

The Board of Directors for the Roza Irrigation District met and convened in regular session in the Board room at its office in Sunnyside, Washington on Tuesday, June 7, 2016. Present were President Ric Valicoff, Vice President Jim Willard, Director Dave Mimick, Director Will Jones, Director Jason Sheehan and District Manager Scott Revell, Engineering Manager Wayne Sonnichsen, Assessment Clerk/Assistant Secretary Kristel Espinoza, Policy Director Ron Van Gundy and District Attorney Tom Cowan and Watermaster Clay Bohlke

The President called the meeting to order at 9:02 A.M. and requested the Board consider the meeting minutes of May 10, 2016. It was moved by Mr. Willard, seconded by Mr. Jones and unanimously passed, to approve the consent agenda as presented.

District Manager Revell reported that Reclamation had issued a water forecast of 86% water supply on June 3, 2016 for prorable irrigation districts. Mr. Revell noted at this level water delivery restrictions are not necessary. Storage control of the river is expected to occur between June 8 and June 12. Mr. Revell stated staff was going to plan the irrigation season based on working backwards from October 20 shut off date and he stated that the next water supply forecast will be issued attentively July 7.

Following discussion, it was moved by Mr. Sheehan, seconded by Mr. Willard and unanimously passed, to extend the pooling deadline for the 2016 irrigation season to June 17, 2016.

Engineering Manager Wayne Sonnichsen reported to the Board a revised Enclosed Conduit System schedule. Mr. Sonnichsen stated staff had reevaluated the schedule with an emphasis on water conservation and maintenance savings. The changes reflect priority of placement in the revised schedule. Following discussion, Mr. Willard moved, seconded by Mr. Jones and unanimously passed to approve the revised Enclosed Conduit System schedule.

Tom Glover, Terry Kent, Chad Stuart and USBR staff joined the meeting.

Tom Glover and USBR staff updated and presented the Board on the proposed draft 2017-2021 power rate. The rate charged for reserve power and energy is intended to recover the projected costs of producing energy from the Roza power plant and its associated switchyard. The budget is comprised of a power generation component, a switchyard cost component and a special amortizations component.

Mr. Glover noted the USBR's costs for inspecting power poles and stated access to the power poles due to brush and crops was an issue.

Mr. Glover and Mr. Kent discussed with the Board the pump plant transformer refurbishment needs. He noted three transformers were inspected and two of the three units were good candidates for refurbishment. The 500kVA unit would require more extensive repair due to the condition that would be cost prohibitive. No action was taken.

Watermaster Clay Bohlke presented an overview of the chemical program. Mr. Bohlke stated most chemicals are purchased through the Northwest Irrigation Operators chemical pool bid process and the total annual order is delivered to the Sunnyside yard and stored in a small heated building where the contents are kept secure. He noted the current storage building is not large enough and the lack of space requires storage of some of the chemicals in other buildings or temporarily rented storage space from the distributor. Common herbicides used are 2, 4-D, Glyphosate, steriants and pre-emergent such as; Diuron and Payload. Mr. Bohlke stated the aquatic chemicals are regulated under the Clean Water Act via permit issued by Ecology. The permit strictly governs the addition of any chemicals used for aquatic weed control in the canal system because of return flows back to the Yakima River. He stated chemical applications are made by Roza staff, two employees are designated "spray operators" with a third person working toward that position. The terrestrial applications are carried out by the two spray trucks. The average annual chemical purchase for terrestrial application beginning in 2012-2015 was \$13,000 and approximately \$300,000 for aquatics from 2012-2014. Staff will continue exploring for the most effective and economical means of weed control.

District Manger Revell reported the District has roughly 14 miles of concrete lined canal remaining to be sealed at a total cost of about \$4 million, the District has not budgeted funds for sealing work in recent years. A one mile of concrete lined canal costs approximately \$300,000 to seal on

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average. The water quantity involved is expected to total about 29,000 acre feet. The District has been using Aqualastic sealant since 2006 and has completed about 6 miles to date. He stated the first sealant applied appears to be in good condition, which extends the life of the concrete. Mr. Revell noted several options for funding the canal sealing work through the assessments, grants, District reserves or Tier II revenue. Mr. Revell said he would reuse the funding plan to extend to 7 years to rebuild the use of reserve funds. No action was requested by the Board at this time.

District Manager Revell reported staff has inventoried the equipment fleet and prioritized the equipment most in need of replacement. The District has an aggressive maintenance program and typically keeps equipment for many years. Staff examined each piece of equipment based on the following; repair vs. replacement, rent vs. buy and new vs. used. He noted no funds were budgeted in 2013, 2014 and 2015 for equipment, the Board approved individual requests in 2014 and 2015 from undesignated reserves. The 1985 Graddall is now the highest priority piece of equipment to replace. Implementing the plan with assessment sourced funds would require an additional \$1.80 per acre to be assigned and budgeted. No action was requested by the Board at this time.

District Manager Revell briefed the Board on the Sunnyside property improvements and the initial examination of possible acquisition of property. No action was requested by the Board.

District Manager Revell presented the Board with a proposal for the Watermaster and Assistant Watermaster wage update; he stated that recent organizational changes have increased the duties of the Watermaster to include; responsibility for all water delivery, maintenance, facility and shop operations. Following discussion of the comparison salaries from other irrigation districts, Mr. Willard moved, seconded by Mr. Jones and unanimously passed to set the Watermaster salary at \$90,940 and the Assistant Watermaster salary at \$71,494 annually.

The President declared the Board to be in executive session for an estimated twenty minutes beginning at 11:32 A.M. pursuant to:

- a. USBR Reimbursement Executive session pursuant to RCW 42.30.110(1)(i). Pending litigation- State v. Acquavella.
- b. Executive session pursuant to RCW 42.30.110(1)(i). To discuss with legal counsel potential litigation.
- c. Executive session pursuant to RCW 42.30.110(2)(a)(iii). To evaluate legal risk of a proposed action.
- d. Executive session pursuant to RCW 42.30.140(4)(b).
- e. Executive session pursuant to RCW 42.30.110(1)(b). Selection of a site or the acquisition of real estate.

President Ric Valicoff returned at 11:52 A.M. and noted the Board would be in executive session for an additional twenty-five minutes.

The President returned the Board to regular session at 12:17 P.M.

Ground water management area update was tabled for the July 5, 2016 Board meeting.

District Manager Revell presented, and the Board reviewed the District Manager's monthly report.

Engineering Manager Wayne Sonnichsen presented, and the Board reviewed the Engineering Manager's monthly report.

The Status of Investments Report for May 31, 2016 was presented.

The Treasurer's Report for May 31, 2016 was presented with fund balances at month end as follows:

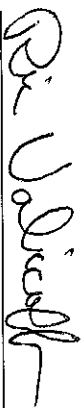
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| Expense | \$ 15,432,852.85 |
| Construction | \$ 438,543.01 |
| Farm Loan 1% | \$ 0.00 |
| Reserve | \$ 288,000.00 |
| Memo | \$ 50,387.12 |

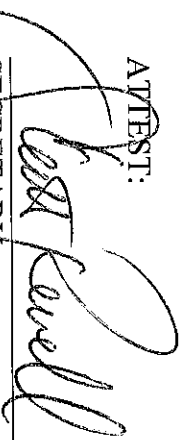
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Mr. Minick made a motion, seconded by Mr. Willard and passed, that claims # 29174-29178, 57065-57072, 57139-57207 and 57222-57280 in the amount of \$601,545.54 be approved for payment.

No further business appearing and upon motion duly made, seconded and unanimously passed, the Board did there upon adjourn to Bon Vinos Bistro & Bakery for lunch at 12:25 P.M. on Tuesday June 7, 2016.


PRESIDENT

ATTEST:

SECRETARY