be approximately 30% more efficient. He said that the District may be able to get higher rates for the additional electricity generated.

Getting money for carbon credits was discussed. Mr. Chamberlin said that it is difficult to get the hydro facility certified for green credits. He said that Oregon Fish and Game came out and they will not write a letter in support without the District installing fish screens. Mr. Zittercob said that green credits from the power plants have been sold for this year for all of the facilities for \$10,000 to \$12,000. He said that Idaho Power would like to buy the credits for next year.

President Corn said that the District manager and Mr. Zittercob should go to work to see what type of funding is available for a new power turbine and generator. Mr. Horton suggested talking to the Oregon Department of Energy. Mr. Chamberlin said that the District will also need the help of an engineer. Mr. Zittercob said that the \$50,000 to \$60,000 quoted by Riverside, Inc., includes \$20,000 which has already been incurred in pulling the unit out.

Mr. Chamberlin asked Mr. Horton if an RFP for engineering services would be needed. Mr. Horton said that it probably would and that he would work with Mr. Chamberlin on that. Mr. Chamberlin said that he will seek out more details on Central Oregon's project. A motion was made by Director Ausman, seconded by Director Nagaki, and unanimously carried that the unit at Mitchell Butte Power Plant be repaired.

Mr. Zittercob said that the Dam and Tunnel Power Plants are running well.

OWYHEE DAM POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the Owyhee Dam Power Project prepared by Nichols Accounting Group. The report was reviewed by the Directors. Mr. Zittercob said that it seems like Owyhee Ditch Company is having problems getting water in the upper end of their system.

Owyhee Dam Hydro Accounts Payable. Mr. Chamberlin presented a schedule of accounts payable for the Owyhee Dam Power Project. The Directors reviewed the list. The accounts payable for the project are as follows:

AT&T	\$ 114.91
Oregon-Idaho Utilities	322.62
Stunz, Fonda, Kiyuna & Horton, LLP	430.50
Northwest Hydroelectric	333.34
U.S. Cellular	49.37
Nichols Accounting	<u>303.00</u>
Total	\$1,553.74

A motion was made by Director Nagaki, seconded by Director White, and unanimously carried authorizing payment of the accounts payable for the Owyhee Dam Power Project as presented.

TUNNEL #1 POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the Tunnel #1 Power Project which was prepared by Nichols Accounting Group. The Directors reviewed the financial report. Mr. Chamberlin said that on August 26th, a FERC inspector will be visiting. He said that this occurs every three years.

Accounts Payable. Mr. Chamberlin presented the following schedule of accounts payable for the Tunnel #1 Power Project:

AT&T	\$ 188.56
Oregon-Idaho Utilities	323.64
Northwest Hydroelectric	333.33
Nichols Accounting Group	<u>383.00</u>
Total	\$1,228.53

A motion was made by Director Tschida, seconded by Director Ausman, and unanimously carried that the accounts payable for the Tunnel #1 Power Project be paid as presented.

CASCADE WEED CONTROL CHEMICAL TREATMENT. Mr. Manser said that he is going to begin treating the main canal next week. He said that other districts that have done the treatment so far have seen good success. He said that he would like more growth, but does not want to wait any longer as water demands will be increasing. He said that there will be a lot of documentation which will have to be done for the District's NPDES permit for next year. Mr. Manser said that he will take pictures and provide information on the treatment for next month's meeting.

FLETCHER GULCH PROJECT. Mr. Chamberlin said that the grant for the Fletcher Gulch Project has been submitted to USBR and he has learned that the application has made it to the second level. He said that the application is still being considered by USBR.

OWRC REQUEST FOR SPECIAL ASSESSMENT. Mr. Chamberlin said that the one of the requirements of new Oregon legislation is for a study to be done on peak and ecological river flows. He said that OWRC has a concern that irrigation districts need to hire a reputable scientist to put together a white paper countering other opinions which do not use good science on peak and ecological flows. He said that they have estimated the cost for such a report at approximately \$10,000. He said that OWRC is requesting funds from member districts to cover the expense. Mr. Chamberlin said that the amount has not been budgeted for by the District. Director Ausman asked if there is money in the District's Environmental Defense Fund. Mr. Manser said that there is \$137,000 in the fund. The matter was discussed. After discussion, a motion was made by Director Tschida, seconded by Director Nagaki, and unanimously carried authorizing payment to OWRC of \$1,000 with such funds coming from the District's Environmental Fund.

EXCESS WATER. Director Tschida asked if the Board is going to discuss the possibility of allowing excess water this year. Mr. Chamberlin said that he has not been getting requests for excess water and he recommends waiting later in the season before making a decision.

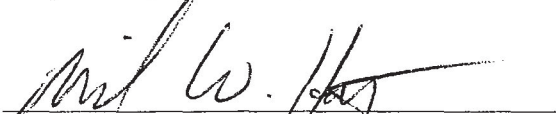
DELINQUENT ACCOUNTS. Mr. Chamberlin passed around a handout on delinquent accounts. The handout was reviewed and discussed.

DITCH BANK WEED CONTROL. Director Ausman asked if any spraying, cutting, or mowing is going on throughout the District. Mr. Manser said that mowing has started. He said that staff will then come back and spray the areas after mowing. He said that the winds made it hard to get started earlier.

WATER TRANSFERS. Mr. Chamberlin said that the fees for transferring water have quadrupled. He said that this will effect those people wanting to turn their water back to the District. He said he will look into this further.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 10:03 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____

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

May 25, 2010

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on May 25, 2010, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 8:55 p.m. Bruce Corn, President of the District, presiding.

The following Directors were present:

Dan Tschida	Jerry Nagaki
Frank Ausman	Eric White
Bruce Corn	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, General Counsel; Harvey Manser, District Assistant Manger; Tom Zittercob, Hydro Operator; and J.L. Eldred, District Watermaster.

MEETING NOTICE. Mr. Chamberlin reported that he gave notice to the news media as to the time, date, and place of the meeting on May 19, 2010.

MINUTES. The minutes of the April 20, 2010, meeting of the Board of Directors were mailed to the Directors prior to the meeting. A motion was made by Director Ausman, seconded by Director Nagaki, and unanimously carried approving the minutes as mailed.

District Accounts Payable. The accounts payable for the District were reviewed and discussed by the Directors. Director Tschida asked about a bill for tires. Mr. Eldred said that it was for the Ontario end tires, which were bought in bulk. A motion was made by Director Nagaki, seconded by Director Ausman, and unanimously carried approving payment of the accounts payable as presented.

MITCHELL BUTTE POWER PROJECT.

Financial Report. The financial report for Mitchell Butte Power Project was in the Directors' packets.

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

AT&T	\$ 71.77
Granger Engineering	7,410.00
Riverside Inc.	1,059.02
Qwest	252.91
Bolen's Control	87.17
Nichols Accounting Group	<u>75.00</u>
Total	\$8,955.87

A motion was made by Director Tschida, seconded by Director White, and unanimously carried that all of the listed bills be paid.

Hydro Report. Mr. Zittercob reported that there had been problems at the Mitchell Butte Power Plant. He said that Granger Engineering was going to install capacitors and then found an old \$4,000 bill, but they are not going to charge for it. Mr. Zittercob said that unit #1 was lost on Sunday morning. He said he is not sure what the problem is, but that it does not look good. He said that the option is to pull the unit, which would shut down the plant for a week. He said that if the unit is not pulled, generation will be lost by not having two units running at the end of the season. He said that if the unit is pulled, he would guess that the bill would be around \$90,000. He said that he also is having problems with the head leveling controllers. Mr. Eldred said that he may have some spare controllers that might work. President Corn noted that the District would lose about \$1.00 per acre on the budget. Mr. Zittercob said that the District may be able to pick up an old, used unit which may be similar for approximately \$20,000 to \$30,000. He said that some parts off of that old unit may be able to work on the District's unit. Mr. Zittercob said that he has been looking at the potential of buying new turbines, which would cost between \$500,000 to \$1,000,000. After the matter was discussed, the Board directed Mr. Zittercob to look at the used unit available for sale and to pull unit #1 in June.

At 9:35 p.m., Mr. Zittercob left the meeting.

RIVERSIDE ELECTRIC BILLINGS. Mr. Chamberlin said that he met with Riverside Electric on their billings. He said that the billings and costs on the hydros were a wash. He said on the Dunaway Pumping Plant on the Old Owyhee pump, that the District had \$12,500 into the impeller that would not work and labor of \$6,600. Mr. Eldred said that the new impellers were approximately \$25,000 and that Riverside wrote off the difference on the second pump. Mr. Eldred said that on the third pump, there is still \$45,000 left in the budget to apply towards its cost. He said that the total cost on the third unit will be \$69,900, which still leaves the District about \$30,000 short. He said that the pump is now like brand new and will run for years and years. He said that the motor will need to have a continued maintenance program. He said that Old Owyhee said that they were willing to advance the District the money for the repairs. Director Ausman suggested letting Old Owyhee pay the bill directly and then Old Owyhee having a credit with the District. President Corn said that he would rather have OID pay the bill and ask for the money from Old Owyhee as a loan towards the end of the season if it is needed.

GOPHER REIMBURSEMENT ACCOUNT. Mr. Eldred said that a lot of gopher tails have come in and that \$18,000 has been paid out of the account. He said that there is about \$5,000 left in the account. He thinks that the program is making a difference.

FLETCHER GULCH PIPELINE PROJECT. Mr. Chamberlin said that the grant came in for Fletcher Gulch. He said that the District now needs to pass a resolution and issue a letter of commitment for the USBR grant. A motion was made by Director Ausman, seconded by Director Nagaki, and unanimously carried adopting the following resolution:

RESOLVED, that Owyhee Irrigation District shall apply for the USBR Water SMART Grant for \$300,000 of financial assistance for the Lower Owyhee River Rehabilitation Project; President Bruce Corn is authorized to enter into any required Grant agreement on behalf of the District; the Board of Directors having reviewed the application submitted, supports the

application; Owyhee Irrigation District has the capability to provide the funding and/or in-kind contributions specified in the funding plan; and Owyhee Irrigation District will work with USBR to meet established deadlines for entering into a cooperative agreement.

A motion was made by Director White, seconded by Director Tschida, and unanimously carried authorizing President Corn to sign a letter on behalf of the Board of Directors supporting the funding of the Fletcher Gulch Pipeline Project.

MALHEUR RIVER TMDL. Mr. Chamberlin said that the TMDL for the Malheur River is out and DEQ is seeking public comment. He asked the Board members to review the TMDL and possibly comment on it.

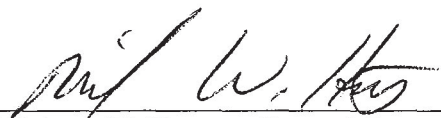
BOARD OF DIRECTOR COMMENTS. Director Tschida asked if Mr. McCreedy should be paid for the work which he has done for the Joint Committee. The matter was discussed. Mr. Chamberlin said that he will talk with the South Board manager about the matter.

MANAGER'S REPORT. Mr. Chamberlin said with the current water situation, there probably will not be any excess water this fall. Mr. Manser said that he checked into an extended warranty on the new backhoe. The proposed warranties and the current financial situation of the District were discussed, including the potential Mitchell Butte power unit costs and the costs for the pump for Owyhee Ditch at Dunaway. Mr. Manser passed out the old Cascade chemical product label.

District billings coming out of the new computer system were discussed. Mr. Eldred said that the District is having issues with some of the water users on pumping and encroachments. Mr. Chamberlin said that the Employee Negotiating Committee may be coming to the Board with a proposal shortly.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 10:40 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____

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

April 20, 2010

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on April 20, 2010, at the Twilight Café and Lounge, Nyssa, Oregon, at 9:45 p.m., Bruce Corn, President of the District, presiding.

The following Directors were present:

Dan Tschida	Jerry Nagaki
Frank Ausman	Eric White
Bruce Corn	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, General Counsel; Harvey Manser, District Assistant Manger; and Tom Zittercob, Hydro Operator.

MEETING NOTICE. Mr. Chamberlin reported that he gave notice to the news media as to the time, date, and place of the meeting on April 13, 2010.

MINUTES. The minutes of the March 16, 2010, meeting of the Board of Directors were mailed to the Directors prior to the meeting. President Corn noted that on the top of page 3 in the minutes, it refers to "John Faw" and it should be "Gary Faw". The minutes were corrected. After correction, a motion was made by Director Ausman, seconded by Director White, and unanimously carried approving the minutes as corrected.

District Accounts Payable. The accounts payable for the District were reviewed and discussed by the Directors. A motion was made by Director White, seconded by Director Nagaki, and unanimously carried approving payment of the accounts payable as presented.

MITCHELL BUTTE POWER PROJECT.

Hydro Report. Mr. Zittercob said that both units at the Mitchell Butte Power Plant are up and running. He said that there were problems with various parts when the pumps were started.

Financial Report. The financial report for Mitchell Butte Power Project was in the Directors' packets.

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

AT&T	\$ 38.26
Granger Engineering	4,046.76
Riverside Inc.	13,875.69
Qwest	174.64
Nichols Accounting Group	<u>75.00</u>

Total \$18,210.35

Mr. Zittercob said that the Riverside Inc., bill may need to be adjusted. He said that there is also a Granger Engineering bill for an additional \$7,800. A motion was made by Director Ausman, seconded by Director White, and unanimously carried that all of the listed bills be paid, except for the Riverside Inc., bill until it is straightened out and an additional payment of \$7,800 shall be made to Granger Engineering.

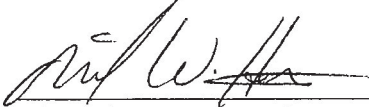
OWYHEE WATERSHED FIELD DAY. Mr. Chamberlin said that the Owyhee Watershed Field Day is coming up next week.

WATER TURN ON. Mr. Chamberlin said that the water turn on process went really well. He said that they are having a few early computer glitches with the computer system, but he anticipates that it will straighten out. Mr. Zittercob said that Tunnel #1 is not on yet as there is not much head. He said that it should be turned on this Thursday. He said that he predicts the Tunnel Plant will shut off by July 4th. Director White said that he would have liked the water to have been turned on a week earlier. The matter was discussed.

MOSS CONTROL CHEMICAL. Mr. Chamberlin said that a label has been put out now for the moss control chemical Endothall. He said that the label has restrictions for livestock. He said that the District will move forward with adding Endothall to its NPDES permit. He said that the District will go through notice procedures when the chemical is applied. Mr. Manser said that they are looking at a June application of the product. He said that one set will be made in the North Canal.

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

Respectfully submitted,



 Michael W. Horton, General Counsel

APPROVED: _____

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

March 16, 2010

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on March 16, 2010, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 10:05 a.m., Jerry Nagaki, Vice-President of the District, presiding.

The following Directors were present:

Dan Tschida Jerry Nagaki
Frank Ausman Eric White
Bruce Corn (who joined the meeting at 10:10 a.m.)

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, General Counsel; Harvey Manser, District Assistant Manger; John Hendricks, District Patron; and Linda Rowe and Gary Faw from SWCD;

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 9, 2010.

MINUTES. The minutes of the February 23, 2010, meeting of the Board of Directors were mailed to the Directors prior to the meeting. A motion was made by Director Ausman, seconded by Director Tschida, and unanimously carried approving the minutes as mailed.

OWYHEE DAM POWER PROJECT.

Financial Report. The January and February 2010 financial reports for the Owyhee Irrigation District were reviewed by the Directors along with a budget to actual comparison. The reports and comparison were discussed. Director Tschida asked if the District investigated the cost of a maintenance agreement on the new backhoe. Mr. Chamberlin said that he will check into that.

At 10:10 a.m., President Corn joined the meeting and took over the chairmanship.

Owyhee Dam Hydro Accounts Payable. The accounts payable for the District were reviewed by the Directors. Director Tschida asked about the McGowan computers billing. Mr. Chamberlin explained that most of the expense was setting up the laptop computers. Mr. Chamberlin said that grant money is covering that expense. President Corn asked about the rental houses and suggested that the District may be able to get grant money for improvements. Mr. Chamberlin said that he will check into that. The District bills were reviewed and discussed. A

motion was made by Director Nagaki, seconded by Director White, and unanimously carried approving payment of the accounts payable as presented.

MITCHELL BUTTE POWER PROJECT.

Financial Report. The financial report for Mitchell Butte Power Project was reviewed by the Directors. President Corn noted that the transfer of funds from the Mitchell Butte account to the District account has not happened yet. Mr. Chamberlin said that he is holding off as they are still having issues with the butterfly valves at the Mitchell Butte Power Plant.

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

AT&T	\$ 44.12
Qwest	128.06
Nichols Accounting Group	<u>75.00</u>
Total	\$247.18

A motion was made by Director Ausman, seconded by Director Nagaki, and unanimously carried approving payment of the accounts payable for the Mitchell Butte Power Project as presented.

JOHN HENDRICKS' ISSUE. Mr. Hendricks said that he has figured out another possible way to get water to his property. He said that he does not want to go after Mr. Baker to force him to open up the line that runs through his property. He said instead, he would like to go down Vista Avenue. He said that he has gotten an easement from the Road District and the line would run along Baker's property. He said that he would like permission to have the District do the trenching if he buys the pipe. The proposal was discussed and Mr. Chamberlin noted that Mr. Hendricks will need to get an easement from Dana Tuckness for a flow meter and box which would be partially on his property. Mr. Hendricks said that he has talked to Mr. Tuckness and he has consented to that. Mr. Hendricks said that he needs water by this fall. Mr. Chamberlin said that a line would still have to be tapped into. After an in-depth discussion, it was determined that the line to be tapped into actually comes out of Mr. Baker's property. The District Board re-affirmed their position that the District would be unwilling to work on the line unless a written easement is obtained from the owners of the private line that would be tapped into. Mr. Chamberlin said that another possibility would be to do a special use permit, which would allow pumping out of the Shoestring. The matter was discussed and the consensus of the Board is that Mr. Hendricks must either have everyone on the private line sign off on him tapping into it, or Mr. Hendricks needs to work with Mr. Chamberlin on the possibility of obtaining a special use permit which would have to be renewed each year.

At 11:15 a.m., Mr. Hendricks left the meeting.

DRAIN TESTING REPORTS. John Faw, with SWCD, handed out reports on water quality in the drains throughout the District. He stated that baseline phosphorous levels are higher than the TMDL set for the Snake River. He said that it would be impossible for the drains to achieve the Snake River TMDL because of the naturally occurring phosphorous in the water. Mr. Faw went through the drain testing reports as the Directors reviewed them. Mr. Faw explained a proposed settlement pond in the Nyssa Arcadia Drainage District area. He said that some of OID's drain water is going into the Nyssa Arcadia drain and they are studying OID's percentage contribution. He said that overall, the trend line is slightly better. He said that Fletcher Gulch has the highest level of suspended solids in the District.

FLETCHER PIPELINE PROJECT. Linda Rowe, with SWCD, explained the status of the Fletcher pipeline project. She said that there are a couple of users who are not willing to install pivots right away. She said she is wanting the District to commit to in-kind services for the Fletcher pipeline project even if BOR funding does not go through. She said that if the funding does come through, then the District would have expenses of \$1,600 for a self-cleaning screen and approximately \$1,600 for automation equipment costs. She said that the cost of pipe has gone up tremendously. She said that they will be looking at funding for the Newell project in October. The cost to the District, if the BOR funding does not come through, was discussed. Linda Rowe said that the District could back up if the funding does not come in.

U.S. BANK BANKING RESOLUTIONS. Mr. Horton said that U.S. Bank has proposed resolutions which need to be passed in order to have the signature cards changed. A motion was made by Director Ausman, seconded by Director Tschida, and unanimously carried adopting the U.S. Bank resolutions, copies of which are attached to these minutes.

At 12:13 p.m., President Corn declared the meeting in recess.

MEETING RECONVENED. At 2:40 p.m., the meeting was reconvened. All of the Board members were present, along with Mr. Chamberlin, Mr. Horton, Mr. Manser, Tom Zittercob, and Andy Peutz, Director of Old Owyhee Ditch Company.

OLD OWYHEE DITCH PUMPS. Mr. Chamberlin said that one of the pumps is now in the hole. He said that there should be two units ready to go with the third one ready to go later. Mr. Peutz said that Old Owyhee would like to get all three pumps in the hole right away and is willing to front some money if necessary. Mr. Manser said that the third pump is still three weeks out. Mr. Chamberlin said that the District has yet to settle up with Riverside.

At 2:45 p.m., Andy Peutz left the meeting.

MITCHELL BUTTE HYDRO REPORT. Tom Zittercob, Hydro Operator, said that a new capacitor bank is here and is ready to be put in at the Mitchell Butte Pumping Plant. He said that there are now issues with the butterfly valves at the plant which burned up the circuit boards. He said that the problem has been found and that it can be fixed, but he is not sure yet what caused the problem. He said that he is not happy with Riverside Electric's latest work at the plant. He

said that they need to step up their quality control as all of their quality people are working on the Arrow Rock project. Director White said something should be said to Riverside's owner. Mr. Zittercob said that everything else at the Mitchell Butte Power Plant should be resolved.

At 2:52 p.m., Tom Zittercob left the meeting.

MANAGER'S REPORT. Mr. Chamberlin said that the District has began hiring temporary employees in order to get the ditches ready for water. He said that it would be nice to get a wind to get the weeds into the ditches so that they can all get burned at once. He said that the liner has been installed at the Old Ontario Landfill. He said that he has been contacted by a Mr. Gillespie who is upset that District dollars are being spent on that project.

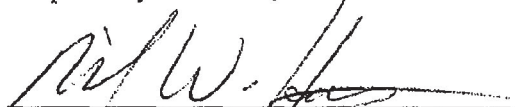
Mr. Manser said that the winter work on the pipelines has been completed. Mr. Chamberlin said that he hopes to have the Hansen pipeline done this fall. Mr. Manser said that District staff will be finishing up with ditching and then burning them out. Mr. Chamberlin said that the District has been having problems with the engine on the CAT. He said that a new engine would cost between \$11,000 and \$12,000. President Corn said that the District may want to look at a brand new stick machine to do the Fletcher and Newell pipeline projects. A discussion was had on rebuilding the CAT or possibly switching booms.

FLETCHER PIPELINE PROJECT (Continued). A discussion was had on entering into an agreement with SWCD on the proposed Fletcher pipeline. Director White asked if there is language in the agreement that the District is to supervise the installation. Mr. Chamberlin said that the District could make sure that the language is in there. The proposed agreement was modified. After modification and a lengthy discussion, a motion was made by Director Ausman, seconded by Director White, and unanimously carried to approve the proposed agreement with SWCD as modified.

DIRECTOR COMMENTS. Director Nagaki said that a District patron suggested to him that Mr. Chamberlin drive through the District on his way home occasionally to check things out. Director White asked if it has been determined as to whether or not renters can get water cards. Mr. Chamberlin said that the computer guy is here looking at that possibility.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 3:17 p.m.

Respectfully submitted,


Michael W. Horton, General Counsel

APPROVED: _____

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

February 23, 2010

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on February 23, 2010, at the Cairo Grange Hall in Ontario, Oregon, at 10:05 a.m., Bruce Corn, President of the District, presiding.

The following Directors were present:

Dan Tschida	Jerry Nagaki
Bruce Corn	Frank Ausman
Eric White	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, General Counsel; Tom Zittercob, Hydro Operator; Cliff Sebasto, District Employee; Terry Case and Rick Uhlman, District Foremen; Harvey Manser, District Assistant Manager; and Mark Carpenter, District Engineer.

MEETING NOTICE. Mr. Chamberlin reported that he gave notice to the news media as to the time, date, and place of the meeting on February 15, 2010.

MINUTES. The minutes of the January 19, 2010, meeting of the Board of Directors were mailed to the Directors prior to the meeting. Director Tschida noted a correction to the minutes with regard to the motion on the annual charge. The minutes were corrected to show that Director Tschida made the motion and Director Ausman seconded it. A motion was made by Director Ausman, seconded by Director Tschida, and unanimously carried to approve the minutes as corrected.

OWYHEE IRRIGATION DISTRICT ACCOUNTS PAYABLE. The accounts payable for the District were reviewed by the Directors. Director Ausman questioned the EC Power bill. Mr. Zittercob said that the bill was for generator maintenance. Director Ausman asked if the District is getting discounts when it purchases filters in bulk and Mr. Case said that they are. A motion was made by Director Ausman, seconded by Director Nagaki, and unanimously carried approving payment of the accounts payable as presented.

MITCHELL BUTTE POWER PROJECT.

Financial Report. The financial report for Mitchell Butte Power Project was reviewed by the Directors. President Corn asked when the District is going to take the dollar per acre out. Mr. Chamberlin said, "Probably right away."

Hydro Operator Report. Mr. Zittercob said that a capacitor bank on Unit #1 failed. He said that parts are coming in. He said that they had to rebuild operators on the worm drive. He does not have all the bills rounded up yet. He said that he would guess the total would be around \$2,500. Director Tschida questioned having two guys from Granger Engineering come and work on the hydros. The matter was discussed.

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

Granger Engineering	\$5,378.34
Nichols Accounting Group	<u>75.00</u>
Total	\$5,453.34

A motion was made by Director White and was seconded by Director Ausman that the accounts payable for the month for the Mitchell Butte Power Plant, as listed in the agenda, be paid. The motion passed unanimously.

TUNNEL #1 POWER PROJECT.

Financial Report. Mr. Chamberlin said that he forgot to pick up the financial report for the project. He said that he will get them to the Directors later.

Accounts Payable. Mr. Chamberlin presented the following schedule of accounts payable for the Tunnel #1 Power Project:

AT&T	\$ 36.33
Oregon-Idaho Utilities	108.56
Granger Engineering	3,818.35
Riverside Inc.	6,530.62
D.J. Crisp	112.50
E.C. Power	370.94
Nichols Accounting Group	<u>383.00</u>
Total	\$11,360.30

Director Nagaki asked if the computer switch over saved money on the phone system and Mr. Zittercob said that it did. A motion was made by Director Ausman, seconded by Director Tschida, and unanimously carried that the accounts payable for the month for Tunnel #1 Power Project, as listed in the agenda, be paid.

OWYHEE DAM POWER PROJECT.

Financial Report. Mr. Chamberlin said that he will provide the Directors with a financial report at a later time.

Owyhee Dam Hydro Accounts Payable. Mr. Chamberlin presented a schedule of accounts payable for the Owyhee Dam Power Project. The Directors reviewed the list and noted that the Idaho Power Solutions entry is a dam expense and not an expense of the Power Project. The list of accounts payable was corrected and the accounts payable for the Owyhee Dam Power Project are as follows:

AT&T	\$ 24.02
Oregon-Idaho Utilities	162.84
Stunz, Fonda, Kiyuna & Horton, LLP	441.00
Ontario Tel-Answer	138.00
South Board of Control	560.00
Bruce Corn	285.00
Jerry Nagaki	312.50
Frank Ausman	268.75
Dan Tschida	125.00
Curt Sisson	230.00
Qwest	42.98
U.S. Cellular	49.24
Granger Engineering	3,428.31
D.J. Crisp	112.50
E.C. Power	566.73
Frank's Fire Exting.	209.77
Nichols Accounting	<u>303.00</u>
Total	\$7,259.64

A motion was made by Director Nagaki, seconded by Director Ausman, and unanimously carried authorizing payment of the corrected accounts payable for the Owyhee Dam Power Project.

MANAGER'S REPORT. Mr. Chamberlin said that there has been a lot of activity with regard to political interest on a possible pump-back storage facility.

WATER FORECAST. Mr. Chamberlin said that he flew the snow course yesterday. He said that there is not much high snow, but that Mud Flat has a little over 100%. He said that things look to be very wet. He said that the water outlook seems to be sitting on the fence. He feels confident that water users should get four feet, but he does not know about excess water. He said that the basin snow pack has lost a lot of ground as the days go by without storms. He said that it all depends on how the snow flushes out. He said that the District will have to wait and see

how the next eight weeks plays out. He said that the basin is sitting on a better soil/moisture profile than last year. He said that the USBR forecast is for 450,000 to 500,000 acre feet of inflows for the season according to last month's report.

ANNUAL INCURRED CHARGES. Mr. Chamberlin said that the water bills went out and the District is starting to get payments in. He said that this is helping as funds are getting tight. He said that he would like the Board to allow money to be transferred from the Reserve Fund to the Operating Fund, but then back when the assessments come in. He said that the District has received last year's payment from South Board, but that money from Owyhee Ditch has yet to come in. He said that money came in on the Shoestring sediment pond grant. President Corn noted that the Mitchell Butte money transfer could help with the operating reserves.

EQUIPMENT. District equipment and a dozer were discussed. The District Foreman advised the Board about the equipment. Director Ausman suggested that the District rent a new dozer machine to try it out. Mr. Uhlman said that the new John Deere is working great. He thinks the District got a pretty good machine.

STAFFING. Mr. Chamberlin said that Allen Brown has retired and that Rob Reed will be taking over ride 10.

PUMP-BACK STORAGE. Mr. Zittercob said that he attended a hydro meeting last week and gathered a lot of information on pump-back storage. He said that BPA is struggling with how to handle all of the wind power which is coming online and that there is a tremendous push to evaluate pump-back storage and its potential. He said that he learned that Senator Wyden is sponsoring a bill to provide money for power storage. He said that he spoke with Bill Holmes, attorney for Stoel Rives and after speaking with him, he thinks that there is money out there to do the reconnaissance study. He just needs to figure out how to go get it.

President Corn said that the pump-back storage idea may or may not have merit. He said that throughout the process, the Board needs to keep the focus on irrigators. He said that he is worried that the District cannot lock irrigators into a pressure system, which requires pumping versus the gravity system which is currently in place. He said that the gravity system should be maintained and that the District does not want to get itself locked into a high lift system. He said that O&M funds should not be used to lock the District into a pressurized system and that he would like to see the District continue to pursue gravity system improvements. He said that while grant money is available for such improvements, the District should continue to pursue it. He said that he likes the idea of the District getting royalties off of a pump-back storage if the District's current water use could be protected. He said that it is not financially feasible to pipe the North Canal. He said that the District needs to be ahead of the pump-back storage idea and on the forefront.

Director Tschida said that he is uneasy about the costs after viewing the Bend site. He said that he is not against the study of pump-back storage and he supports Mr. Zittercob seeking funding to do the reconnaissance study as long as the money does not come out of the water users'

pockets. The consensus of the Board is to have Mr. Zittercob continue to see what grants and funding are available.

President Corn reminded everyone that the number one priority is to preserve water rights for the patrons. He said that it may not be a bad idea to spend some money on gravity improvements as matches for grants.

Mr. Chamberlin said that the District will need to spend money for staff to travel to attend meetings with regard to possible funding sources for the pump-back storage idea. The Board made it clear to Mr. Chamberlin that staffing costs are different than study costs. Mr. Zittercob was reminded that he is to see just what is available and he said so far he is only been able to find funding that requires the District to match funds. Mr. Horton suggested the possibility of looking to federal legislation for funding the study. Mr. Zittercob said that there might be some private money available and that he will do some checking and get additional information. It was the consensus of the Board that a Joint Committee meeting will be necessary for next month to discuss this further and Mr. Chamberlin said that staff will have more information on possible funding sources next month.

Gary Mason joined the meeting at 11:20 a.m.

FLETCHER/NEWELL PIPELINES. Mr. Chamberlin said that the USBR grant has not been opened yet. The Fletcher/Newell pipeline projects were discussed. Mr. Chamberlin said that the Fletcher project has been engineered and designed and the grant application is ready to go. Mark Carpenter explained the grant and engineering steps. President Corn said that he believes the District needs to take advantage of grants while they are available. A discussion was had on the District appearing to spend money and resources on one area at the expense of other water users. The Board agreed that improvements in these areas will benefit the District as a whole and that the District should pursue these grants while they are still available, especially because of the 303-D listing.

BOR COMPUTER GRANT. Mr. Chamberlin said that the District got approval from BOR on its computer grant application.

HYDRO REPORT. Mr. Zittercob said that the Tunnel Plant will be put back together tomorrow. He said that the Dam Plant is ready to go. He said that there are still bits and pieces to come in on the Mitchell Butte Power Plant.

HENDRICKS' PIPELINE ISSUE. Mr. Chamberlin said that Mr. Hendricks has told him that he thinks that he has a plan to get water to his property. He said that he mentioned that he would like the District to lay pipe between now and the fall. Mr. Case said that there is no way District staff could install pipe before this irrigation season starts. He said that he and Mr. Eldred are going to be meeting with Mr. Hendricks to get more details on what he is thinking. President Corn said that the Board needs a report from him after they meet with Mr. Hendricks.

DIRECTOR COMMENTS. Director White asked if it would be possible for tenants to get a copy of their landlord's water card on land which they rent. Director Tschida asked if there has been any activity on the delinquent accounts. Mr. Chamberlin said that Mr. Horton's letters have generated payments. He said that some water users need to get caught up so that they can get water onto their place and not lose their water right. President Corn asked for an updated list of delinquent accounts for next month's meeting.

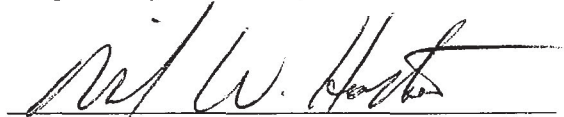
PUMPING PLANTS. Cliff Sebasto said that the impellers for the Dunaway Pumping Plant are here and now need to be installed. He said that Dead Ox Pumping Plant is ready to go.

TOUR OF PROJECT IN BEND, OREGON. Director Nagaki passed around photos of the pipeline project in Bend which some of the Directors visited.

WINTER MAINTENANCE. The District Foreman reported on winter maintenance items which District staff have been and will be working on. Gary Mason said that the lawnmower at the Dam needs to be replaced. President Corn noted that money has been budgeted for the purchase of a lawnmower at the Dam. Mr. Mason said that the ring gate was floated and works and that there is currently 260,000 acre feet of water in storage in the reservoir right now.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 12:06 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____

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

January 19, 2010

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on January 19, 2010, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 10:01 a.m. Bruce Corn, President of the District, presiding.

The following Directors were present:

Dan Tschida	Jerry Nagaki
Bruce Corn	Frank Ausman
Eric White	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, General Counsel; Linda Rowe, SWCD; Adena Green, Owyhee Watershed; Tim Newton and Carl Lee Hill, District Patrons; and Ray Waldo, Insurance Agent of Record.

MEETING NOTICE. Mr. Chamberlin reported that he gave notice to the news media as to the time, date, and place of the meeting on January 14, 2010.

ERIC WHITE OATH OF OFFICE. Mr. Horton administered an oath of office to Eric White as a new Owyhee Irrigation District Board member.

OWYHEE IRRIGATION DISTRICT ACCOUNTS PAYABLE. Mr. Chamberlin handed out a list of accounts payable for the District. The Directors reviewed the accounts payable. The Nichols Accounting bill was discussed. Mr. Chamberlin said that Mr. Nichols will be available later in the meeting to go over his billing. Director Tschida asked if the Board will get a year-end financial report next month and Mr. Chamberlin said that they would. Mr. Chamberlin said that the billing for AllTel Phone Company was doubled up last month and that was the reason why it seemed high. The District bills were discussed. A motion was made by Director Ausman, seconded by Director Nagaki, and unanimously carried approving payment of the accounts payable as presented.

NEWELL/FLETCHER PIPELINE PROJECTS. Adena Green gave the Board a handout on the proposed pipeline projects' timelines. She said that the Newell project is still being engineered. She said that SWCD would write the grants for the Fletcher pipeline. She said that OWEB will only fund the projects if the Irrigation District participates in the projects. She said that she wants a commitment from the District Board to participate in the projects. She said one way for the District to participate is for the Bureau of Reclamation to give the District a challenge grant. She said that she wants a commitment from the District Board to participate in the projects

even if the BOR challenge grant does not come in. She said that if it does come in, that grant can be used as a matching grant with the OWEB project. She said that the grants can be matched against each other. She said that another option would be for the Board to create a special district to collect the installation costs. She said that both grants require completion within two years. She said that on the Fletcher project, they have put in for automation of Locket Gulch as a place to dump water if the system goes down.

Mr. Chamberlin said that the District would have the manpower to do the projects available if there is a blend between private contractors and District staff. Adena Green said that they are trying to be proactive on the Clean Water Act. The timing of the two projects were discussed. Director Ausman asked what the cost would be for the District even if the BOR grant goes through. Adena Green said that the District would need to provide headgates. She said that there are eight water users on the Fletcher project farming approximately 1,000 acres who would be benefitted. Director Ausman said that he has a hard time having everyone in the District pay for a project which would just benefit a couple of farmers. Adena Green said that the projects benefit more than a couple of people by cleaning up the water. Mr. Chamberlin said that the projects would benefit the District as a whole by having more users go to sprinklers and drip. President Corn asked if there would be a loss of return flow. Mr. Chamberlin said that he believes there would be a zero negative effect.

President Corn said that he would be willing to support the BOR grant application, but that he is not ready to support the project if that grant does not come through. Carl Lee Hill said that Owyhee Watershed has looked at the watershed as a contributor to the water quality and never looked at individual landowners or landowner numbers. Adena Green said that we need to address the 303 listed waters. Mr. Chamberlin said that Vale has been successful getting BOR grants. He said that he thinks that there is a really good likelihood that the District would get the BOR grant. Adena Green said that they would apply for funding for both the Fletcher and Newell projects as one project with the BOR. She said that the grant would be for \$300,000. The two-year completion requirements were discussed. President Corn said that the Fletcher project would cost water users \$1.34 per acre for one year if the Board decided to support the project and the BOR grant did not come through.

At 10:46 a.m., Adena Green, Linda Rowe, Carl Lee Hill, and Tim Newton left the meeting.

INSURANCE REVIEW. Ray Waldo handed out information on the insurance policy for the District. He said that he started the renewal process back in October. He said that Special Districts' insurance renews on January 1. He said that the District's insurance is already renewed. He then went through the renewed policy. He said that the District has five million dollars worth of coverage. He said that there was a 1.08% increase in the premium. The renewal premium was \$73,396. Mr. Waldo said that it is important for the Board members to attend training to get discounts on the insurance. President Corn said that the District Board would like an early heads-up on the anticipated cost of health insurance for the District. Mr. Chamberlin said that Mr.

Waldo and Field-Waldo Insurance has done a good job of being proactive for the District.

At 11:00 a.m., Ray Waldo left the meeting.

CASCADE CHEMICAL PRODUCT. Mr. Chamberlin said that the company producing the Cascade weed control product has gotten an EPA label. He said that the District still has one skid of Magnacide left. He said that his recommendation is not to sign Baker-Hughes' proposed contract for future purchases of Magnacide and move forward with using the Cascade product. He said that he is not sure on the total savings to the District. He said that the District will continue to use Xylene. He said that the District will still need an NPDES permit for the Xylene, but not for the Cascade product. He said that the District will leave its NPDES permit in place for this next year.

At 11:09 a.m., J.L. Eldred, District Watermaster, and Steve Smith, Riverside Electric, joined the meeting.

Mr. Chamberlin said that the District may see some issues with the application of the Cascade product. He said because the product is treated later, there may be some weed growth early on. He said that the District will most likely use the skid of Magnacide on the lower end. If the product is not used, it could be sold back to Baker-Hughes at the end of the season. Director Ausman asked if money that is saved by using the Cascade product could be used to spray the ditch banks.

DEAD OX PUMPING PLANT. Mr. Eldred said that he has brought Steve Smith to the meeting to explain variable drives for the pumps at the Dead Ox Plant. He said that rather than going ahead and purchasing new panels, the Board may want to consider these new variable drives which would require different types of panels. He explained that new technology for variable drives have made them now available for pumps of the size which are used in the pumping plants. He said that there may be some grant money available. He said that switching to variable drive pumps would lead to water conservation, energy savings, and maintenance savings. He said that variable drives would require bigger electrical panels which would require a new room to be built for the panels. Mr. Smith gave an estimate for the variable drives which do not include building a new room for the panels. The estimate is \$470,353.45. Mr. Eldred said that he thought the Board would like to have this information before moving forward with spending \$50,000 on new panels which would not work if the District were to move toward variable drives. The life expectancy of variable drives were discussed. Mr. Eldred said that he will continue to look for possible grants.

OLD OWYHEE PUMP. Mr. Smith said that the impellers for the pump are on a boat coming from China and should be here in early February.

At 11:37 a.m., J.L. Eldred and Steve Smith left the meeting.

MINUTES. The minutes of the December 22, 2009, meeting of the Board of Directors 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 December 22, 2009, minutes.

MITCHELL BUTTE POWER PROJECT.

Financial Report. Mr. Chamberlin said that the financial report for the Mitchell Butte Power Project is in the Directors' packets. He said that repair parts have been ordered for the facility.

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

AT&T	\$70.17
Malheur Bell	122.46
Nichols Accounting Group	<u>75.00</u>
Total	\$267.63

A motion was made by Director Tschida and was seconded by Director Ausman that the accounts payable for the month for the Mitchell Butte Power Plant, as listed in the agenda, be paid. The motion passed unanimously.

REORGANIZATION. President Corn stated that this, the first meeting in January 2010, is the time for the reorganization of the Board.

ELECTION OF PRESIDENT. President Corn opened nominations for the election of the President of the District for the ensuing year. Director Ausman nominated Bruce Corn. Director Nagaki seconded the nomination and moved that nominations cease and that a unanimous ballot be cast for the election of Bruce Corn as President of the District for the ensuing year. The motion was seconded by Director Ausman and passed unanimously.

ELECTION OF VICE-PRESIDENT. President Corn opened the nominations for the election of a Vice-President of the District to serve during the ensuing year. Director Tschida nominated Jerry Nagaki. Director Ausman seconded the nomination and moved that nominations cease and that a unanimous ballot be cast for the election of Jerry Nagaki as Vice-President of the District for the ensuing year. The motion was seconded by Director Tschida and passed unanimously.

ELECTION OF SECRETARY. President Corn opened nominations for the election of Secretary of the District for the ensuing year. Director Ausman nominated Dan Tschida. Director Nagaki seconded the nomination and moved that nominations cease and that a unanimous ballot be cast for the election of Dan Tschida as Secretary of the District for the ensuing year. The motion was seconded by Director Ausman and passed unanimously.

JOINT COMMITTEE REPRESENTATIVES. President Corn said that the representatives from OID to the Joint Committee need to be determined. A discussion was had. After discussion, a motion was made by Director White, seconded by Director Ausman, and unanimously carried designating Bruce Corn, Frank Ausman, Dan Tschida, and Jerry Nagaki as representatives to the Joint Committee of the Owyhee Project with Eric White as the alternate.

APPOINTMENT OF LEGAL COUNSEL. Mr. Horton gave a presentation on his fees for the District during the prior year and his proposal for the upcoming year. A motion was made by Director Nagaki, seconded by Director Tschida, and unanimously carried appointing the law firm of Stunz, Fonda, Kiyuna, & Horton, LLP, as attorneys for the District for the year 2010 and authorizing that a monthly retainer be paid in the amount of \$1,300 which shall be for up to 12 hours of work with any additional hours in such month to be billed at \$126 per hour with travel time to be billed at half the hourly rate and that out-of-pocket expenses be paid by the District in addition to the retainer amount.

DEPOSITORIES. Discussion was held concerning the depositories of the funds of the Owyhee Irrigation District. Mr. Chamberlin recommended that the District continue with the present depositories. A motion was made by Director Tschida, seconded by Director Ausman, and carried unanimously that Sterling Savings Bank, Nyssa Branch; U.S. Bank, Nyssa Branch; and the Local Government Investment Pool as administered by the State Treasurer of Oregon, be designated as the official depositories of the funds of the District, 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 Tschida, and Eric White, Directors of the District; Jay Chamberlin, Project Manager; and Michael W. Horton, Attorney; provided, however, that funds may be transferred electronically from bank accounts of the District to the Local Government Investment Pool, or from the Local Government Investment Pool to bank accounts of the District, by direction given by Jay Chamberlin.

INSURANCE AGENT OF RECORD. President Corn stated that the next item of business is consideration of the District's insurance agent of record. A motion was made by Director White and was seconded by Director Nagaki that Ray Waldo and Field-Waldo Insurance be appointed as the District's insurance agent of record. The motion passed unanimously.

ANNUAL EMPLOYEE TRAINING. Mr. Chamberlin said that the annual employee training has been completed and went well.

GRANT FOR COMPUTER SYSTEM. Mr. Chamberlin said that Harvey Manser has applied to BOR for grant money for the laptops and training relating to the new computer system. He said that he has not heard back from BOR yet. If the funds do not come through, the expense has been budgeted for.

GRAND COULEE DAM TOUR. President Corn said that the tour of the Grand Coulee Dam and its pump storage facility was a good tour. He said that a decision on the reconnaissance study will need to be made. He said that he heard that the Boardman coal fired power plant will

the cost at between \$8,000 and \$9,000. The consensus of the Board is that the budget work which was done, gave the Board the ability to make informed decisions and the information available was much better than previous years. Mr. Nichols gave a handout on his firm's billings, along with a handout on power plant cash flows.

REPAIR AND MAINTENANCE WORK AT MITCHELL BUTTE POWER PLANT.

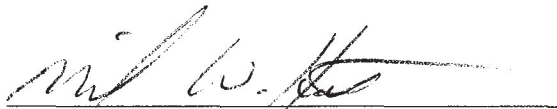
Tom Zittercob said that bits and pieces to put the power plant back together have been rounded up. He said that the butterfly valve still needs to be put into one unit.

ANNUAL PATRON MEETING. The Board discussed having an annual patron meeting in February. After discussion, the meeting was set for on 10:00 a.m., on February 23, at the Cairo Grange Hall.

ANNUAL INCURRED CHARGES. A motion was made by Director Ausman, seconded by Director Tschida, and unanimously carried setting the basic annual incurred charge at \$48.48 per acre with a special assessment of \$0.35 per acre for a gopher bounty program, and a special assessment of \$0.67 for the second one half of the ring gate renovation; with the annual incurred charge, including the special assessments, totaling \$49.50 per acre; and that there be a \$62.50 service charge imposed on subdivided and small tract lands consisting of five acres or less within the District, in addition to the total annual incurred charges.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 3:35 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____