

## REGULAR MEETING MINUTES

March 10, 2015

The Board of Directors for the Roza Irrigation District met and convened in regular session at its office in Sunnyside, Washington on Tuesday, March 10, 2015. Present were President Ric Valicoff, Vice-President Jim Willard, Director Dave Minick, Director Will Jones and Director Ron Grow, District Manager Scott Revell, Engineering Manager Wayne Somnichsen, Assistant Assessment Clerk Kristel Espinoza, Policy Director Ron Van Gundy, CPA Angela Pratt (Petersen CPA's and Advisors).

District Manager Revell noted that item #3 on the agenda Integrated Plan presentation (USBR) would be deferred until the April board meeting.

The President called the meeting to order at 9:08 A.M. and requested the Board consider the meeting minutes of February 10, 2015. It was moved by Mr. Willard, seconded by Mr. Minick and unanimously passed, to approve the consent agenda as presented.

Director Ron Grow executed the Roza Irrigation District Oath of Office for Division 3.

The Integrated Plan video was presented by Mr. Revell.

Angela Pratt (Petersen CPA's and Advisors) reported to the Board that her Phase I report for the Roza Irrigation District has been completed. Some recommendations included; improving safeguarding of assets by installing locked cabinets and a fireproof safe, continuing with current policies of cash disbursements, safeguarding cash receipts that are not deposited the same day and cross train job duties. District Manager Revell noted that staff had begun working to implement the recommendations contained in Phase I.

Angela Pratt left the meeting.

District Manager Revell discussed with the Board the 2015 Tier II water rate. After the February Board meeting it was discovered that article 23(c) of the Roza-USBR contract states the Tier II water rate needs to be at least equal to the sum of the base assessment plus ten percent. Following discussion, Mr. Minick made a motion, seconded by Mr. Jones and moved to set the 2015 Tier II water rate at 110% of the base assessment for 1<sup>st</sup> acre foot, 125% for 2<sup>nd</sup> acre foot and 150% for each additional acre foot. Staff stated that the Board could adopt a policy to charge these amounts automatically.

Tom Glover, Terry Kent, Chad Stuart, Jerry Jacoby, Ron Moore, Bob Ross (USBR), Alan Evens and Stan Schwissing (HDR) joined the meeting.

Engineering Manager Wayne Somnichsen and USBR staff updated the Board on the USBR WW 5 Regulation reservoir power needs. Terry Kent and Tom Glover from the USBR presented information about the capabilities of the existing USBR power transmission line which runs from the Grandview substation to the Wasteway 5 reservoir site and how the power draw from the WW5 pumps will affect that power line. They said that with all of the WW5 pumps online at 100% load the transmission line loads are within their rate capacity. They also said that sag tests of the transmission lines have not been done and that they were planning to do sag tests during this coming irrigation season.

Mr. Kent also presented information about the transformer at the BPA substation that supplies power for the RID lower end pumping stations. He said that the power requirements of the WW5 reservoir pumps will not exceed the nameplate rating of the transformer if the pumps are operated as described in the HDR technical memo. He also said that, with all pumps running at peak levels and the WW5 pumps running at 100% load, the transformer would be loaded slightly above its nameplate rating. He said the transformer is in good condition.

There was discussion about the age of the transformer and how long it would take to replace it if it failed during the irrigation season. Mr. Kent was unclear of BPA's availability of backup transformers for this site. Included in this discussion was whether or not the risk of failure due to running the transformer near capacity warranted replacement of the transformer as part of the WW5 reservoir project.

According to Mr. Kent, replacement of the transformer and associated parts could cost \$3.5 million to \$4.0 million. Mr. Somnichsen pointed out that, with a modification of the existing Grant Agreement with USBR and DOE, it was likely that the District would only have to pay 17.5% of that cost and that the other 82.5% of the costs would be paid with USBR and DOE grant funds under the YRWBEP funding formula.

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Mr. Sonnichsen asked if power generated from the reservoir could be used within the USBR system to augment total power usage of the District pumping plants. Mr. Kent acknowledged that it is possible to do this.

Mr. Glover discussed an incident in which a landowner (Ken Heilman) built a gravel pile within twelve feet of the USBR 34.5KV power transmission line and then put a sprinkler on the gravel pile. Mr. Glover met with the landowner to inform him of the dangers of his actions. The landowner agreed to pay to have the power line raised to accommodate his use of the property to stockpile gravel.

Mr. Glover discussed a planned upgrade of components at the Roza Powerplant approximately 3 miles east of Yakima. He said that the work is scheduled to begin in October of 2016.

Mr. Glover and Mr. Kent informed the Board that there are several transformers at the USBR yard in Yakima which are meant to be spares, but need to be evaluated to determine their condition. And, if they needed to be repaired, that should be done so that they could be safely used if the need arises. Mr. Revell stated he approved the evaluation of the transformers.

Tom Glover, Terry Kent, Chad Stuart, Jerry Jacoby, Ron Moore, Bob Ross (USBR), Alan Evens and Stan Schwessing (HDR) left the meeting.

The President declared the Board to be in executive session for an estimated forty-five minutes beginning at 12:21 P.M. pursuant to:

- a. Executive Session pursuant to RCW 42.30.110(1)(i)(iii). To evaluate legal risk of a proposed action.
- b. Pending litigation pursuant to RCW 42.30.110(1)(i)–State v. Acquavella

The President returned the Board to regular session at 1:31 P.M.

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 February 28, 2015 was presented.

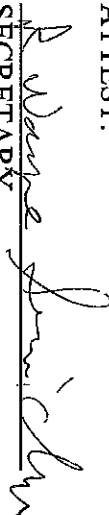
The Treasurer's Report for February 28, 2015 was presented with fund balances at month end as follows:

Expense	\$ 9,224,971.15
Construction	\$ 362,735.70
Farm Loan 1%	\$ 232,347.79
Reserve	\$ 288,000.00
Memo	\$ 1,193.37

Mr. Minick made a motion, seconded by Mr. Jones and passed, that claims #28964-28991, 54674-54688, 54751-54808 and 54818-54884 in the amount of \$908,274.44 be approved for payment.

No further business appearing and upon motion duly made, seconded and unanimously passed, the Board did there upon adjourn at 1:52 P.M. on Tuesday, March 10, 2015.

ATTEST:

  
SECRETARY

  
PRESIDENT