

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

May 4, 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

Staff

Craig Simpson
Richard Lemargie
Steve Kimble
Nate Andreini
Levi Johnson
Wendy Lange

Visitors: Sarah Maciel and Jennifer Hickenbottom, USBR; Kevin Brown and Melissa Downes, WSDOE; Eli Stahl, Kevin Lyle, Paul Wollman and Jake Wollman, Jr., Landowner; Cameron Probert, iFiber One.

Visitors

President Booker informed the Board and visitors he has a recording device and will be recording the meeting to keep track of what is said.

Minutes of the regular meeting of March 2, 2016, the continued meeting of March 22, 2016 and the regular meeting of April 6, 2016 had been mailed to the Directors. Following discussion, a change was made to the March 2, 2016 regular meeting minutes on page 2016-34, paragraph 7, line 11, the word "response" was changed to "objection". A change was made to the March 22, 2016 continued meeting minutes on page 2016-36, 1st paragraph, 1st line now reads, "President Booker stated he would like to begin the meeting with visitors who are interested in agenda item 7. OGWRP". A change was made to the April 6, 2016 regular meeting minutes on page 2016-44, 4th paragraph, 2nd line, the word "owned" was changed to "built". Director Clausen moved to approve the minutes of the meeting of March 2, 2016, the continued meeting of March 22, 2016 and the regular meeting of April 6, 2016 as corrected. Director Osborne seconded and the motion carried.

Minutes
Approved

Mr. Tori Stevens joined the meeting to request a variance to District policy for the allowance of a return flow on a small parcel of ground. Mr. Stevens stated no USBR drainage facilities are present on or adjacent to the farm unit as the reason for his request. The private drainage system that was previously used is now blocked and

restoring it would be cost-prohibitive. The land around this portion of the farm unit has been developed for industrial uses. Currently the land is out of production and allowing the return flow would enable the land to be put back into production. Mr. Stevens reported that the maximum order for the unit would be 0.25 cfs. Assistant Manager Andreini stated that he had informed Mr. Stevens of the District's policy prohibiting return flows because of resulting operational problems. Assistant Manager Andreini also stated that because of the size of the return flow Mr. Stevens is asking for, there are no significant operational concerns in this case. Following further discussion, Director Erickson moved to direct Staff to prepare a permit to allow the return flow, with a limit of 0.3 cfs to be delivered. Director Clausen seconded and the motion carried.

Manager Simpson presented the following contracts a. and b. for approval:

District
Improvements

Contracts

- a. Permanent Release of Water Allotment, Russell and Pamela Hamburg, Block 40, Farm Unit 145-2, 3.9 acres
- b. Interruptible Groundwater Replacement Water Service Contract, WDNR, 390-050, 59.3 acres

Following discussion, Director Erickson moved to approve contracts a. and b. as presented. Director Osborne seconded and the motion carried.

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

Permits

- | | | | |
|----|----------------------|----------------------------|--------------------|
| a. | Grant County PUD | Overhead Power Crossing | Block 41 |
| b. | Nelson Rd Apartments | Easement Encroachment | Block 41, FU 117 |
| c. | Cascade Natural Gas | Natural Gas Crossing | Block 41, FU 117 |
| d. | Triple D, LLC | Drain Inlet | Block 42, FU 285 |
| e. | John Preston | Weir Apron on Turnout | Block 44, FU 76 |
| f. | Noel Communications | Fiber Crossing | Block 45, FU 101 |
| g. | Cascade Natural Gas | Natural Gas Crossing | Block 45, FU 101 |
| h. | Big Bend Electric | Underground Power Crossing | Block 45, FU 101-2 |

Following discussion, Director Erickson moved to approve permits a. through h. as presented. Director Clausen 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. 305306 through 305533 in the amount of \$2,864,142.63 and electronic Payroll and AP transfer in the amount of \$347,909.12 for a total of \$3,212,051.75 from the O&M Fund. Director Osborne seconded and the motion carried.

Approve
Vouchers

Manager Simpson reported the 1st Half Reserved Works payment was made prior to the April 30th deadline in the amount of \$822,354.94 but noted that the Districts and USBR were aware of needed corrections to Enclosure #7, prior to 2nd half payment. The 2nd half payment is in the amount of \$995,056.50 before any necessary corrections.

1st Half Reserved Works Payment

Manager Simpson presented the following EL47.5 delivery system contracts 1) through 10) for approval:

OGWRP

- 1) Interruptible Water Service Contract, EL47.5 Delivery System, WHB Trust, 390-100, 489.76 acres
- 2) Interruptible Water Service Contract, EL47.5 Delivery System, WHB Trust, 390-101, 725.1
- 3) Interruptible Water Service Contract, EL47.5 Delivery System, WHB Trust, 390-106, 520 acres
- 4) Interruptible Water Service Contract, EL47.5 Delivery System, D&K Swinger, LLC, Etal, 390-109, 515.8 acres
- 5) Interruptible Water Service Contract, EL47.5 Delivery System, D&K Swinger, LLC, 390-111, 520 acres
- 6) Interruptible Water Service Contract, EL47.5 Delivery System, WHB Trust, 390-112, 780 acres
- 7) Interruptible Water Service Contract, EL47.5 Delivery System, WDNR, 390-113, 555 acres
- 8) Interruptible Water Service Contract, EL47.5 Delivery System, WHB Trust, 390-114, 584 acres
- 9) Interruptible Water Service Contract, EL47.5 Delivery System, WHB Trust, 390-115, 862.9 acres
- 10) Interruptible Water Service Contract, EL47.5 Delivery System, WHB Trust 390-118, 250 acres

a. EL47.5 Delivery System

Development Coordinator Johnson reported the total acres under water service contract for the EL47.5 system at this time is 7,187.8 with the above presented WSCs. One landowner is in the process of ownership changes and water right transfers. If those administrative issues are completed, the EL47.5 delivery system may serve a potential 8,257 acres. Discussions regarding the water service contracts presented included seasonal changes, amending land descriptions within a contract after ownership has changed hands, allowing additional acres when ownership/administrative changes are completed, and the possibility of over sizing the delivery system to accommodate additional acres not currently considering a WSC.

President Booker commented on leaving the original full system infrastructure in the design in order to accommodate potential landowners coming in late. Director Clausen commented on remaining with the original plan to not oversize the delivery system in order to keep the cost down as much as possible. The District could put another pump plant in to serve landowners at a later date. Assistant Manager Andreini stated the building is already designed to serve the initial 11,000 acres. The most significant changes to cost will be in the pipelines outside the pump plant. He stated parts of the pump plant design would likely remain the same with decreased acreage. Some equipment sizing would change. Engineering staff will redesign the pipelines for the

acres under contract and awaiting administrative changes, 8,257 acres.

Development Coordinator Johnson requested authorization to amend the place of use on Water Service Contract 190-043 to facilitate a new 390 water service contract for groundwater replacement to be served by the EL47.5. This request will change the location of the 190 water service contract for the benefit of the EL47.5 delivery system,

landowner and District administration. Following discussion, Director Clausen moved to authorize amending the place of use on Water Service Contract 190-043 for the benefit of the EL47.5 delivery system. Director Osborne seconded and the motion carried.

Following further discussion, Director Clausen moved to approve contracts 1) through 10) and to move forward with the initial design capacity of the EL47.5 pumping plant infrastructure for the current potential acres (8,257). Director Osborne seconded and the motion carried.

Development Coordinator reported staff will present cost comparisons for the 11,000 acre delivery system versus the 8,257 acre delivery system at the next Board meeting. Following discussion, Director Clausen moved to direct staff to design for 8,257 contemplated acres for a cost comparison of system components. Director Osborne seconded and the motion carried.

Assistant Manager Andreini reported on potential for significant changes to the electrical design for voltage and switch gear. A new task order for the consulting firm would be necessary.

Development Coordinator Johnson presented Columbia Pumping Change Order No. 1 in the amount of \$9,605.69 for Board consideration. The change order reflects the placement of 28% more concrete necessary to complete the Calloway Road Bridge shotcrete project because of irregularities with rock excavation. Following discussion, Director Erickson moved to authorize Columbia Pumping Change Order No. 1 in the amount of \$9,605.69 as presented. Director Clausen seconded and the motion carried.

The meeting recessed for lunch at 12:00 p.m. and reconvened at 1:00 p.m.

President Booker resumed recording the Board meeting.

Development Coordinator Johnson discussed the Stahl Hutterian Brethren eligible acres on the priority list. He reported they would like to transfer priority on a $\frac{1}{4}$ section of land to a $\frac{3}{4}$ section to make it a full section of land receiving groundwater replacement water through a WSC. The $\frac{1}{4}$ section's priority date is lower down on the list. Manager Simpson stated as long as the $\frac{1}{4}$ section is included within the CBP and has an irrigable land class a seasonal transfer can be done each year. Following discussion, it was the Board's consensus list that the requested transfer could be completed with seasonal changes each year and to not change the $\frac{1}{4}$ section priority place on the priority.

Development Coordinator Johnson reported the revenue bond schedule, dependent on cost estimates, currently contemplates an early to mid-July bond issuance. He reported the financial advisors endorsed the idea of authorization from the Board on a cap interest rate amount to not exceed. Development Coordinator Johnson reported the EL47.5 delivery system landowners need direction on what prepayment amount would be accepted and when the payment would be due. For example, allow landowners 4 weeks for prepayment to be made in the amount that corresponds to the capital needs of the borrowing. President Booker suggested allowing prepayment for only the amount over the \$120 Development Fee. Manager Simpson stated the Board previously authorized prepayment of the entire amount and not partial payments. President Booker stated he would like to see the minutes that reflect the authorization.

Manager Simpson reported on the USBR payment capacity study and moving forward with an amendment to the MWSC for 70,000 acres. He reported on a number of discussions with USBR. One discussion point was with regards to allowing excess water sales for water service contracts.

Development Coordinator Johnson requested authorization to pay the final Rotschy, Inc. invoice in the amount of \$102,875.41 for progress completed per contract. Following discussion, Director Clausen moved to authorize final payment to Rotschy, Inc. in the amount of \$102,875.41 as requested. Director Osborne seconded and the motion carried.

Development Coordinator Johnson requested authorization to pay a final Western Pacific Engineering invoice in the amount of \$1,563.75 for quality assurance on the siphon project. Following discussion, Director Erickson moved to authorize final payment to Western Pacific Engineering in the amount of \$1,563.75 as requested. Director Osborne seconded and the motion carried.

Development Coordinator Johnson reported staff is working on specifications and bid packages for the 3 remaining siphons, Kansas Prairie No. 1 (KP#1), Kansas Prairie No. 2 (KP#2) and Warden. He reported he will be traveling to Denver to meet with TSC to review designs and specs for these siphons.

Development Coordinator Johnson reported a siphon completion celebration is currently scheduled for June 21st, out on site.

Development Coordinator Johnson requested authorization to pay a Nichols Kovich invoice in the amount of \$1,896.73 for Calloway Road Bridge construction engineer support services. Following discussion, Director Erickson moved to authorize payment to Nichols Kovich in the amount of \$1,896.73 as requested. Director Clausen seconded and the motion carried.

Development Coordinator Johnson reported K&N Electric is requesting payment of the hoists and motors they supplied for the EL54.9 radial gate structure and Lind Coulee Wasteway check, in the amount of \$154,000.00. He reported at this time the hoist/motors are still not working properly. The motors are drawing too much current. Following discussion, Director Erickson moved to deny payment to K&N Electric until hoists motors in working order are received. Director Clausen seconded and the

motion carried.

Development Coordinator Johnson presented amendments to the MOA between the District and USBR EFO. Amendment No. 2 modifies the EFO contact person and clarifies reporting requirements. Amendment No. 3 is a task order for TSC Staff to work with the District during design review next week in Denver for the Warden, KP#1 and KP#2 siphons and prepayment of the technical services that TSC bills against in the amount of \$53,782.00. Amendment No. 4 provides for 16 hours for PNR for conference calls in the amount of \$1,394.32 to also assist during spec/design review of siphons next week. Following discussion, Director Clausen moved to authorize Amendments No. 2 through 4 to the MOA with District/USBR, to authorize prepayment to Denver TSC in the amount of \$53,782.00 and USBR PNR in the amount of \$1,394.32 as requested

and authorize execution of the notice to proceed with Denver TSC and USBR PNR. Director Erickson seconded and the motion carried.

Manager Simpson reported he had met with Senator Warnick, Representative Dent and Gary Chandler to discuss EL47.5 delivery system updates. They would like the Board to allow staff to meet with local bankers in order to give them a better understanding of the requests from landowners. Following discussion, it was the consensus of the Board to allow staff to meet with bankers as requested.

President Booker asked what the widening crews were working on. Development Coordinator Johnson reported ELC widening crews are leveling spoils and completing training at this time.

Manager Simpson presented wheel loader bids for Board consideration:

Quotes and Bids

Supplier	Make/Model	Amount
Budgeted Amount		\$250,000.00
PacWest (2)	SDLG LG958L	\$139,924.83
Rowand Machinery	John Deere 644K	\$169,750.00
PacWest (1)	Volvo L110H	\$175,079.00
Central Machinery	Case 821F	\$213,000.00
Western States	CAT 950MUT	\$215,967.00
Modern Machinery	Komatsu WA380-8	\$227,080.00

Manager Simpson reported the PacWest (2) bid did not meet the District's bid specifications for minimum operating weight, delivery date and other minor exceptions. Following discussion, Director Erickson moved to declare the PacWest (2) bid as non-responsive as stated and to accept the second low bid for wheel loader from Rowand Machinery in the amount of \$169,750.00, plus sales tax as the lowest responsive bid. Director Clausen seconded and the motion carried.

Manager Simpson reported on the NWRA Federal Water Issues Conference he attended in Washington, D.C.

NWRA FWIC Report

Attorney Lemargie reported the CBHP Board would like to have up to noon to finish power business and remove the joint activities committee from the power meetings. Manager Simpson reported on the importance of the joint activities committee. Board members expressed their interest in hearing the other Districts' point of view. Following brief discussion, all agreed on the importance for the joint activities committee to continue at power meetings.

CBP Hydropower
Development

Manager Simpson reported the USBR continues to state they are open to issuing another extension to the City of Quincy Non-Ag Discharge permit. He reported he has discussed the District's concerns with Area Manager Weidmeier. Manager Simpson reported the non-ag discharge into USBR facilities does impact the Districts.

City of Quincy
Non-Ag
Discharge

Manager Simpson reported on Trail Lakes Committee meeting he attended. Topics of discussion included the bath tub section of the main canal through Trail Lakes, the issue of the concrete panels failing in the Trail Lakes section of the Main Canal, the amount of water lost and the value of water that is lost in that section. Manager Simpson reported there is still much yet to discuss.

Trail Lakes

Manager Simpson reported on the meeting with the District's insurance broker, PayneWest. Issues on statements of values on major property and equipment were discussed at the meeting. An updated statement of values on major property and equipment was sent to the insurance company. Manager Simpson presented the Wells Fargo Insurance Services quote for the 2016 insurance renewal noting an unexpected increase due to the statement of value for the District's major property and equipment. Manager Simpson requested authorization to accept the proposed insurance noting that adjustments to the premium are being made to reflect the adjusted statement of values. Following discussion, Director Clausen moved to authorize Manager Simpson to accept and execute the insurance proposal and bind the insurance coverage. Director Osborne seconded and the motion carried.

2016 Insurance

Manager Simpson reported the District has never insured the District houses. Manager Simpson requested authorization to include the District houses to the insurance policy in the amount of \$4,190.00. Following discussion, Director Clausen moved to authorize insuring the District houses as requested. Director Erickson seconded and the motion carried.

Manager Simpson reported Wells Fargo Insurance Services has sold to PayneWest. All of the same people have been retained, only their name has changed. Manager Simpson requested authorization to enter into a service agreement with the new company. Following discussion, Director Osborne moved to authorize execution of an insurance service agreement with PayneWest. Director Clausen seconded and the motion carried.

Sara Maciel reported on USBR staffing changes and retirements. She also asked for a background on the Quincy Non-Ag discharge. Manager Simpson provided some historical context and the issues pertinent to the District, mainly jeopardy of existing ag exemptions and water quality concerns.

USBR Report

Safety Supervisor Walraf presented the monthly safety report.

Safety Report

Assistant Manager Andreini reported the East Low Canal is operating different this year as a result of the widening in the lower end of the canal. There are more fluctuations, gates opening and closing more often. Some locations have groundwater rising faster than prior years. There have been low water levels at low flows that partially exposed a turnout above of the water. The District and USBR continue to work through some of the impacts from the work that has been done to the ELC.

Engineer Report

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

Treasurer Report

Treasurer Kimble reported two RFQ's were received for IT Management from Elevate and Technologize. Treasurer Kimble requested authorization to begin contract negotiations with Elevate and to move on to Technologize if a contract from Elevate is not agreeable. Following discussion, Director Erickson moved to authorize contract negotiations with Elevate for IT Management services and to move on to Technologize if the contract from Elevate is not agreeable. Director Clausen seconded and the motion carried.

Manager Simpson gave the monthly O&M report in Assistant Manager McCourtie's absence.

Assistant Manager O&M

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 on the Rubicon site visit tour. The sites visited were the EL68T, EL74.8A, ELC71.5 Check, EL63 and EL23 to evaluate automation options.

Manager Simpson reported he is meeting with the other District Managers for joint activities committee discussion and to discuss coordinated water conservation.

Manager Simpson reported on interest from an irrigation district in Australia, Coleambally Irrigation District, to exchange engineers for evaluation of each other's systems. This would be beneficial for them to come learn about another system, spend time with Ditchriders, Watermasters and the office and share comments on how they may operate differently. The irrigation District in Australia has totally automated it's delivery system. It would benefit an East District engineer to learn how they transferred to full automation. Manager Simpson reported the District would set up housing and transportation for the visiting engineer while here. They would do likewise in Australia. Following discussion, it was the consensus of the Board to move forward with the engineer exchange.

Manager Simpson reported he has sent a request to EFO Manager Wertz requesting USBR Reserved Power for landowner owned pump plants. At this time, no response has been received.

Director Erickson stated the USBR will not grant him emergency water because he has used it twice in the past. Manager Simpson commented Director Erickson has been offered a 390 contract in the area of his failed well but turned the contract down. Manager Simpson requested Director Erickson meet with him to revisit the situation again.

Director Clausen moved to authorize one Engineer to attend the Municipal Water Leader Workshop, June 22-23, 2016, Pfister Hotel, Milwaukee, WI. Director Osborne seconded and the motion carried. Authorize Travel

President Booker asked the Board if there was any interest serving lands South in Franklin County. Director Clausen commented he would like to wait until the EL47.5 delivery system plans are finalized before any decisions regarding other systems are made. Other

President Booker declared an executive session at 4:21 p.m. for approximately 40 minutes to discuss litigation with CSRIA and personnel performance. The meeting returned to regular session at 5:08 p.m. Executive Session

At 5:05 p.m., there being no further business to come before the Board at that time, President Booker adjourned the meeting. Meeting Adjourned



President



Secretary