

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

February 8, 2017

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 Orman Johnson.

Present were:

Directors

Orman Johnson
Don Osborne
Bernie Erickson
Boe Clausen
Mark Booker

Staff

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

Visitors: Clint Wertz and Sarah Maciel, USBR; Kevin Brown, WSDOE; Kevin Lyle, Ross Fox, Paul Wollman, Eli Stahl, Edward Stahl, Ron Fode, Jake Wollman, Jr., Phil Fox, Michele Kiesz, and Jerry Gross, Landowners. Visitors

President Johnson 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 January 4, 2017, had been mailed to the Directors. Director Osborne moved to approve the minutes of the regular meeting of January 4, 2017, as written. Director Clausen seconded and the motion carried with Director Booker voting nay and President Johnson voting aye. Minutes
Approved

Director Clausen stated he would like the minutes simplified by recording action items only and a brief description of the reasoning behind the actions. Director Booker commented he wants all discussions recorded in the minutes. President Johnson and Director Clausen both agreed recording action items with a brief generalized recording of the discussion was preferred. Director Johnson also commented it is better to bring up corrections to the minutes before the meeting, so corrected minutes are provided to the Directors before the meeting. Director Clausen moved to change the recording of the minutes to action item minutes with a generalization on the discussion recorded. Director Osborne seconded. Manager Simpson asked whether the non-action items were to still be recorded. President Johnson stated he didn't think the Board was ready to vote and would like to continue the discussion next month. Director Clausen withdrew his motion.

Director Booker began recording the meeting with his own personal recording device.

Ms. Michele Kiesz stated she emailed a letter regarding Manager Simpson's employment agreement to Attorney Lemargie and had asked that it be read into the minutes. Attorney Lemargie stated he wasn't aware that the letter was to be read into the minutes, the email did not ask for that. Attorney Lemargie commented discussions on the letter can wait until that part of today's meeting.

Public Comment
Period

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

District
Improvements

Contracts

- a. Cancel and Replace Interruptible Water Service Contract, S&C Family Farms, 390-025
 - 1) Interruptible First Phase Continuation Water Service Contract, S&C Family Farms, 390-059-809-01, 70 acres
 - 2) Interruptible First Phase Continuation Water Service Contract, S&C Family Farms, 390-059-809-02, 4.8 acres
- b. Cancel and Replace Interruptible Water Service Contract, Stahl HB Trust, 390-053
 - 1) Interruptible First Phase Continuation Water Service Contract, Stahl HB Trust, 390-053-809-01, 173.1
 - 2) Interruptible First Phase Continuation Water Service Contract, Stahl HB Trust, 390-053-809-02, 96.9
- c. Amend Interruptible Water Service Contract, WHB Trust, 390-106-809, 120 additional acres
- d. Amend Interruptible Water Service Contract, WHB Trust, 390-112-809, 30 additional acres
- e. Amend Interruptible Water Service Contract, WHB Trust, 390-118-809, 60 additional acres
- f. Renewal Waste, Seepage and Return Flow Water Service Contract, Randy & Diane Hafer and Justin & Debra Hafer, 049-803-801, 40 acres
- g. Reclassification of Land & Transfer of Water Allotment (10d), David Black, Block 40, Farm Unit 192, 21.7 acres
- h. Permanent Release of Water Allotment, Arturo and Patricia Martinez, Block 43, Farm Unit 11-1, 5.2 acres

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

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

Permits

- | | | | |
|----|-----------------------|-------------------------|-------------------|
| a. | L Peterson Properties | Pipe 280' of the EL18WW | Block 40 |
| b. | SVZ-USA, Inc. | Wastewater Crossing | Block 45, FU 75-2 |
| c. | Stahl HB Trust | New Turnout Location | WSC 390-052-809 |
| d. | Stahl HB Trust | New Turnout Location | WSC 390-053-809 |

Director Booker moved to approve permits a. through d. as presented. Director Clausen seconded. Following a lengthy discussion on water service contract requirements, the \$190 ceiling amount associated with new 390 water service contracts and the Development Fee, Director Osborne called for question. The motion carried unanimously.

Manager Simpson presented the annual renewal of the Frost Control Permit in Block 49 for non-irrigation activities, particularly frost control for tree fruit, to the Board for their approval. Following discussion, Director Booker moved to approve the renewal of the Frost Control Permit. Director Erickson seconded and the motion carried

Frost Control Permit

Mr. Ross Fox presented a map of the Fox Family Farm located in Block 47 to the Directors. The map depicted the location of wet areas on their land they presume to be caused by seepage from the EL85 lateral. Mr. Fox also presented and discussed a list of requests the Fox family needed in order to grant easements to the USBR for the water conservation project to be completed on their land. Mr. Fox stated the Fox family would like to request that the District apply for a time extension of the WaterSMART grant to finish the Rayburn Road Pipeline Project. President Johnson stated staff needed this information before today in order to have an informed discussion. Director Erickson moved to authorize staff to apply for a WaterSMART grant extension within existing grant guidelines for the Rayburn Road Pipeline Project. Director Booker seconded. Assistant Manager Andreini commented that the USBR's process for easement acquisition has changed recently. He reported, \$6,700.00 is needed for AAI, title commitment and insurance policies. Manager Simpson suggested a Waste Seepage and Return Flow water service contact for the Fox Family. USBR EFO Manager Wertz stated it was something to consider. Director Erickson's motion carried unanimously.

Fox Family

Manager Simpson presented Resolution 2017-03, Surplus Office Equipment. Following discussion, Director Osborne moved to adopt Resolution 2017-03 as presented. Director Clausen seconded and the motion carried.

Resolution 2017-03

Manager Simpson reported next resolutions reflect changes in staffing at the District. He reported Treasurer Kimble retires from the District on February 24th, Water Records Supervisor Lusk's last day is also February 24th, and Nancy Rooney is now the new Water Records Supervisor.

Manager Simpson presented Resolution 2017-04, Authorize Officers to Invest. Following discussion, Director Clausen moved to adopt Resolution 2017-04 as presented. Director Osborne seconded and the motion carried.

Resolution 2017-04

Manager Simpson presented Resolution 2017-05, Authorize Investment in Local Government Investment Pool. Following discussion, Director Erickson moved to adopt Resolution 2017-05 as presented. Director Clausen seconded and the motion carried.

Resolution 2017-05

Manager Simpson presented Resolution 2017-06, Use of District Credit Cards. Following discussion, Director Clausen moved to adopt Resolution 2017-06 as presented. Director Erickson seconded and the motion carried.

Resolution 2017-06

Manager Simpson presented Resolution 2017-07, Authorization to Sign Checks. Following discussion, Director Osborne moved to adopt Resolution 2017-07 as presented. Director Clausen seconded and the motion carried.

Resolution 2017-07

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. 307338 through 307570 in the amount of \$746,958.36 and electronic Payroll and AP transfer in the amount of \$311,052.07 for a total of \$952,074.36 from the O&M Fund and \$105,936.07 from the 2016 Project Fund. Director Osborne seconded and the motion carried.

Vouchers

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

Hearing for
Petition of
Inclusion of
Lands

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

Development Coordinator Crowther presented USBR MOA No. R17MR13702, Easement Acquisitions. The cost of services covered in the MOA is \$37,000.00, with half due on March 15th and the other half due on June 1st. Following discussion, Director Booker moved to authorize execution of USBR MOA No. R17MR13702, Easement Acquisitions, as presented. Director Erickson seconded and the motion carried.

OGWRP
a.EL47.5 Delivery
System Update

Development Coordinator Crowther presented Harris Rebar Columbia Basin, Inc. Change Order No. 1. The change order is for the addition of wall spreaders in the amount of \$570.03. Following discussion, Director Erickson moved to authorize Harris Rebar Change Order No. 1 in the amount of \$570.03 as presented. Director Clausen seconded and the motion carried.

Assistant Manager Andreini presented a slideshow of pictures on the construction of the sump. He reported crews are close to the first wall placement but are discussing designs with the USBR. Assistant Manager Andreini reported the USBR is requesting written confirmation that a physical hydraulic model study will be completed. Following discussion, Director Booker moved to authorize staff to move forward with the physical modeling as requested by USBR and to authorize staff to call for RFQs for such modeling. Director Clausen seconded and the motion carried.

USBR EFO Manager Wertz reported on the EL47.5 sump design comments, the Alternate Feed Route, Federal hiring freeze that is in place for 90 days, Potholes Reservoir and the Grant County PUD.

USBR Report

The meeting recessed for lunch at 12:10 p.m. and reconvened at 1:10 p.m.

Development Coordinator Crowther presented the EL11.8 Delivery System MOU. This MOU spells out how the District and the Marlin Hutterian Brethren will cooperatively work together to construct the EL11.8 delivery system. Development Coordinator

OGWRP

Crowther reported reserved power is addressed in the MOU along with the reporting of expenditures, finance and development. Mr. Jerry Gross commented MHB's attorney has reviewed the MOU and are in agreement with the MOU. He also reported MHB understands the MOU is an agreement to work together with the District. Mr. Gross stated MHB needs the MOU signed and in place before any designs or work can begin. Following discussion, Director Clausen moved to authorize execution of the EL11.8 Delivery System MOU as presented and discussed. Director Osborne seconded and the motion carried.

b. MHB Delivery System Update

Development Coordinator Crowther presented Rotschy, Inc. Change Order No. 1. The change order addresses weather delays and extends the completion date from March 10th to March 21st. This is a no cost change order. Following discussion, Director Booker moved to approve the Rotschy, Inc. Change Order No. 1, at no cost, as presented. Director Erickson seconded and the motion carried.

c. Development Office Report

Development Coordinator Crowther presented Rotschy, Inc. Change Order No. 2. The change order replaces the task to demolish the test sections with crane help from Rotschy for stop log reinstallation. This is a no cost change order. Following discussion, Director Clausen moved to approve the Rotschy, Inc. Change Order No. 2, at no cost, as presented. Director Erickson seconded and the motion carried.

Development Coordinator Crowther presented a Rotschy, Inc. invoice in the amount of \$141,983.53, for progress completed per Warden Siphon project contract. Following discussion, Director Clausen moved to authorize payment to Rotschy, Inc. in the amount of \$141,983.53 as presented. Director Erickson seconded and the motion carried.

Manager Simpson reported Mr. Brian Kuest is unable to attend today's meeting but wanted to convey the EL22.1 landowners steering committee met on January 20th. The landowners worked on the MOU and which landowners are interested. Manager Simpson reported another meeting has been scheduled and he has been invited to attend and listen.

Assistant Manager Andreini reported on the ELC widening construction, it is intended to be finished this winter. He reported crews are slowly working through the very solid rock with the hydraulic hammer with some progress but won't be able to have it complete this winter. All other remaining portions will be completed.

Manager Simpson reported the District continues to wait for USBR MWSC item clarifications. Director Booker stated he wants a copy of the draft MWSC. Attorney Lemargie stated Director Booker will need to ask the USBR for a copy, as of now the USBR is treating the MWSC as a draft that is not yet publicly available.

Assistant Manager McCourtie requested ratification of the purchase of a dump truck in the amount of \$21,709.48. Following discussion, Director Erickson moved to ratify the purchase of a dump truck in the amount of \$21,709.48 as requested. Director Booker seconded and the motion carried.

Quotes and Bids

Assistant Manager McCourtie requested authorization to purchase a 2017 Ford 250, 2WD pickup. This pickup replaces one that was totaled. The District's insurance is covering the cost of the pickup in the amount of \$25,116.00, minus deductible. Following discussion, Director Clausen moved to authorize the purchase of a 2017 Ford 250 pickup to be paid for by the District's insurance company. Director Erickson seconded and the motion carried.

Assistant Manager McCourtie requested authorization to purchase six budgeted pickups from the State Vehicle Purchase Contract. Following discussion, Director Erickson moved to authorize the purchase of six pickups from the State Vehicle Purchase Contract. Director Clausen seconded and the motion carried.

Manager Simpson reported on the NWRA Leadership Forum he attended. Topics discussed were NWRA priorities, infrastructure funding, permitting timeline, APA reform, WOTUS, and water transfer rule.

NWRA
Leadership
Forum Report

Manager Simpson reported on the Tri-State meeting he attended. Some topics discussed were NRCS water supply forecast in the Pacific North West, federal priorities, Columbia River Treaty. USBR Regional Director Lee gave an update and general updates were given from the States.

Tri-State Meeting
Report

Manager Simpson reported on the Operations and Maintenance Workshop he attended with Assistant Manager McCourtie and HR/Safety Supervisor Walraf. He reported it was a good workshop to attend, amongst other topics covered were safety and human resources.

Operations and
Management
Workshop Report

Safety Supervisor Walraf presented the monthly safety report.

Safety Report

Assistant Manager Andreini reported engineering staff has been working on Odessa related construction, designs for the EL47.5 delivery system, conservation pipelines and two WaterSMART grant applications.

Assistant
Manager
Technical
Services Report

Treasurer Kimble presented the monthly Treasurer's report. He reported there were no investments or maturities during the month. Treasurer Kimble reported his last day at the District is Friday, February 24th. He reported Water Quality Supervisor Balliet will be handling the onsite IT responsibilities. President Johnson thanked Treasurer Kimble for his 35 years with the District. Manager Simpson commented Treasurer Kimble's grasp on what goes on at the District has been invaluable and he will be missed.

Treasurer
Report

Assistant Manager McCourtie gave the monthly O&M report.

Assistant
Manager O&M
Report

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

Manager Report

Manager Simpson reported the District received a release of water allotment request from landowners, Kenneth and Marilyn Jorgensen. The request is on a small parcel in Block 41, Farm Unit 220. The Jorgensen's intended to release the allotment in 2016 but were reminded of that when the assessment in the amount of \$101.20 was received. Manager Simpson reported the Jorgensen's own other lands in the District. They are requesting the Board waive the \$101.20 assessment so they can release their allotment. Following discussion, Director Erickson moved to waive the \$101.20 assessment so that Mr. and Mrs. Jorgensen can release their Farm Unit 220 water allotment. Director Booker seconded and the motion carried.

Manager Simpson reported on the upcoming insurance renewal. He reported a request for a 10(d) water transfer for Dwayne Lind is pending for finalization of easements. Manager Simpson also reported the winter weather has affected District operations, noting that the District was shut down twice due to extreme weather.

Manager Simpson requested the Board authorize Assistant Manager Andreini to be the District's representative in the Engineer exchange with Coleambally Irrigation Cooperative Limited in Australia. He reported the District had hosted Daniel Whittred, September 26th through October 7th, 2016. Following discussion, Director Erickson moved to authorize Assistant Manager Andreini to travel to Coleambally Irrigation Cooperative Limited in Australia as the District's representative. Director Osborne seconded and the motion carried.

Manager Simpson reported the District can expect to see wheeling charges when USBR's contract with Grant County PUD expires. This is roughly \$3M in electrical power for the Project. Manager Simpson reported the three Districts will be writing a letter to USBR in regards to their contract with Grant County PUD and requests authorization to sign the joint letter. Following discussion, Director Osborne moved to authorize Manager Simpson execute the joint letter to USBR. Director Booker seconded and the motion carried.

Attorney Lemargie reported on GCPUD's rate increase for transmission of reserved power, a letter to the USBR is being worked on to address the Districts position. The USBR will negotiate the contract with GCPUD, the rate increase poses a significant problem that could possibly lead to litigation.

Attorney Report

Attorney Lemargie commented on the different duties between Attorney and Treasurer. Attorney Lemargie stated Treasurer Kimble did a professional job keeping the District in good financial condition which has been beneficial to the District. Attorney Lemargie stated he believes Treasurer Kimble made a big impact on the East District.

Attorney Lemargie stated that Ms. Kiesz sent an email and wanted it apart of the Board record. Attorney Lemargie recommended the Board does not discuss the email in his absence. Attorney Lemargie left the meeting.

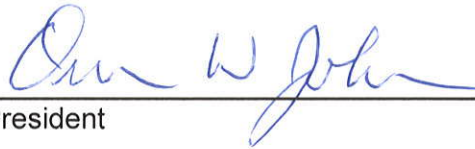
President Johnson stated the Assessment Committee is typically the President and Vice-President and appointed himself and Vice-President Osborne to the Assessment Committee. President Johnson stated he is appointing himself and Director Clausen as delegates to the Finance Committee and Director Booker as an alternate. Other

President Johnson declared an executive session at 2:36 p.m. for approximately 5 minutes to discuss personnel performance. The meeting returned to regular session at 2:41 p.m. Executive Session

At 2:41 p.m., there being no further business to come before the Board at that time, President Johnson continued the Hearing for Petition for Inclusion of Lands to Wednesday, March 8, 2017, at 10:00 in the District's Boardroom and adjourned the meeting. Meeting Adjourned



Secretary



President

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

February 27, 2017

The special meeting of the Board of Directors of the East Columbia Basin Irrigation District began at 10:00 a.m. in the Board Room of the District Office in Othello.

Present were:

Directors

Orman Johnson
Don Osborne
Bernie Erickson
Don Osborne
Mark Booker

Staff

Craig Simpson
Richard Lemargie
Rosa Dekker

All visitors were excused from the meeting.


President Johnson declared an executive session at 10:00 a.m. for approximately 3 hours to discuss personnel performance. The meeting recessed at 10:55 returned to executive session at 11:05 a.m.

Executive
Session

The meeting returned to regular session at 1:03 p.m. At 1:03 p.m., there being no further business to come before the Board at that time, President Johnson adjourned the meeting.

Meeting
Adjourned


Secretary


President