

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
EAST COLUMBIA BASIN IRRIGATION DISTRICT

December 7, 2016

The regular meeting of the Board of Directors of the East Columbia Basin Irrigation District was called to order at 10:00 a.m. in the Board Room of the District Office in Othello by President Mark Booker.

Present were:

Directors

Mark Booker
Bernie Erickson
Orman Johnson
Don Osborne
Boe Clausen

Staff

Craig Simpson
Richard Lemargie
John McCourtie
Nate Andreini
Jed Crowther
Rosa Dekker
Wendy Lange

President Booker opened the hearing of petition for Inclusions of Lands, the hearing will remain open until the end of the meeting.

Visitors: Toni Turner, Jennifer Hickenbottom and Sarah Maciel, USBR; Kevin Brown and Michelle Downes, WSDOE; Larry Thomas and Derek Wolf, CBHP; Art Prior, Jake Wollman, Jr., Paul Wollman, Michele Kiesz, Kevin Lyle, Brian Kuest, Nick Johnson, Darin Michel, Gavin Johnson, Derek Friehe, Sandy Booker, Brian Alford, Richard Conrad, and Mike LaPlant, Landowners.

Visitors

At 10:00 a.m., President Booker recessed the meeting for a CBHP special meeting. The meeting reconvened at 10:07 a.m.

Manager Simpson reported the CBHP Board had approved extending the Strategy 360 contract through 2017 with a termination clause with 30 days notice. CBHP Assistant Manager Thomas, reported that the contract extension rate was reduced from 2016's rate. Following discussion, Director Osborne moved to concur with extending the Strategy 360 contract through 2017 with a termination clause with 30 days notice. Director Clausen seconded and the motion carried.

CBP Hydropower
Development

Minutes of the regular meeting of November 2, 2016 and the special meeting of November 28, 2016 had been mailed to the Directors. Director Osborne moved to approve the minutes of the regular meeting of November 2, 2016 and the special meeting of November 28, 2016 as written. Director Johnson seconded. Following discussion of corrections addressed by President Booker, and Director Johnson calling for question, the following changes are made; on page 2016-108, "Toni Turner", was added after the word, "questioned", to the second sentence of the third paragraph; on

Minutes
Approved

page 2016-109, "President Booker stated he offered a motion of 10,000 acres but the Board was silent.", was added to end of the first paragraph under the HDR Task Order No. 2 discussion; on page 2016-110, "for OGWRP" was added to the end of the first sentence of the 9th paragraph following; on page 2016-114, last line of the second paragraph, "review" is changed to "reviewed"; on page 2016-115, "President Booker requested Manager Simpson go get the voters list from the front office. Manager Simpson refused and asked for a majority vote of the Board to go get the voters list." was added to the Approve Rules for Conduct of Election discussion, and "Director Osborne joined the meeting" to be added to the end of the discussion. The motion carried and passed unanimously with said changes.

President Booker announced that the Board of Equalization was now in session as required by law to equalize the 2017 assessment roll. Secretary Simpson reported that the notice of this meeting was published according to law and the 2017 assessment roll has been available for public inspection.

Convene Board
of Equalization

Mr. Nick Johnson, landowner, joined the meeting to ask if there was any recourse of candidates misrepresenting and lying on other's behalf. President Booker asked if there was proof that Mr. Johnson could present. Mr. Johnson stated he had copies of letters and emails that were generated stating that Mr. Nick Johnson was campaigning for a Director in the Director Division he lives in. He stated that he was not. Director Johnson commented there is a lot of misinformation that has been given regarding himself. Mr. Nick Johnson stated this behavior is common for federal, state or even local level elections, and it is a shame and disappointing the route some people are choosing for the District's election.

Public Comment
Period

Manager Simpson presented the following contracts a. through f. for approval:

District
Improvements

Contracts

- a. Cancel Interruptible Water Service Contract, Little Jug Ranch, 390-020
 - 1) Interruptible First Phase Continuation Water Service Contract, Little Jug Ranch, 390-055-809-01, 243.3 acres
 - 2) Interruptible First Phase Continuation Water Service Contract, Little Jug Ranch, 390-055-809-02, 33.7 acres
- b. Cancel Interruptible Water Service Contract, WSDNR, 390-028
 - 1) Interruptible First Phase Continuation Water Service Contract, WSDNR, 390-054-809-01, 88.7 acres
 - 2) Interruptible First Phase Continuation Water Service Contract, WSDNR, 390-054-809-02, 106.3 acres
- c. Cancel Interruptible Water Service Contract, WSDNR, 390-050
 - 1) Interruptible First Phase Continuation Water Service Contract, WSDNR, 390-050-809-01, 59.3 acres
 - 2) Interruptible First Phase Continuation Water Service Contract, WSDNR, 390-050-809-02, 0.7 acres
 - 3) Interruptible First Phase Continuation Water Service Contract, WSDNR, 390-050-809-03, 10 acres
- d. Interruptible First Phase Continuation Water Service Contract, Little Jug Ranch, 390-056-809, 137.8 acres

- e. Interruptible First Phase Continuation Water Service Contract, Treat Farms, 390-060-809, 65 acres
- f. Interruptible Water Service Contract Renewal, Randall Fox, ETAL, 047-805-803, 148 acres

Following discussion, Director Clausen moved to approve contracts a. through f. as presented and discussed. Director Johnson seconded and the motion carried.

Assistant Manager Andreini presented the following permits a. through c. for approval:

Permits

- | | | | |
|----|--------------------------|----------------|------------------|
| a. | Charles & Delores Schwab | Piping Lateral | Block 42, FU 275 |
| b. | Cascade Natural Gas | Crossing | Block 45, FU 86 |
| c. | Avista | Power Crossing | Block 46, FU 212 |

Following discussion, Director Johnson moved to approve permits a. through c. as presented. Director Clausen seconded and the motion carried.

Manager Simpson presented the following agreements a. through c. for approval:

Agreements

- a. Consent to Water Delivery Changes, La Verne Truman, ETAL and Russell Rhine, ETAL, Block 42, Farm Unit 158-1
- b. Seasonal Change in Place of Use, Roger Watkins, 290-025
- c. Seasonal Change in Place of Use, Ralph Hirz, 190-030

Following discussion, Director Osborne moved to approve agreements a. through c. as presented. Director Johnson seconded and the motion carried.

Vouchers audited and certified by the Auditing Officer as required by RCW 42.24.080 and those expense reimbursement claims certified as required by RCW 42.24.090 have been recorded on a listing, which has been made available to the Board. After reviewing the vouchers submitted for payment approval, Director Clausen moved to approve for payment check nos. 306797 through 307091 in the amount of \$1,273,825.01 and electronic Payroll and AP transfer in the amount of \$310,842.44 for a total of \$1,154,569.83 from the O&M Fund, \$76,274.74 from the Debt Service 2006 Fund, \$273,643.22 from the Debt Service 2007 Fund and \$80,179.66 from the 2016 Project Fund. Director Osborne seconded and the motion carried.

Vouchers

Manager Simpson reported USBR assent was not received for the following Order for Petition for Inclusion of Lands a. through c.:

- a. WHB Trust, Inclusion No. 220
- b. WHB Trust, Inclusion No. 221
- c. Shirley Yager, Inclusion No. 222

Hearing for
Petition of
Inclusion of
Lands

Manager Simpson reported the WHB Trust, Inclusion No. 220 needs to be received by the January Board meeting or the inclusion process will need to be restarted.

Ms. Michele Kiesz reported she had met with Attorney Lemargie and Attorney Franz regarding questions on the District contract language. She thanked Attorney Lemargie for his time and stated it was a good meeting that cleared up a lot of misunderstandings. Ms. Kiesz reported landowner meetings will resume again after the first of the year.

Landowner
Committee
Report

Assistant Manager Andreini presented HDR Task Order No. 2 for EL47.5 delivery system electrical designs for approval. Manager Simpson stated this is the same task order presented and not approved at the November Board meeting. Director Clausen moved to authorize execution of HDR Task Order No. 2 for EL47.5 delivery system electrical designs as presented. Director Johnson seconded. Director Erickson asked whether it was a complicated design. Manager Simpson stated the design will provide Big Bend Electric the information needed for their design. President Booker stated he had stopped by Big Bend Electric's office and found out the District has not paid or told them how much horsepower will be needed in order to determine the transformer size. Manager Simpson stated the District needs to have an electrical design completed in order to provide Big Bend Electric the information they need. Following further discussion, Director Clausen called for question. The motion carried unanimously.

OGWRP
a.EL47.5 Delivery
System Update
1) HDR Task
Order No. 2

Assistant Manager Andreini reported USBR TSC has provided comments from their first review of the District's sump design. USBR commented the sump design doesn't meet all USBR specifications according to the Hydraulic Institute Standards. USBR may require a scale model be built to test the District's sump design. In order for the sump to meet all of the USBR standards the sump will need to be twice as big and it is already very large. Assistant Manager Andreini stated he is prepared to defend the District's design. He stated a few adjustments will be made regarding the USBR's comments but plans to proceed with the design. Assistant Manager Andreini also stated he is comfortable putting his Professional Engineer stamp on the design. President Booker voiced his concern that if the District doesn't meet every USBR standard and if it fails then the landowners will have to pay. President Booker asked if anyone wanted to make a motion for HDR to design the sump, stating this would get Assistant Manager Andreini and the District off the hook should something go wrong. Director Erickson moved to hire HDR to design the sump. Attorney Lemargie commented the ultimate responsibility is the District's. He stated Assistant Manager Andreini has a Professional Engineer's license with a valuable approach and will have more discussion with the USBR. Manager Simpson commented this is the initial review and the District is still in discussion with USBR. Mr. Paul Wollman, landowner, asked if building the sump to USBR standards would it change it drastically. Assistant Manager Andreini stated yes, the sump would be deeper, the building would be wider with more room for piping. President Booker stated the District needs to go with a deeper sump and wider building, if it can be done cheaper. Director Clausen stated he appreciated the update of new information from Assistant Manager Andreini, asked he continue to work with the USBR to receive their approval and keep the Board updated. Assistant Manager Andreini reported after the first call with USBR he went through and analyzed where the District was not in compliance and addressed those areas. President Booker stated let's get a consulting engineer firm to design the sump so the

USBR will approve it. Mrs. Sandy Booker, landowner, voiced her concern and stated it made her nervous to not be in compliance with the Bureau. She stated the District needed to do something to take the liability away from the USBR and the District. Manager Simpson commented no decisions regarding the design are being made at this time, the District will continue to work with the USBR on this matter. Discussions continued on the designs meeting USBR standards. Attorney Lemargie stated the Board is not being asked to make any decisions today, Assistant Manager Andreini is just reporting on the initial USBR review of the sump design. Director Erickson's motion to hire to design the sump failed to receive a second.

The meeting recessed for lunch at 12:17 p.m. and reconvened at 1:17 p.m.

The Board was provided a copy of the questions and answers of the meeting between Michele Kiesz, Attorney Lemargie and Attorney Franz.

Development Coordinator Crowther presented pictures and reported on the Warden Siphon project. He reported the contractor is on task. b. Development Office Report

Development Coordinator Crowther presented a Rotschy, Inc. invoice in the amount of \$156,724.66 for progress completed per Warden Siphon project contract. Following discussion, Director Johnson moved to authorize payment to Rotschy, Inc. in the amount of \$156,724.66 as presented. Director Osborne seconded and the motion carried.

Development Coordinator Crowther reported he met with members of the Marlin Hutterian Brethren (MHB) at a potential site for a pump station along with a tour of potential pipeline alignments.

Manager Simpson reported 3,200 acres are being held for pending MHB contracts. Staff is operating under the premise the Board wants staff to work the MHB for their delivery system. President Booker stated if it is going to be a long time staff should find another placement for the acres until the 70K become available. Manager Simpson reported the District follows the priority list and MHB is next on the list. Staff is working on a draft MOU with MHB to clarify work moving forward. Manager Simpson reported MHB is hiring a design consultant and are moving forward very quickly. MHB has lost use of wells.

Manager Simpson reported staff had re-advertised for concrete bids and requested ratification of re-advertisement. Following discussion, Director Clausen moved to ratify staffs re-advertisement for concrete bids. Director Erickson seconded and the motion carried. Due to time constraints, Manager Simpson requested authorization for staff to award the concrete bid not to exceed \$180,000.00 and to be ratified by the Board at the January Board meeting. Following discussion, Director Clausen moved to authorize staff to award to the lowest responsive bidder not to exceed \$180,000.00 with the Board ratifying the award at the January Board meeting. Director Johnson seconded and the motion carried. Quotes and Bids

Assistant Manager Andreini presented the following November 2016 pipe bids for approval:

Supplier	Bid
Engineer's Estimate	\$56,007.40
RJB Wholesale	\$48,899.54
HD Fowler	\$49,050.26
Ferguson Waterworks	\$49,902.47
Lad Irrigation	\$50,713.92
Consolidated Supply Company	\$51,108.44
Skone	\$53,374.50

Assistant Manager Andreini reported the RJB Wholesale bid did not provide the required product information requested. Therefore, RJB Wholesale's bid is non-responsive for not meeting the District's bid specifications. Following discussion, Director Clausen moved to declare the bid from RJB Wholesale non-responsive for not meeting the District's bid specifications as stated and to declare the HD Fowler bid in the amount of \$49,050.26, plus sales tax as the lowest responsive bid. Director Osborne seconded and the motion carried.

Assistant Manager McCourtie presented the following skid steer loader quotes for approval:

Supplier	Make/Model	Quote
Budget		\$35,000.00
Bobcat of Pasco	Bobcat S590	\$33,657.95
Western States Equipment	Caterpillar 236D	\$34,050.00
Rowand Machinery Co.	320E John Deere	\$38,878.10

Assistant Manager McCourtie reported the Bobcat of Pasco did not meet the 20 gal/min hydraulic flow requirement. Therefore, Bobcat of Pasco's is non-responsive for not meeting the District's quote specifications. Following discussion, Director Johnson moved to declare the quote from Bobcat of Pasco non-responsive for not meeting the District's quote specifications as stated and to declare the Western States Equipment quote in the amount of \$34,050.00, plus sales tax, as the lowest responsive quote. Director Erickson seconded and the motion carried.

Manager Simpson presented USBR Contract No. 14DM160001, Supplement No. 3, Weber Coulee Siphon 2016 Repair Work for approval and execution. Following discussion, Director Johnson moved to authorize execution of USBR Contract No. 14DM160001, Supplement No. 3, Weber Coulee Siphon 2016 Repair Work as presented. Director Osborne seconded and the motion carried.

Weber Coulee
Siphon 2016
Repair Work

Manager Simpson presented USBR Contract No. 14DM160001, Supplement No. 4, Weber Coulee Siphon 2017 Repair Work for approval and execution. Following discussion, Director Osborne moved to authorize execution of USBR Contract No. 14DM160001, Supplement No. 4, Weber Coulee Siphon 2017 Repair Work as presented. Director Johnson seconded and the motion carried.

Weber Coulee
Siphon 2017
Repair Work

Manager Simpson reported on the NWRA Annual Conference he attended along with Director Osborne, Director Erickson and President Booker.

NWRA Annual
Conference
Report

Manager Simpson reported on the WSWRA Annual Conference. President Booker commented he would take a motion for more District public relations. Manager Simpson stated developing a public relations program will take a concerted effort and staff position. Director Erickson and Director Johnson agreed a District public relations position would be a good idea. Director Clausen requested a job description be developed that can be presented at the next meeting. President Booker commented this position could possibly be used with the other District as well, as a part of common services. Manager Simpson reported this has been discussed between the District managers previously.

WSWRA Annual
Conference
Report

Manager Simpson reported the election is set for Tuesday, December 13th. The Board approved the election rules at the special meeting and set the canvassing meeting for Monday, December 19th. Discussions continued on voting eligibility and the voter's list.

Director Division
5 Election

Ephrata Field Office (EFO) Operations Manager Turner reported the Reserved Works 2016 billing will be corrected for the 2017 billing. Potholes Reservoir is spilling 30-40 cfs into Crab Creek to make storage space for winter runoff.

USBR Report

Safety Supervisor Walraf presented the monthly safety report.

Safety Report

Assistant Manager Andreini reported the engineering staff continues to work on Odessa projects, EL47.5 construction and design, Warden Siphon project, conservation pipeline projects and landowner pipeline projects. He reported he gave presentations at the CBDL Annual Conference and the Lake Roosevelt Forums, he attended the WSWRA Annual Conference and had a Warden High School student as a job shadow.

Engineer Report

Assistant Treasurer Dekker presented the monthly Treasurer's report. She reported one investment was made and there was one maturity during the month. Assistant Treasurer Dekker reported the District has received the proceeds of the bond sale and the merger to the new servers is almost complete. Assistant Treasurer Dekker reminded the Board she is available for any questions and help needed with the new Director email addresses.

Treasurer
Report

Assistant Manager McCourtie gave the monthly O&M report. Assistant Manager McCourtie presented a slideshow of projects around the District.

Assistant
Manager O&M

Assistant Manager McCourtie reported the District had received two quotes for fire damage repair. Homesley Construction quoted \$29,873.96 and JRCC quoted \$37,802.56. Assistant Manager McCourites reported staff awarded the quote to Homesley Construction and requested Board ratification. He reported Homesley Construction has already begun working. Following discussion, Director Clausen moved to ratify awarding Homesley Construction the fire damage repair quote in the amount \$29,873.96 plus sales tax. Director Johnson seconded and the motion carried.

Manager Simpson reported on past and upcoming meetings and conferences he will be attending. He reported the upcoming election has required a lot of District staff time.

Manager Report

Manager Simpson reported the Executive Director of NWRA, Mr. Bob Johnson has retired and Mr. Ian Lyle, from Water Strategies, has been selected as his replacement.

Manager Simpson reported Mr. Bergeson, landowner, received an excess bill in the amount of \$13,240. Mr. Bergeson visited the office in March, paid for his combination and took the combination paperwork with him. Unfortunately due to health reason the paperwork was not returned to the District office. Manager Simpson requested the Board consider his intent because he paid for the combination but due to health issues missed turning in the combination paperwork. He reported if the combination paperwork had been turned in on time his excess bill would have been \$6,362.76. Following discussion, Director Erickson moved to grant Mr. Bergeson a variance to District policy, waive the \$500 variance fee and allow the excess bill of \$6,362.76. Director Johnson seconded and the motion carried.

Manager Simpson reported, to date, it has cost the District \$10,065.00 to defend against the Mighty Columbia, LLC lawsuit.

Director Erickson moved to authorize the Board, Manager Simpson and appropriate staff to attend the Family Farm Alliance Annual Conference, February 23-24, 2017, Monte Carlo Resort & Casino, Las Vegas, NV. Director Johnson seconded and the motion carried.

Authorize Travel

Director Johnson moved to close the Board of Equalization and to adopt Resolution 2016-18, equalizing the assessment roll and setting the 2017 assessments. Director Clausen seconded and the motion carried.

Close Board of
Equalization –
Resolution 2016-
18

President Booker declared an executive session at 3:52 p.m. for approximately 20 minutes to discuss personnel performance. The meeting returned to regular session at 4:10 p.m.

Executive
Session

At 4:10 p.m., there being no further business to come before the Board at that time, President Booker continued the Hearing for Petition for Inclusion of Lands and continued the meeting to Monday, December 19, 2016 at 10:00 in the District's Boardroom.

Meeting
Continued


Secretary


President

MINUTES OF THE CONTINUED MEETING OF THE
BOARD OF DIRECTORS OF THE
EAST COLUMBIA BASIN IRRIGATION DISTRICT

December 19, 2016

The continued meeting of the Board of Directors of the East Columbia Basin Irrigation District was called to order by President Booker at 10:00 a.m. in the Boardroom of the District Office in Othello.

Present were:

Directors

Mark Booker
Bernie Erickson
Orman Johnson
Don Osborne
Boe Clausen

Staff

Craig Simpson
Richard Lemargie
Steve Kimble
Rosa Dekker
Nate Andreini
John McCourtie
Jed Crowther
Wendy Lange

Visitors

Visitors: Art Prior, landowner and Brian Kuest, of Clifton Larson.

President Booker opened the hearing of petition for Inclusions of Lands, the hearing will remain open until the end of the meeting.

Hearing for
Petition of
Inclusion of
Lands

Manager Simpson reported USBR assent was received for the following Order for Petition for Inclusion of Lands a. and not received for b. and c.:

- a. WHB Trust, Inclusion No. 220
- b. WHB Trust, Inclusion No. 221
- c. Shirley Yager, Inclusion No. 222

Manager Simpson reported that no objections, neither written or verbal, had been received and that the assent from the Bureau of Reclamation to the inclusion for WHB Trust, Inclusion No. 220, a condition precedent to the inclusion of lands within the District, had been received. Director Clausen moved to grant the "Order of Petition for Inclusion of Lands" in accordance with the statutory proceedings for inclusion of lands within a District, pursuant to the order of inclusion, acting in accordance with provisions of the repayment contract and the master water service contracts. Director Erickson seconded and the motion carried.

Manager Simpson presented the following permit a. for approval:

District
Improvements

Permits

- a. Agri Beef Fence Encroachment Block 41, FU 79-6

Following discussion, Director Johnson moved to approve permit a. as presented. Director Osborne seconded and the motion carried.

Manger Simpson reviewed the canvassing procedures, stated the qualifications to vote, reported challenged votes were set aside for Board review and reviewed state of qualifications for absentee ballots.

Director Division
5 Election
Canvass

President Booker appointed Director Osborne as the judge, Director Clausen as the inspector, Director Erickson and himself as the clerks. Director Johnson did not participate in the canvassing of the election.

One challenged election ballot from the poll was presented for discussion and qualification:

Review
Challenged
Ballots and
Certify
Qualifications

Election Ballots Challenged	
1	POA not acceptable

Director Osborne concluded the ballot was not valid due to power of attorney not being acceptable to qualify as a voter per Attorney Lemargie's advice.

The following 20 absentee challenged ballots were presented for discussion and qualification:

Absentee Ballots Challenged	
1	No certification of qualification in return envelope
2	Resides and votes in Division 4
3	Resides and votes in Division 4
4	Resides and votes in Division 4
5	Resides and votes in Division 4
6	Votes in Division 3
7	Votes in Division 3

8	Votes in Division 3
9	Votes in Division 3
10	Outside of Franklin County inclusion
11	Outside of Franklin County inclusion
12	No certification of qualification in return envelope
13	Resides and votes in Division 4
14	Resides and votes in Division 4
15	Resides and votes in Division 4
16	Resides and votes in Division 4
17	No certification of qualification in return envelope.
18	Owens lot in town of Hatton only - not included
19	Owens lot in town of Hatton only - not included
20	Owens lot in town of Hatton only - not included

Director Clausen opened ballot (1) to look for the voter qualification, no voter qualification was in the ballot envelope. Director Clausen moved to disqualify absentee ballot (1) for not meeting voting qualifications. Director Osborne seconded and the motion carried with Director Johnson abstaining.

Director Clausen moved to disqualify absentee ballots 2 through 5 and 13 through 14 for not meeting voting qualifications for residency. Director Osborne seconded and the motion carried with Director Johnson abstaining.

Director Erickson moved to disqualify absentee ballots 6 through 8 for not meeting voting qualifications for residency. Director Osborne seconded and the motion carried with Director Johnson abstaining.

Director Osborne moved to disqualify absentee ballots 10 and 11 for not meeting voting qualifications for inclusion in the Director Division. Director Clausen seconded and the motion carried with Director Johnson abstaining.

Director Clausen opened ballot 12 to look for the voter qualification, the voter qualification was in the ballot envelope. The voter qualification determined the voter is included and qualified to vote as an LLC. Director Erickson moved to accept absentee ballot 12 as a qualified voter. Director Clausen seconded and the motion carried with Director Johnson abstaining. The ballot was added to the absentee ballot box.

Director Clausen moved to disqualify absentee ballots 15 and 16 for not meeting voting qualifications as an LLC owning land in Division 5 but residing in Division 4. Director Osborne seconded and the motion carried with Director Johnson abstaining.

Director Clausen opened ballot 17 to look for the voter qualification, the voter qualification was in the ballot envelope. The voter qualification determined the voter is included and qualified to vote. Director Erickson moved to accept absentee ballot 17 as a qualified voter. Director Clausen seconded and the motion carried with Director Johnson abstaining. The ballot was added to the absentee ballot box.

Director Clausen moved to disqualify ballots 18 through 20 for not meeting voting qualifications for inclusion in the Director Division. Director Erickson seconded and the motion carried with Director Johnson abstaining.

In summary, two absentee challenged ballots were accepted and added to the absentee ballot box and 19 ballots were disqualified.

Director Clausen, as inspector, opened and read aloud the absentee ballots. Director Erickson and President Booker, as clerks, tallied the votes.

The canvass of the polled vote of December 13, 2016 showed the following:

Orman Johnson: 24 votes
Paul Booker: 1 vote

The Board recorded the following results of the absentee vote count:

Orman Johnson: 105 votes
Paul Booker 27 votes

The Board and Secretary then declared for entry into the minutes of the continued meeting that the total result of the voting for Director Division 5 for a three year term beginning in January 2017, with all votes being cast in Director Division 5 is:

Orman Johnson: 129 votes
Paul Booker: 28 votes
Total: 157 votes

Director Osborne moved to declare Orman Johnson elected as Director of Division 5. Director Erickson seconded and the motion carried with Director Johnson abstaining. Secretary Simpson presented the Certificate of Election to Orman Johnson, Director for Division 5, for a three year term commencing in January 2017.

Assistant Manager Andreini reported the District only received one quote for the rental of concrete forms. The company refused to sign the contract with the indemnification language. Assistant Manager Andreini reported staff then called for bids for the purchase of concrete forms. Assistant Manager Andreini presented the following concrete form purchase bids for Board consideration:

Quotes and Bids

Supplier	Length	Bid
Sunburst Orchards	4,000 sq/ft	\$29,986.00
Efco	11,500 sq/ft	\$181,988.00
Peri	4,000 sq/ft	\$278,300.63

Following discussion, Director Clausen moved to declare the bid from Sunburst Orchards in the amount of \$29,986.00 plus sales tax, the lowest responsive bid. Director Osborne seconded and the motion carried.

Manager Simpson requested an executive session at the end of the meeting to discuss agenda items 8 and 9.

Manager Simpson reported Mr. Brian Kuest was in attendance to discuss the draft MOU between the District and the EL22.1 delivery system landowners. Mr. Kuest stated he had hoped the MOU would make it to today's agenda. He understands the EL22.1 landowners will need to agree with the District, USBR and WSDOE terms. Attorney Lemargie reported the Board directed he meet with Mr. Kuest and the EL22.1 landowners to discuss on how to move forward together. He stated the District needs to know which landowners will be a part of the EL22.1 delivery system to move forward. Mr. Kuest stated the majority of the landowners have agreed to participate and front funding, he will provide a list to Attorney Lemargie. Manager Simpson stated he would send Mr. Kuest a copy of the mailing list the District used for contacting EL22.1 landowners. Discussions continued on land inclusions, land classifications, the MWSC, bonding, and landowner funding. Other

Manager Simpson reported OCR's budget request of \$15M had made it to the Governor's budget but unfortunately has a carbon tax string attached to it now along with many other infrastructure funding requests.

The meeting recessed for lunch at 12:24 p.m. and reconvened at 1:24 p.m.

President Booker declared an executive session at 1:24 p.m. for approximately 30 minutes to discuss personnel performance. The meeting returned to regular session at 1:54 p.m.

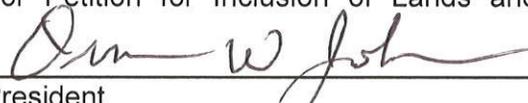
The Board directed Manager Simpson to promote Assistant Treasurer Rosa Dekker to Assistant Secretary/Treasurer/Assistant Manager for Administration/Auditing Officer Trainee at a salary of \$72,800.00 annually effective December 19, 2016. Upon Assistant Secretary/Treasurer/Assistant Manager for Administration/Auditing Officer Kimble's retirement, Assistant Secretary/Treasurer/Assistant Manager for Administration/Auditing Officer Trainee Dekker will assume the position held by Assistant Secretary/Treasurer/Assistant Manager for Administration/Auditing Officer Kimble at a salary of \$85,280.00 annually.

President Booker called an additional executive session to discuss Manager Simpson's performance and draft employment agreement at 1:57 p.m. for approximately 45 minutes. Manager Simpson was requested to leave the room during the executive session. The meeting returned to regular session at 2:43 p.m.

At 2:43 p.m., there being no further business to come before the Board at that time, President Booker continued the Hearing for Petition for Inclusion of Lands and adjourned the meeting.



Secretary



President