

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

February 25, 2014

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 February 25, 2014, at 1:03 p.m. Jerry Nagaki, Chairman, presiding.

The following members of the Joint Committee were present:

Frank Ausman	Jerry Nagaki
Eric White	Rick Smith
Bruce Corn	Chris Landa

Also present were: Jay Chamberlin, Manager of the Hydro Projects; Harvey Manser, OID Assistant Manager; Michael W. Horton, Attorney; Ron Keester, South Board Manager; Dan Tschida, OID Alternate; J.L. Eldred, OID Watermaster; and Andy Peutz, Old Owyhee Ditch Chairman.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on February 20, 2014.

MINUTES. The minutes of the meeting of the Joint Committee held on January 21, 2014, were mailed to the Committee members prior to the meeting. A motion was made by Mr. Corn, seconded by Mr. White, and unanimously carried approving the minutes as mailed.

TUNNEL #1 POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the month of January for the Tunnel #1 Power Project which was prepared by Nichols Accounting Group. The report was 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. Mr. Corn asked about the Riverside bill. Mr. Chamberlin said that a pump had to be pulled out and worked on. A motion was made by Mr. Landa, seconded by Mr. Nagaki, and unanimously carried approving payment of the following accounts payable:

AT&T	\$105.06
Riverside	7,707.09
Fastenal	27.09
WIN-911	395.00
Oregon Idaho Utilities	216.86

Nichols Accounting Group	<u>325.00</u>
Total	\$8,776.40

OWYHEE DAM POWER PROJECT.

Financial Report. Mr. Chamberlin handed out a financial report for the month of January for the Owyhee Dam Power Project which was prepared by Nichols Accounting Group. The report was reviewed and discussed by the Committee Members.

OWYHEE DAM ACCOUNTS PAYABLE. The Committee members reviewed the accounts payable for the Owyhee Dam Power Project. Mr. Corn asked about the Dam Maintenance bill. Mr. Chamberlin said that it was for coatings on the penstock at the Dam Plant. A motion was made by Mr. White, seconded by Mr. Nagaki, and unanimously carried approving payment of the following accounts payable:

Oregon Idaho Utilities	\$327.01
AT&T	91.44
Ontario Tel Answer	138.00
Stunz, Fonda, Kiyuna	2,121.10
South Board of Control	1,120.00
Bruce Corn	570.00
Frank Ausman	537.50
Jerry Nagaki	562.50
Dan Tschida	625.00
Eric White	530.00
Century Link	144.44
Verizon	207.07
WIN-911	395.00
Dam Maintenance	4,400.00
Nichols Accounting Group	<u>325.00</u>
Total	\$12,094.06

MOU OLD OWYHEE DITCH IMPROVEMENT DISTRICT. Mr. Chamberlin reported on the progress being made with Old Owyhee Ditch Improvement District on a Memorandum of Understanding for water supply and usage from the Dunaway Pumping Plant. Mr. Ausman said that he is happy with the way things are going. Mr. Corn said that it is a healthy process to be going through given the drought.

WATER FORECAST. Mr. Chamberlin said that this year is shaping up to be as lean a year as he can find since the project came in. He said that the storm that came through did benefit the project a little bit. He said that he flew the snow course and was very disappointed. He said the snow at Mud Flat is half gone. He said that the project may have seen peak inflows if there is not more rain or a storm event. Mr. Chamberlin said that he received USBR's March

and April forecasts. He said that the precipitation probabilities for March are above normal. He said that there is a slim chance of making up the snow deficit this late in the year. He then handed out a report on prior year runoffs and reports on storage and stream flows. The Committee Members reviewed the reports. Mr. Chamberlin said that the upper Snake River system has had storms come through which have helped out the Snake River system. He said that the experts still do not know how the Snake River will hold up. Mr. Keester said that he received information from USBR on the Snake River and they are showing that the snow pack for that system is over 100% of normal. Mr. Chamberlin said that the next forecast will be out next week and he expects it will show around 70,000 acre feet of runoff predicted through June for the Owyhee River.

WATER ALLOTMENT AND TURNON DATE. The Committee Members discussed potential allotments and turnon dates for the District. Mr. Corn and Mr. White suggested that the allotment may be just one foot per acre, but it is still too early to try to set an allotment. Mr. Keester said that South Board thinks the turnon date would need to be after April 15. Mr. White said that he thinks that for this meeting the Committee should wait as long as it can before turning the water on. Mr. Ausman said that the Committee needs to wait longer before it even considers a tentative turnon date. Mr. Corn said that after the March Joint Committee meeting, the Committee may be looking at special weekly meetings to keep an eye on the water situation.

Andy Peutz provided information on what Old Owyhee Ditch Company is thinking. He said that he thinks the pumps will turn on right away and that the upper acres will hold off as late as possible. He said that he anticipates the upper acres will start off with between 100 and 110 cfs from the river. He said that Old Owyhee is getting a measuring system on the upper river this year and next year there will be a measuring device at Dunaway.

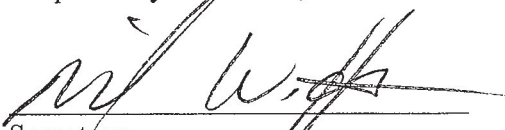
The inability to predict the length of the irrigation season was discussed.

PUMPING PLANTS. Mr. Keester said that he would like to see the pumps come on around April 15. Mr. Corn said that he thinks the decision as to a turnon date for each pump should be within every pumping district's discretion. The matter was discussed and after discussion it was the consensus of the Committee for the pumps to go on when they need to go on in the discretion of each project manager but that the water from the Dam will not be released when the pumps do go on.

DATE AND TIME OF NEXT MEETING. The date and time of the next Joint Committee meeting was discussed and after discussion, it was determined that the meeting will be held at Mr. Horton's office at 1:00 p.m., on March 18.

ADJOURNMENT. Mr. White made a motion to adjourn, which was seconded by Mr. Nagaki and carried unanimously. The meeting was adjourned at 2:00 p.m.

Respectfully submitted,


Secretary

APPROVED: _____

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

February 25, 2014

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on February 25, 2014, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 10:00 a.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; Linda Rowe, SWCD; Lynn Larson, NRCS; Pete Nichols, CPA; Tyler Sweet, CPA; J.L Eldred, District Water Master; and District Employee Group led by Quintin Shenk.

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on February 20, 2014.

MINUTES. The minutes of the January 21, 2014, 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 White, and unanimously carried approving the minutes as amended.

FINANCIAL REPORT. Pete Nichols handed out a 2013 preliminary year-end financial report. He went through the report as the Directors reviewed it. He said that grants still need to be rectified and that the South Board expenses have not been billed out yet. During discussion it was determined that \$95,588.95 of grant money needs to be carried over into 2014. Mr. Nichols said that revenues were below what was budgeted, but that most expenses were under budget so overall the District came within 2% of the budget, which is very good. Mr. Chamberlin said that he would like to see the District use prior year's excess water money received as carryover for the next year rather than factoring the excess water revenue into the current budget. Director Corn said that the same approach could be taken with the Mitchell Butte money transfer.

ACCOUNTING SYSTEM CHANGE. Pete Nichols said that he does not recommend changing from full accrual accounting to modified cash accounting. He gave reasons for opposing the proposed change. He said that he will speak to Bryan Richins, the District's auditor, with regard to the subject.

At 10:20 a.m., Pete Nichols and Tyler Sweet left the meeting.

OWYHEE IRRIGATION DISTRICT ACCOUNTS PAYABLE. Two lists of the District's accounts payable for the month were included in the Directors' packets. The Directors reviewed and discussed the lists. Director Tschida asked about fuel bills and the amount of traveling. Director White noted a payment listed as for a mower and the mower has been paid off. Mr. Chamberlin said that the payment should have been for the CAT and that he will check into it. A motion was made by Director White, seconded by Director Corn, and unanimously carried approving and ratifying payment of the bills as presented.

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. Mr. Chamberlin said that he does not anticipate any extra expenses for the project for this coming year.

Accounts Payable. The agenda for the meeting listed accounts payable for the Mitchell Butte Power Project. The Directors reviewed and discussed the listed accounts payable. A motion was made by Director Corn, seconded by Director Ausman, and unanimously carried approving payment of the following accounts payable:

Century Link	\$130.32
WIN-911	395.00
AT&T	77.76
Nichols Accounting Group	<u>110.00</u>
Total	\$713.08

HYLINE BENCH AREA. Linda Rowe and Lynn Larson gave a presentation on potential improvements in the Hyline Bench area. They passed out a map showing which projects they would like to make a priority in the Hyline Bench area for 2015. Linda Rowe said that the map was done to show landowners and acreages. She said that they are still working on getting pricing for pipe. Chairman Nagaki said that the level of commitment expected for the District for each area listed on the map is needed for the Directors to be able to provide input. Director White said that he would like to see the areas listed on the map prioritized. Mr. Larson explained the grants which are available. Mrs. Rowe said that they would be seeking separate grants for each project. Director Ausman asked if the information can be narrowed down for each section, showing how many laterals are in each section, and what is being proposed in each section. Mr. Larson said they are still gathering information and that they will come back with more information for next month's meeting. Linda Rowe said that water sampling in the area is continuing.

At 10:45 a.m., Linda Rowe and Lynn Larson left the meeting.

EMPLOYEE VACATION BUYOUT. Quintin Shenk representing the Employee Group said that the employees have considered the idea of changing how vacation time is bought out and carried over for this year given the drought conditions. He said that the employees are not in favor of changing the current policy. The matter was discussed by the Board and after discussion, it was the consensus of the Board of Directors to leave the vacation buyback policy as it currently is.

At 10:55 a.m., the Employee Group left the meeting.

ANNUAL WATER MEETING. The upcoming annual water meeting was discussed, along with potential questions which may be raised at the meeting. The Directors provided input to Mr. Chamberlin as to those items to cover during the meeting. Mr. Chamberlin said that he did an analysis on pumping area costs and those costs are much less than the annual incurred charge.

WATER FORECAST. Mr. Chamberlin said that he flew the snow course and has determined that the Rome gauge is down river from where Jordan Creek enters the Owyhee River. He said that overall the snow pack is not good and unless the watershed gets some weather, we have seen the peak inflow into the reservoir.

SPECIAL USE PERMIT FOR PUMPING. Mr. Chamberlin said that he has been receiving inquiries from landowners wanting to get special use permits for pumping out of drains and collection areas. He said that once water enters into a drain, it belongs to the District and is often reused throughout the District. He said that he will continue to study the matter. Director Ausman said that Mr. Chamberlin needs to emphasize to landowners that they are not to put pumps in front of weirs.


TESARO GAS LINE. Mr. Chamberlin said that he received a pack of information regarding a changeover from Chevron to Tesaro on a gas line which crosses the District project. He said that he would like to have Mr. Horton review the documents prior to the Board considering signing them. Mr. Horton said that he will review the documents and present them at the next Board meeting.

CHARLEY BINDER'S PROPERTY. Mr. Chamberlin said that he has not heard anymore on this.

SDAO CONFERENCE. Mr. Horton, Mr. Manser, and Director Tschida reported on their recent attendance at the SDAO Annual Conference. They all said that it was a good conference to attend and encouraged the other Board members to try to attend future conferences. Mr. Manser said that SDAO will be having a regional conference in Ontario later this year.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 12:15 p.m.

Respectfully submitted,


Michael W. Horton, General Counsel

APPROVED: _____