

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

August 18, 2009

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on August 18, 2009, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 9:36 p.m. Bruce Corn, President of the District, presiding.

The following Directors were present:

Curt Sisson	Jerry Nagaki
Bruce Corn	Frank Ausman

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, General Counsel; Harvey Manser, Assistant Manager; Tom Zittercob, Hydro Operator; J.L. Eldred, District Watermaster; and Carl Lee Hill and Adena Green, Owyhee Watershed Council.

MEETING NOTICE. Mr. Chamberlin reported that he gave notice to the news media as to the time, date, and place of the meeting on August 12, 2009.

MITCHELL BUTTE HYDRO FACILITY. Mr. Zittercob said that the Mitchell Butte Power Plant is still running. He said that a full-wave rectifier needs to be replaced in order to get one of the units to run. He said that he does not anticipate any major maintenance this off-season. He said that next off-season, one unit will need to be torn down. President Corn said that the District may need to look at alternatives given budget constrains. Mr. Zittercob said that he will look at the numbers and come back to the Board with hard figures on tearing down a unit.

MINUTES. The minutes of the regular meeting of the Board of Directors held on July 21, 2009, were mailed to the Directors prior to the meeting. A motion was made by Director Ausman, seconded by Director Sisson, and unanimously carried approving the minutes as mailed.

OWYHEE WATERSHED COUNCIL. Carl Lee Hill said that he and Adena Green are here to bring the District up to date on actions which the Owyhee Watershed Council has taken. Adena Green said that she is now the coordinator and that grants have been submitted and will be funded. She said one of those is for a project on the Newell Drain which is west of Adrian and drains into the Owyhee River near the river crossing. She said that the Council is looking at lower river restoration. She wants to have the Irrigation District on board on the project. She said that the proposal is to pipe some of the lateral. She explained the proposed project and said that the landowners are positive. She went on to explain other possible projects. She said that Owyhee Watershed Council is looking at DEQ, BOR, and OWEB for grants. Mr. Chamberlin explained that the District cannot provide in kind labor for these projects, but that the District needs to be involved in the actual design and development of the projects with final approval being up to the District.

At 10:14 p.m., Carl Lee Hill and Adena Green left the meeting.

DISTRICT ACCOUNTS PAYABLE. Mr. Chamberlin noted that there are two months of accounts payable which need to be approved. The Directors reviewed the accounts payable and after review, a motion was made by Director Sisson, seconded by Director Ausman, and unanimously carried approving payment of the accounts payable for the months of July and August.

DISTRICT FINANCIAL REPORT. Mr. Chamberlin handed out a monthly financial report for the District prepared by Nichols Accounting Group. The Directors reviewed the report. Mr. Chamberlin noted that there was a break on the Kingman Lateral and pumping plant problems which led to additional overtime for the month. He said that the District did receive the BPA Wheeling payment, but the payment is being held until the appeal time runs. Mr. Chamberlin said that he will get a report on delinquent accounts for next month. He said that he is not sure if the District has been reimbursed by Old Owyhee for the ditch break materials and supplies. Director Ausman said that he would like to see the District implement a policy which says that the District will not help other districts with ditch breaks unless help is specifically requested. Mr. Chamberlin said that is the way he is planning on doing it in the future.

MITCHELL BUTTE POWER PROJECT.

Generation Report. Mr. Chamberlin said that the report for Mitchell Butte is in the Directors' packets. The Directors reviewed and discussed the report.

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

AT&T	\$64.85
Malheur Bell	.35
FERC	9,864.58
Nichols Accounting	<u>75.00</u>

Total \$10,004.78

The accounts payable were reviewed and discussed. A motion was made by Director Ausman, seconded by Director Nagaki, and unanimously carried authorizing payment of the Mitchell Butte Hydro Project accounts payable.

2008 AUDIT REPORT. Director Nagaki made a motion to approve the 2008 audit report prepared by Brian Richins. The motion was seconded by Director Sisson and passed unanimously.

CRIMINAL ACTIVITY AT MALHEUR SIPHON. Mr. Chamberlin said that graffiti had been spray painted onto the Malheur Siphon. He said that the individuals were caught and were sentenced to repainting the area of the siphon which they placed the graffiti on. President Corn asked if there is an issue with digging under the siphon for trucks which is occurring on a current construction project. J.L. Eldred said that District staff have been monitoring the situation and that everything appears in order. He said that they are good people to work with.

DUNAWAY PUMPING PLANT. Mr. Eldred updated the Board on work being done at the pumping plants. He said that metal fatigue has damaged the impellers on two of the pumps and that, in the meantime, Old Owyhee has been getting sufficient water from other sources. He said that one of the pumps is ready and can be put back in, however, Riverside Electric does not think that the pump will work as it sits. Riverside Electric has maintained that they will make things right with the District. Mr. Eldred estimates the cost to get three pumps going at \$150,000. He said the other pumps at the facility are running good. He explained the work being done and that a new hoist has been installed in order to get the pumps in and out. President Corn reiterated the Board's position that when it comes to safety equipment, cost should not be a consideration.

SWCD TOUR. Mr. Chamberlin said that SWCD toured the District's sediment pond. He said that the pond is working quite well. The plan is to clean it this fall and keep track of the yardage which is taken out. He said that there is also water sampling being done above and below the pond.

RAILROAD PROPERTY. Mr. Chamberlin said that the acquisition of the railroad property is moving forward. He said that the District cannot join the LLC, but can acquire the property another route.

KINGMAN LATERAL. Mr. Chamberlin said that there has been a leak on the Kingman Lateral. He explained the leak and the work being done to fix it. He said that this off-season the District will need to go in and put in a new liner of approximately three hundred to four hundred feet. He said that this probably needs to be done over the next few seasons in order to cover all of the vulnerable areas. Mr. Manser said that it would cost approximately \$76,000 to line the entire stretch at once. Mr. Manser said that the repair which was done near the old Ontario Dump will need more liner put in this off-season. He said that the problem will be getting equipment into the area in order to do the work. He said that there is still half of the liner material left over which can be used.

AQUATIC HERBICIDE. Mr. Manser handed out information on the new moss control chemical which the District is looking at possibly using. The information was reviewed and discussed.

SCHIEMER DIRT ISSUE. Mr. Manser showed pictures which show that District dirt was put in an area in order to keep water out of a District ditch.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 10:07 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____