

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

April 6, 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

Don Osborne
Boe Clausen
Mark Booker
Bernie Erickson
Orman Johnson

Staff

Craig Simpson
Richard Lemargie
Steve Kimble
John McCourtie
Levi Johnson
Wendy Lange

Visitors: Sarah Maciel, USBR; Mike Schwisow, Consultant; Michele Kiesz, Edward Stahl, Eli Stahl, DeWayne Kagle, Brad Arlt, Kevin Lyle, Paul Wollman and Jake Wollman, Jr., Landowner.

Visitors

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

Minutes of the regular meeting of March 2, 2016 and the continued meeting of March 22, 2016 had been mailed to the Directors. Director Osborne moved to approve the minutes of the regular meeting of March 2, 2016 and the continued meeting of March 22, 2016 as written. Director Clausen seconded. President Booker asked Attorney Lemargie if the minutes should include everything. Attorney Lemargie stated minutes are to record actions taken, they can include discussions and opinions. Manager Simpson commented the minutes are sent out to the Directors ahead of time for comments. President Booker explained reasons behind his discussions and actions. He also stated a discussion on delivering water the SCBID landowners was left out of the minutes. Following lengthy explanations, Attorney Lemargie suggested tabling the discussion and approval of the March minutes. Director Johnson agrees some things need to be changed in the minutes but stated it should have been done before the Board meeting. Following further discussion, Director Erickson moved to table the discussion and approval of the March minutes to the May 4th Board meeting. Director Johnson seconded and the motion carried.

Minutes
Approved

Manager Simpson presented the following contract a. for approval:

District
Improvements

Contracts

- a. Renewal Interruptible Water Service Contract, Leo Gaeta, 049-804-803, 10 acres

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

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

Permits

- | | | | |
|----|---------------------|----------------------|----------------------|
| a. | Ron Fode | Piping RCDA4 & RCDA5 | Block 41, FU 11 & 12 |
| b. | Mitch Molitor | Buried Pipe Crossing | Block 41, FU 117 |
| c. | Jensen Trust | Pivot Encroachment | Block 43, FU 35 |
| d. | Ridgeview Farm, LLC | Fence Encroachment | Block 44, FU 250 |
| e. | Big Bend Electric | Overhead Crossing | Block 49, FU 72 |
| f. | Big Bend Electric | Utility Crossing | Block 390-025 |

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

Manager Simpson presented the following variance a. for approval:

Variance

- a. Berend Friehe Common Delivery Combination

Manager Simpson presented a variance to Combination Policy a., to allow a common delivery combination as has been annually authorized by the Board for the 2001-2015 seasons (See minutes of 8-8-2001, 5-1-2002, 4-9-2003, 4-7-2004, 4-6-2005, 4-12-2006, 5-2-2007, 4-02-2008, 4-8-2009, 4-9-2010, 4-13-2011, 5-2-2012, 4-3-2013, 4-7-2014 and 4-1-2015). Following discussion, Director Erickson moved to approve Variance a. and waive the payment of the \$500 variance fee per Board decision made April 13, 2011. Director Johnson seconded and the motion carried.

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 Stahl Hutterian Brethren, 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 Johnson seconded and the motion carried.

Petition for
Inclusions of
Land

President Booker closed the hearing of petition for Inclusions of Lands.

Manager Simpson presented Resolution 2016-07, Seasonal Change in Place of Use. The Resolution reflects the decisions made on seasonal changes at the March 22nd continued Board meeting. Director Erickson moved to adopt Resolution 2016-07 as

Resolution 2016-
07

presented. Director Johnson seconded and the motion carried.

Manager Simpson presented Resolution 2016-09, Amending Interruptible First Phase Continuation Water Service Contract, which corrects and clarifies provisions in the new water service contracts. Director Clausen moved to adopt Resolution 2016-09 as presented. Director Osborne seconded and the motion carried.

Resolution 2016-09

Manager Simpson presented the following contract a. for approval:

OGWRP
a. 390-051 WSC

a. Interruptible Water Service Contract, Marlin HB Trust, 390-051, 640 acres

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

Manager Simpson presented the following EL47.5 delivery system contracts a. and b. for approval:

b. EL47.5
Delivery System

a. Interruptible Water Service Contract, Franz Land, LLC 390-108, 900 acres

b. Interruptible Water Service Contract, S&C Family Farms, 390-116, 415.2 acres

President Booker requested a process be started for USBR to allow Reserved Power for landowner built pumps. Manager Simpson stated Reserved Power is for USBR owned facilities only, not ECBID or landowner facilities. Manager Simpson suggested the USBR rules for Reserved Power be saved for a later discussion. Landowner Michele Kiesz addressed the Board and distributed a copy of the letter that was given to the Board in February. She asked that the letter be addressed. Development Coordinator Johnson stated staff had been given direction to draft a response letter. The letter has been drafted and will be provided to the Board later today for their review and comment. Jake Wollman, Jr. stated there is a big difference between interest and ability to sign a water service contract (WSC), and they never stated they are not interested in receiving groundwater replacement water. He stated it's all related to the ability of the land to produce crops to pay the bill, and that signing WSC without the ability to pay would be fraudulent. Director Johnson commented it has always been the goal of the District to construct delivery systems at the lowest cost to the landowners. Michele Kiesz stated she just can't afford the groundwater replacement water.

Ms. Kiesz distributed a letter of support she had drafted regarding the USBR FY2017 Budget request to cover costs of financing the CBP in the Odessa aquifer of central WA State. Ms. Kiesz stated she plans on presenting the letter to the Energy and Water Development Subcommittee when she travels to Washington, D.C. in May with CBDL. Attorney Lemargie commented the Board would need to consult with Bond Counsel before signing something indicating the project is unaffordable for landowners as it may impact credit rating and future bond sales. Director Johnson commented other landowners on other proposed delivery systems have stated the cost per acre is challenging but doable and want the water now. He stated signing the letter could increase the interest rate and landowners could not afford that either. Attorney Lemargie stated the Board does not object to a landowner support letter, but because of other responsibilities it would be better if a different letter was written in support of

additional federal funding. The USBR Record of Decision allows for moving forward and it states there was no federal funding available for implementation of the modified preferred alternative. He also commented the more united the District and landowners are the more likely it is to garner support. Following discussion, it was the consensus of the Board that a letter supporting a request for federal funding be drafted and signed by the Board for presentation at upcoming visits in Washington, D.C.

Discussions continued on bringing lands closer to the EL47.5 delivery system, Reserved Power, average increase of the O&M rate and the maximum District construction debt-service charge of \$190/AC.

The meeting recessed for lunch at 12:44 p.m. and reconvened at 1:40 p.m.

President Booker presented Director Osborne with a 10-year pin reflecting his years of service to the District and Assistant Manager McCourtie with a 20-year pin reflecting his years of service to the District.

Manager Simpson recommended tabling the approval of the EL47.5 delivery system water service contracts pending further discussion. Discussion continued on conditions of canceling contracts, superseding status of state water rights, losing the farm, and District seasonal change in place of use. Development Coordinator Johnson reported WSDNR has informed the District they have signed water service contracts and the District should receive them by April 22nd. Director Johnson questioned whether or not to extend the deadline for WSC signature to accommodate WSDNR. Manager Simpson commented the contracts can be approved today and the District can accept WSDNR's contracts later. Director Erickson commented he would like the discussion tabled to a later date to give landowners more time. Director Osborne commented he would like to see the project get started. Manager Simpson requested clear direction from the Board on moving forward with the EL47.5 District system or whether to go a completely different direction, for example.

EL47.5 Delivery
System
Continued

Director Osborne moved to approve execution of the EL47.5 delivery system water service contracts a. and b. as presented as discussed and move forward with delivery system design and financing schedule when the WSDNR contract, and/or other contracts are received by April 22nd. Director Clausen seconded. Director Erickson stated he still would like the decision tabled. Director Johnson commented on giving a little more time for WHB to get their ownership changes and water right transfers in order. Manager Simpson reported WHB has not signed the contracts that are available and Jake Wollman, Jr. has stated WHB is not going to sign the contracts. Paul Wollman commented WHB participation was not necessarily a "no" but WHB was not planning to sign-up a portion of their land rather than all of the land. Director Clausen stated prices have come down a lot with the expertise and thriftiness of the District. He stated it is time to move forward and the District hasn't been given a clear answer yet from WHB. President Booker called for a vote. The motion passed with Director Osborne, Director Clausen and Director Johnson voting aye and Director Erickson voting nay due to not enough information.

Development Coordinator Johnson requested authorization to pay a Rotschy, Inc. invoice in the amount of \$1,056,608.61 for progress completed per contract. Following discussion, Director Erickson moved to authorize payment to Rotschy, Inc. in the amount of \$1,056,608.61 as requested. Director Johnson seconded and the motion carried.

c. Development Office Report

Development Coordinator Johnson requested authorization to pay a Columbia Pumping invoice in the amount of \$73,375.00 for Calloway Road Bridge shotcrete. Following discussion, Director Erickson moved to authorize payment to Columbia Pumping in the amount of \$73,375.00 as requested. Director Clausen seconded and the motion carried.

Development Coordinator Johnson requested authorization to pay a Perry invoice in the amount of \$15,415.41 for Calloway Road Bridge metal form rental. Following discussion, Director Erickson moved to authorize payment to Perry in the amount of \$15,415.41 as requested. Director Johnson seconded and the motion carried.

Development Coordinator Johnson reported there is no update on the draft WSDOE grant extension. He estimated that there is currently \$2.6M remaining in the grant. Development Coordinator Johnson gave an update on ELC earthwork progress.

Assistant Manager McCourtie presented the Vanquish herbicide quotes for Board consideration:

Quotes and Bids

Supplier	Amount
Budgeted Amount	\$27,004.13
Crop Production Services	\$21,672.00
Red River Specialties, Inc.	\$26,164.80
Helena Chemical Company	\$26,304.00

Following discussion, Director Osborne moved to accept the quote for Vanquish herbicide from Crop Production Services in the amount of \$21,672.00, plus sales tax as the lowest responsive quote. Director Clausen seconded and the motion carried.

Assistant Manager McCourtie presented the Vision herbicide quote for Board consideration:

Supplier	Amount
Budgeted Amount	\$24,000.00
Helena Chemical Company	\$20,880.00

Following discussion, Director Clausen moved to accept the quote for Vision herbicide from Helena Chemical Company in the amount of \$20,880.00, plus sales tax as the lowest responsive quote. Director Osborne seconded and the motion carried.

Assistant Manager McCourtie requested authorization to call for loader bids. Following discussion, Director Erickson moved to authorize a call for loader bids, as requested. Director Clausen seconded and the motion carried.

Manager Simpson reported a copy of the letter written to USBR regarding the District opposing the extension of the City of Quincy's non-ag discharge, has been provided to the Board.

City of Quincy
Non-Ag
Discharge

Manager Simpson requested authorization to accept Big Bend Electric Cooperative's request for a 12.5% increase to the Operation & Maintenance charges for the 34.5KV powerline that feeds the Saddle Gap Pumping Plant. Following discussion, Director Johnson moved to approve and authorize execution of the BBEC Transmission Agreement 34.5KV with the 12.5% increase to the O&M charges. Director Erickson seconded and the motion carried.

BBEC
Transmission
Agreement
34.5KV

Safety Supervisor Walraf presented the monthly safety report.

Safety Report

Assistant Manager Andreini reported District crews performed two pipeline projects along Bench Road. Crews ran into a Saddle Mountain domestic water system within the easement multiple times at locations that hadn't been marked. Saddle Mountain sent an invoice to the District in the amount of \$1,100.00 to cover costs of parts, work/labor, relocation of main line, and excess water from leak. Assistant Manager Andreini reported the District did a call before you dig and no lines were located. He reported there is a permit in place for the domestic water and that permit does state they will move the system if it impacts District operations. It is staff's recommendation to not pay the invoice. Following discussion, Director Clausen moved to not pay the invoice from Saddle Mountain in the amount of \$1,100.00 as discussed. Director Johnson seconded and the motion carried with Director Erickson voting nay due to the domestic water system being permitted.

Engineer Report

Assistant Manager Andreini reported the District has begun using its own in-house GIS system designed by the District's GIS Specialist. The District is no longer relying on an outside vendor host.

Assistant Manager Andreini presented a slideshow of his trip to Thailand and Laos with his Ag Forestry class on the international seminar. Assistant Manager Andreini voiced his appreciation of the Board's support of his Ag Forestry class.

Treasurer Kimble presented the monthly Treasurer's report. He reported no investments were made and there were no maturities during the month.

Treasurer
Report

Assistant Manager McCourtie gave the monthly O&M report.

Assistant
Manager O&M

Assistant Manager McCourtie reported the lease for Hitachi excavator for OGWRP, with option to purchase at the end of the lease, was ending. The Equipment Committee recommended, and Assistant Manager McCourtie, requested authorization to move forward with the purchase option of the Hitachi excavator in the amount of \$173,525.59. Following discussion, Director Clausen moved to authorize purchase of the Hitachi excavator in the amount of \$173,525.59 as requested and discussed. Director Osborne seconded and the motion carried.

Assistant Manager McCourtie reported Robin Swartz is retiring after 35 years of service with the District.

Manager Simpson reported on past and upcoming meetings and conferences he will be attending. Manager Report

Manager Simpson requested an executive session to discuss personnel performance.

Manager Simpson reported he had reported the District paid \$1,200 in dues to CBDL in 2015 but in fact that was what had been budgeted. The District had actually paid \$2,000 to CBDL in 2015.

Manager Simpson reported he will be traveling to the NWRA FWIC in Washington, D.C. next week. Topics planned for discussion include, Odessa Subarea MWSC Amendment, payment capacity study, aging infrastructure and the LOPP D&S, the District received a draft copy and discovered some significant errors.

Manager Simpson reported staff is in the process of updating the Personnel Practices and Procedures Manual, District Rules and Regulations and the Drug and Alcohol policy.

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. 305025 through 305305 in the amount of \$1,379,925.96 and electronic Payroll and AP transfer in the amount of \$1,047,084.03 for a total of \$2,427,009.99 from the O&M Fund. Director Johnson seconded and the motion carried. Approve Vouchers

Director Erickson moved to authorize up to four staff members to attend the Siphon Spec Review, TSC, Denver, CO and amend future meetings g. to include Assistant Manager Andreini and Assistant Manager McCourtie to also attend. Director Johnson seconded and the motion carried. Authorize Travel

Director Clausen requested the approval of the vouchers be moved towards the beginning of the meeting so they may be mailed the same day as the Board meeting. Other

Director Clausen suggested the Board meeting be recorded from now on in order to simplify discussion and cut down on random discussions. Following discussion, it was the consensus of the Board to direct staff to look into Board meeting recording devices.

President Clausen declared an executive session at 4:21 p.m. for approximately 30 minutes to discuss litigation with CSRIA and personnel performance. The meeting returned to regular session at 5:08 p.m. Executive Session

Director Clausen moved to increase Jamie Balliet's annual salary 5% effective April 10, 2016. Director Johnson seconded and the motion carried.

Director Erickson moved to increase Dean Gable's annual salary 5% effective April 10, 2016. Director Johnson seconded and the motion carried.

At 5:10 p.m., there being no further business to come before the Board at that time, President Booker adjourned the meeting.

Meeting
Adjourned


Secretary


President