

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

January 29, 2008

A special meeting of the Board of Directors of the Owyhee Irrigation District was held on January 29, 2008, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 10:10 a.m., Bruce Corn, President of the District, presiding.

The following Directors were present:

Jerry Nagaki
Bruce Corn
Dan Tschida
Curt Sisson, who joined the meeting at 10:47 a.m.
Frank Ausman, who joined the meeting at 10:20 a.m.

Also present were: Peter Nichols and Robert Kemble, CPAs; J.L. Eldred, OID Watermaster; Jay Chamberlin, District Manager; and Michael W. Horton, Secretary and General Counsel.

2008 BUDGET. President Corn said that the purpose of the meeting is to continue working on the 2008 budget. Peter Nichols handed out a revised draft budget and pointed out the changes which have been made from the previous draft budget.

The revised draft budget was reviewed and discussed in detail by the Directors. The following items in the budget were discussed in detail and Peter Nichols was directed to address these items in the next draft budget:

1. Wages and benefits.
2. Ring gate expense reimbursement from other districts.
3. Employee retiring.
4. Health insurance.
5. Chemical expense.
6. Trailer expense.
7. Equipment purchases.
8. Cash transfer from Mitchell Butte Project.
9. Elevator repair expense.
10. Pumping Plant expenses.

Peter Nichols said that the general ledger was out of balance by approximately \$44,000 as per the employee W-2s. He said that he is still investigating the difference.

Peter Nichols noted that the ring gate expenses and all of the dam expenses have been tracked in an expense account and not in the budget. He said that he will make sure these items are in the budget from hereon forward.

RESERVE ACCOUNTS. A discussion was had on the need to keep track of reserve account balances. Director Nagaki said that the \$10,000 which was budgeted for Dead Ox Pumping Plant electrical panels last year needs to be accounted for.

MEETING DATES AND TIMES. Another meeting to discuss the budget was set for February 5 at 1:30 p.m., at Mr. Horton's office. The Board set the next regular District Board meeting for February 12 at 10:00 a.m., at Mr. Horton's office.

At 11:27 a.m., Peter Nichols and Robert Kemble left the meeting.

CANAL AUTOMATION. Canal automation was discussed. Mr. Eldred said that he would like to see some money set aside for future canal automation. Funding for canal automation was discussed. Mr. Chamberlin said that he is planning on providing inspection reports with photos to the Board so that they can make informed decisions.

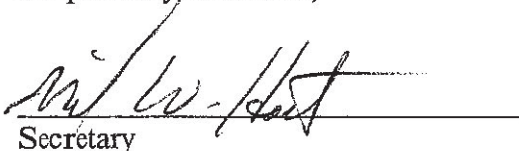
OFFICE REMODEL. Mr. Chamberlin updated the Board on the remodel of the District office. He said that he is not planning on moving the District office out of Nyssa. He said that the office building was built in 1910 and that the District purchased the building from a bank in 1949.

MITCHELL BUTTE POWER PLANT. The Directors discussed possible future repairs to the Mitchell Butte Power Plant. A discussion was also had on how much to leave in reserves for the plant.

CELL PHONES. Director Ausman asked about cell phone usage by District employees. J.L. Eldred advised the Board on how the ditchrider cell phones are used and charged. He said that the cell phones have been well worth it during windstorms and ditch breaks. He said that minute usage is tracked.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 12:00 p.m.

Respectfully submitted,


Secretary

APPROVED: _____