

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

December 20, 2016

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 December 20, 2016, at 1:05 p.m. Eric White, Chairman, presiding.

The following members of the Joint Committee were present:

Brett Nielson	Eric White
Bruce Corn	Jerry Nagaki
Dan Tschida	Ryan Criffield (South Board Alternate)

Also present were: Jay Chamberlin, Manager of the Hydro Projects; John Eells, South Board Manager; Michael W. Horton, Secretary; Harvey Manser, OID Assistant Manager; J. L. Eldred, OID Watermaster; Frank Ausman, OID Alternate; Mark Carpenter, OID Employee; and Larry Meyer, *Argus Observer* Reporter.

MEETING NOTICE. The meeting agenda showed that public notice of the meeting was given on December 14, 2016.

MINUTES. The minutes of the meeting of the Joint Committee held on November 22 2016, were mailed to the Committee members prior to the meeting. A motion was made by Mr. Corn, seconded by Mr. Nielson, and unanimously carried approving the minutes.

TUNNEL #1 POWER PROJECT.

Tunnel #1 Financial Report. Jay Chamberlin handed out a financial report for the Tunnel #1 Power Plant which was reviewed by the Committee members.

Tunnel #1 Power Project Accounts Payable. The Committee members reviewed the accounts payable listed on the agenda for the Tunnel #1 Power Project. A motion was made by Brett Nielson, seconded by Dan Tschida, and unanimously carried approving payment of the following accounts:

Stunz, Fonda, Kiyuna	855.00
Nichols Accounting	<u>325.00</u>
TOTAL	\$1,180.00

OWYHEE DAM POWER PROJECT.

Owyhee Dam Financial Report. Jay Chamberlin handed out a financial report for the Owyhee Dam Power Project which was reviewed by the Committee members.

Owyhee Dam Accounts Payable. The Committee members reviewed the accounts payable listed on the agenda for the Owyhee Dam Power Project. A motion was made by Mr. Nielson, seconded by Mr. Nagaki, and unanimously carried approving payment of the following accounts payable:

Nichols Accounting	<u>325.00</u>
TOTAL	\$325.00

ELEVATOR AT DAM. J.L. Eldred reported on the work which was done on the elevator at the dam. He said the elevator passed inspections and load tests. He explained the load testing process. He said that dam staff will be allowed to do some of the maintenance on the elevator following approved guidelines which the elevator company is putting together. He said they are in the process of getting the permit for the elevator. He said they have been notified that they can go ahead and operate the elevator pending the issuance of the permit. He said the permit will be with the state of Oregon and is good for two years. He said the elevator company will do annual inspections. He said some items will need to be replaced. He said the elevator shaft needs lighted. He said the electrical panels are still in working order. Mr. Chamberlin presented a bill for \$15,750 from the elevator repair company. He said \$10,000 has already been paid to the elevator company and that their total billing was \$25,750. Mr. Chamberlin said their quote was between \$40,000 to \$50,000. He said there will be costs for annual inspections. A motion was made by Mr. Corn, seconded by Mr. Nagaki, and unanimously carried authorizing payment of \$15,750 for the elevator work and service manual preparation billed by Mobility Concepts, Inc. Mr. Tschida suggested getting some spare parts for the elevator while they are still available.

HYDRO REPORT. J.L. Eldred said the hatch is back on at the Dam Plant. He said there is a new battery charger which needs to be installed. He said the charger was purchased a number of years ago, but was never installed. He said the wicket gates could not be inspected because of the water levels, but he said according to Riverside Electric, there are good indicators that the wicket gates are in good shape.

Mr. Eldred said that on the Tunnel Power Plant, a pipe on the 100 horse-power motor on the dewatering pump went bad. He said a new pipe is being put in at a cost of \$13,500. He said there is also a computer communication issue with the power plant which is being looked into. He said that the pipe work and the pump will be in, in January. He said there are some coatings and testing which will need to be done. He said overall the Tunnel Power Plant looks good.

MEETING WITH BOR AT OWRC MEETING. Mr. Chamberlin reported on the meeting he, Mr. Tschida, and Mr. Horton had with BOR staff at the annual OWRC meeting. He said that on the boat ramp BOR staff are still looking at options but the meeting seemed pretty positive. Mr. Chamberlin said that he further requested an updated Owyhee basin study.

B2H POWER LINE. Mr. Chamberlin said that he met with Idaho Power about pole placement near the Kingman Lateral area. He said BOR staff has finally filed written comments on the proposed power line. Mr. Chamberlin said it appears Idaho Power is willing to move the location of the power lines to avoid the slide area in the Kingman Lateral area. He stressed that the proposed placements are still just alternatives.

OWYHEE DAM BUDGET. Mr. Manser handed out a proposed budget for the Owyhee Dam. He said that it includes an increase in PERS of 25%. Mr. Chamberlin said there is still dam compound electrical upgrading which needs done but which is not included in this budget. Historical District issues were discussed. Mr. Eldred said there may be money available from BPA for lighting at the dam. A motion was made by Mr. Nielson, seconded by Mr. Nagaki, and unanimously carried to approve the dam budget.

WATER FORECAST. John Eels said there is over 200,000 acre feet of water in the reservoir. Mr. Chamberlin said that the snotel report from NRCS shows the basin and snow levels at 142% of average. He said overall the basin is off to a good start. He said the long-range forecast is for dryer weather. He said he has heard a lot of praise in the community about how the Joint Committee carried over water in the reservoir.

HELLS CANYON DAM RE-LICENSING. Mr. Horton read an email letter from Al Barker requesting a letter on behalf of the Joint Committee with regard to the re-licensing of the Hells Canyon Dam. The state of Oregon is wanting to require fish reintroduction above the Hells Canyon Dam complexes. The state of Idaho is strongly opposed to Oregon's proposal. A motion was made by Mr. Nielson, seconded by Mr. Corn, and unanimously carried authorizing Mr. Horton to write a letter on behalf of the Joint Committee expressing their opposition to fish reintroduction above the Hells Canyon Dam Complex.

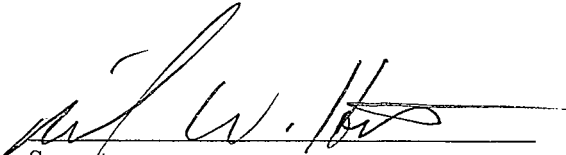
TUNNEL BOND WITH SELP. Mr. Horton updated the Joint Committee on negotiations with the state of Oregon on the Tunnel Bond. He said that he has written an email letter to representative Cliff Bentz requesting some legislative assistance.

NORTHWEST IRRIGATORS OPERATORS' MEETING. Mr. Chamberlin said there will be a Northwest Irrigators Operator's meeting coming up and they will be touring an irrigation district in Yuma, Arizona.

IDAHO WATER USERS ASSOCIATION. Mr. Chamberlin reported that Norm Semanko will no longer be the head of the Idaho Water Users Association.

ADJOURNMENT. There being no further business, the meeting was adjourned at 2:17 p.m.

Respectfully submitted,


Secretary

APPROVED: _____

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

December 20, 2016

The regular monthly meeting of the Board of Directors of the Owyhee Irrigation District was held on December 20, 2016, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa Oregon, at 10:05 a.m. Jerry Nagaki, President of the District, presiding.

The following Directors were present:

Bruce Corn	Frank Ausman
Dan Tschida	Eric White
Jerry Nagaki	

Also present were: Jay Chamberlin, District Manager; Michael W. Horton, Attorney; Harvey Manser, Assistant Manager; Mark Carpenter, District Employee; Greg Clark, MWH Engineering; and Larry Meyer, *Argus Observer Newspaper*.

MEETING NOTICE. The meeting agenda showed that public notice as to the meeting was given on December 14, 2016.

MINUTES. Minutes of the meeting of the Board of Directors held on November 22, 2016, were mailed to the Directors prior to the meeting. A motion was made by Director Tschida, seconded by Director Corn, and unanimously carried approving the minutes.

FINANCIAL REPORT. Mr. Chamberlin handed out Nichols Accounting's financial report for the District. The Directors reviewed the report. Mr. Chamberlin said that the District should be within budget at year end and according to Tyler Sweet at Nichols Accounting, there should be some carryover.

DISTRICT ACCOUNTS PAYABLE. Two lists of the District accounts payable for the month were included in the Directors' packets. The Directors reviewed the lists. Questions on the accounts were asked and answered. Some of the invoices were looked up. A motion was made by Director Ausman, seconded by Director Corn, and unanimously carried authorizing payment of the accounts.

MITCHELL BUTTE POWER PROJECT.

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

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

AT&T	32.36
Verizon	105.36
Riverside	18,967.53
Nichols Accounting Group	<u>110.00</u>
Total	\$19,215.25

HRA INTEGRATION. Mr. Chamberlin said that the District has been notified by PacificSource Insurance that as of January 1, there will be federal law changes which require choices on the District's HRA Plan. One option is to only cover employees, spouses, and dependents who are insured through the District's insurance under the HRA. The other option is to cover all employees, spouses, and dependents whether or not they are on the District's insurance. The matter was discussed and it was determined that all of the District employees are currently on the District's insurance plan. A motion was made by Director White, seconded by Director Ausman, and unanimously carried electing option one to cover under the HRA only District employees, spouses, and dependents who are on the District's PacificSource Health Insurance Plan.

MALHEUR SIPHON. Greg Clark made a PowerPoint presentation on the engineering work on the Malheur Siphon and Lanie Paquin of the Bureau of Reclamation listened in by conference telephone. Mr. Clark presented his finished proposed repair designs and cost estimates. The plan is to use drilled piers and fill in the gully under the siphon. He said the existing concrete will need to be demolished. He said right of ways may be an issue and fill compaction will be very important. Mrs. Paquin said that a USBR engineer will be looking at Mr. Clark's proposal. Mr. Clark estimates the cost at about \$2,000,000. He said he did not factor in Davis-Bacon wages. Mr. Chamberlin said that after the first of the year, the same information will be gone through with the Bureau of Reclamation. Mr. Clark said the work can be done in stages. The matter was discussed at length and in great detail. Director Corn said the work will be weather dependent and the windows of opportunity will be very tight. Director Ausman noted that three years would be better for the District than two years. Director White said that more than three years will probably be necessary.

At 11:23 p.m., J.L. Eldred, District Watermaster, joined the meeting.

Mr. Clark said that he does not have a cost estimate with the District's labor factored in. Mr. Chamberlin explained how District staff could do some of the work. Mr. Clark said filling in the gully should be a little cheaper than nailing in the hill.

The need for an onsite engineer to supervise the work was discussed. Mr. Clark said he did not include that cost in his estimate. Mrs. Paquin said that the Bureau may be able to provide an onsite engineer. It was determined that Mr. Chamberlin and Mr. Clark will meet with the Bureau of Reclamation and Mr. Clark said he will not charge for today's meeting nor for the meeting with the Bureau of Reclamation. He said right now the District is all even on its obligations to his firm.

Funding the cost of the Malheur Siphon repairs was discussed at length. Lanie Paquin explained how 1111 funding through the Bureau of Reclamation would work. She explained the Bureau of Reclamation would pay for the work up front and the District would enter into a repayment contract for the work. She said there are a number of requirements with the program which she will go over with Mr. Chamberlin at the meeting after the first of the year. The conference call with Mrs. Paquin was then ended.

The Directors discussed the pros and cons of having the Bureau assisting with funding the work through the 1111 Program. NEPA and other USBR requirements were discussed.

MEETING RECESS. At 12:06 p.m., the meeting was recessed to reconvene after the Joint Committee meeting this afternoon.

MEETING RECONVENED. At 2:20 p.m., the meeting was reconvened.

PUMPING PLANT BILLS AND MITCHELL BUTTE BILLS. Director Corn asked Mr. Eldred about bills on the pumping plants and Mitchell Butte. Mr. Eldred answered the questions on the bills and said that on the Mitchell Butte Plant, there was one busted wicket gate which was causing vibration.

12.4 LATERAL TWILIGHT PIPELINE PROJECT. Mark Carpenter said that the contractor has finished laying the pipe on the Twilight Pipeline Project. He said there are still pressure reducing valves and turnouts which need to be done, along with the road crossings. He said that most of the landowners are going to be connecting to the pipeline. Director Corn asked if the pipeline will help reduce sediment loads on the river and Mr. Carpenter said that it should help.

VISTA VIEW PIPELINE PROJECT. Mr. Carpenter said that the proposed Vista View Pipeline Project ranked at the top of the list for possible funding with completion by 2019. He explained this is the project proposed along Morgan Avenue. He said the length of the pipeline would be just under two miles. He explained the proposed project and said that the pipe itself will be funded through SWCD. Director White asked about possible funding for installation work through USBR's Water Smart Program. Mr. Chamberlin said that getting such funding now requires a dedicated grant writer. He said the District may want to get the Malheur Siphon work done before committing to cost sharing on the installation of pipelines. Director White said that the District may want to back off on pipelines a little bit during the Malheur Siphon work but not all the way.

2017 PROPOSED BUDGET. Mr. Manser handed out a proposed budget for 2017. The proposal highlighted the changes to last year's budget. The Directors went through the proposed budget in detail. Mr. Chamberlin suggested beginning to budget for part of the Malheur Siphon costs. Chemical costs and chemical permits were discussed, along with the Chemical Lockout, Tagout program. Director Ausman said that at the end of the year, the water in his area was unusable because of moss and weeds. The need for a mower was discussed. The proposed

budget forecast an annual assessment increase of \$5.84 in order to balance. Director Tschida said that the gopher fund should be increased. The costs of the Malheur Siphon were discussed. Mr. Chamberlin said he does not see starting on the Malheur Siphon this fall. The consensus of the Directors is that a \$2.00 per acre assessment be worked into the budget to establish a Malheur Siphon Rehabilitation Project Fund. Mr. Manser was directed to continue work on the budget and look for areas that can be trimmed.

Mark Carpenter left the meeting at 3:55 p.m.

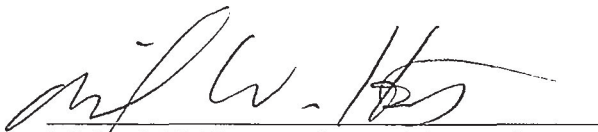
BENTGRASS UPDATE. Mr. Chamberlin gave an update on the Bentgrass Committee and their workings with the Weed Board and Scott's Seed. He said he understands there is going to be an Environmental Group lawsuit relating to the Bentgrass issue.

SDAO CONFERENCE. Mr. Chamberlin said the SDAO Conference is coming up in February, but he is not planning on sending anyone this year.

PUMPING PLANTS. J.L. Eldred gave a report on the pumping plants. He said there is nothing going on at Dunaway Pumping Plant other than just trying to update the heater. He said that on the Dead Ox Pumping Plant preventive maintenance is being done and a pre-lube system is being installed. He said that two pumps have been put in and the peewee pump needs an impeller so the holes for that are being plugged until that pump can be put back in. Mr. Eldred said the vibration testing which has been done has proven itself the last couple of years. He said there are coatings which need done. Mr. Chamberlin said that they are working on possible automation for screen cleaning at the Dead Ox Pumping Plant.

ADJOURNMENT. There being no further business to come before the Board, the meeting was adjourned at 4:15 p.m.

Respectfully submitted,



Michael W. Horton, General Counsel

APPROVED: _____