

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

February 5, 2008

A special meeting of the Board of Directors of the Owyhee Irrigation District was held on February 5, 2008, at the offices of Stunz, Fonda, Kiyuna & Horton, LLP, 106 Main Street, Nyssa, Oregon, at 1:35 p.m., Bruce Corn, President of the District, presiding.

The following Directors were present:

Jerry Nagaki
Bruce Corn
Dan Tschida
Curt Sisson
Frank Ausman

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. Peter Nichols presented a revised budget which he and the Directors went through. Mr. Nichols said that he integrated those changes which the Board discussed at last month's meeting into the budget. He said that the assessment necessary to balance the current draft budget would be \$49.95. The Board then entered involved discussions on additional items which may be cut from the budget.

The Board discussed the following items in the budget:

1. Sending out bills to South Board and Owyhee Ditch Company when major projects occur rather than waiting until the end of the year.
2. Staffing.
3. Fee schedule to fund engineer position.
4. Fuel costs.
5. Elevator cost, the use of which is at least 50% attributable to the hydro project.
6. Cell phones.
7. Weed control.

A discussion was had on District reserves. Mr. Nichols noted that last year the District used reserves to supplement the budget by \$6.25 per acre.

At 2:03 p.m., Peter Nichols and Robert Kemble left the meeting.

The discussion on cutting costs continued.

At 3:15 p.m., Mr. Horton left the meeting and Kathy Glenn, Mr. Horton's legal assistant, joined the meeting to continue taking the minutes.

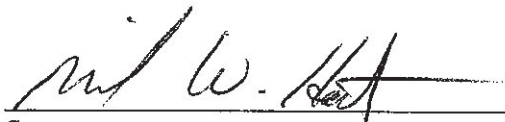
The discussion on cutting costs continued. Mr. Chamberlin was directed to go to the staff and ask where costs can be cut. He was also directed to take a hard look at staffing.

UNION PACIFIC RAILROAD. Mr. Chamberlin said that Union Pacific Railroad is abandoning its line near Dunaway Pumping Plant and a local group has formed an LLC and wants to purchase the abandoned line back from the railroad. He said that the cost to OID to purchase the ground adjacent to Dunaway would be \$1,018.40. A discussion on having Union Pacific clean up the tracks on the Owyhee River before spring flooding occurs was had.

DATE AND TIME OF NEXT MEETING. The consensus of the Board is to have the next Board meeting on Tuesday, February 12, 2008, at 10:00 a.m., at Mr. Horton's office.

ADJOURNMENT. There being no further business to come before the meeting, the same was adjourned at 4:14 p.m.

Respectfully submitted,



Secretary

APPROVED: _____