

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

May 12, 2011

A special meeting of the Joint Committee of the Owyhee Project was held at the Twilight Café and Lounge, in Nyssa, Oregon, on May 12, 2011, at 12:05 p.m. Frank Ausman, Chairman, presiding.

The following members of the Joint Committee were present:

Bruce Corn	Dennis Turner
Frank Ausman	Brett Nielsen (South Board Alternate)
Jerry Nagaki	Dan Tschida

Also present were: Jay Chamberlin, Manager of the Hydro Projects; Michael W. Horton, Secretary of the Joint Committee; Eric White, OID Alternate; Ron Keester, South Board Manager; Andy Peutz, Old Owyhee Ditch Improvement District Board Member; Monty Culbertson, Old Owyhee Ditch Improvement District Manager; Harvey Manser, Owyhee Irrigation District Assistant Manager; and Joe Miller, Attorney.

Chairman Ausman opened the meeting for business.

Mr. Chamberlin said that the meeting was called to discuss the FERC filing made by Owyhee Hydro, LLC, and to discuss water releases.

WATER RELEASES. Mr. Chamberlin said that the reservoir storage is currently at 690,000 acre feet. He said that releases are at 6,000 cfs and the NRCS forecast is that there is still 450,000 acre feet of inflows forecasted for the season. He said that USBR's forecast is more conservative with estimated inflows of 350,000 acre feet. Mr. Chamberlin said that the reservoir level should hit 700,000 acre feet the first of next week. He said that after that, he would propose floating the ring gate up. He said there is potential that flash flooding could occur over the weekend and he wants to leave a bit of a cushion in the reservoir if this were to occur.

Mr. Chamberlin said that he does not see the need to fly the snow course again if things do not change. He said that the flows had jumped to 8,000 cfs and they are down to 6,000 cfs now. He said that for the flows to get up to 10,000 cfs, it would take a big storm event. Mr. Chamberlin said that 350 cfs is being spilled at Wild Horse Reservoir which is full now. He said that he does not expect big flows out of there. Mr. Chamberlin said that on Mother's Day, some of the upper snow sites picked up two inches of snow/water equivalent. He said that currently there is 1,350 cfs in the tunnel. He said that the Tunnel Power Plant is making good power. Mr. Chamberlin explained a conversation he had with SELP personnel with regard to the power being made.

Mr. Chamberlin said that he would like to see the reservoir level creep up to 700,000 acre feet with an eye on the storms forecast for Monday through Wednesday. He said that once the 700,000 acre foot level is reached, he would then like to watch the inflows for the next week and raise the ring gate up out of the water and manage the inflows through the jet flows. He said that right now the releases from the Owyhee Reservoir are 4,100 cfs. He said that the Districts could have the reservoir full by now, but with the storms being forecast, the cushion has been kept. Mr. Corn said that the reservoir needs to hit 715,000 acre feet sometime.

Chairman Ausman asked if staff has started to put the road back in to the Owyhee Dam Power Plant. Mr. Chamberlin said that given the continued releases, they have not. A discussion on putting the road back in was had.

DATE AND TIME OF NEXT MEETING. Mr. Chamberlin said that he would like to have the next Joint Committee meeting on the 24<sup>th</sup> of May, at Mr. Horton's office, at 7:30 p.m. The consensus of the Joint Committee is to have the meeting at that date and time.

PUMPBACK STORAGE. Mr. Horton said that the Joint Committee needs to hear from legal counsel with regard to its options in addressing the FERC filing on a pumpback storage system made by Owyhee Hydro, LLC. Mr. Horton said that Joe Miller, attorney, has worked on FERC matters for the Joint Committee in the past and will be making a presentation on the options available. Mr. Horton explained that this will be privileged information and that the Joint Committee should enter executive session pursuant to ORS 192.660(2)(h).

EXECUTIVE SESSION: A motion was made by Mr. Tschida, seconded by Mr. Corn, and unanimously carried that the Joint Committee enter executive session to confer with legal counsel pursuant to ORS 192.660(2)(h).

At 12:21 p.m., the Joint Committee entered executive session.

At 1:10 p.m., the Joint Committee returned to regular session.

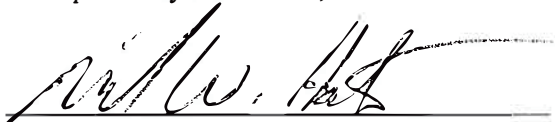
ACTION ON OWYHEE HYDRO, LLC, FERC FILING. Ron Keester advised the Committee that he feels that the action being taken by the Joint Committee and the reasons why should be public. A discussion on issuing a press release on any decision made by the Joint Committee was had.

Mr. Tschida made a motion that the Joint Committee intervene in the Owyhee Hydro, LLC, FERC filing to oppose the filing, that Joe Miller, attorney, and the law firm of Spiegel & McDiarmid, LLP, be retained to provide legal services with regard to the FERC filing, with payment for such legal services to come out of the Hydro funds and that monthly reports be provided by the Washington D.C. law firm. The motion was seconded by Mr. Nielsen. A discussion on the motion was had. After discussion, a vote was had and the motion passed unanimously.

Mr. Miller said that he hopes to have a draft document for the Joint Committee to review by its May 24<sup>th</sup> meeting. Mr. Turner said that he would like to see some more research done on how Owyhee Hydro, LLC, got detailed information on pumpback storage. He wanted to reiterate that he recalls a statement by an employee that if the Joint Committee is not interested in pursuing a pumpback storage system, he would find someone who is.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 1:30 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael W. Horton", written over a horizontal line.

Michael W. Horton,  
Secretary

APPROVED: \_\_\_\_\_