

November 12, 2019

The Board of Directors for the Roza Irrigation District met and convened in special session in the conference room at the Sunnyside Valley Irrigation District Field office at 1105 Yakima Valley Hwy., in Sunnyside, Washington on Tuesday November 12, 2019. Present were President Ric Valicoff, Vice-President Jim Willard, Director Dave Minick, Director Will Jones and District Manager Scott Revell, Engineering Manager Wayne Sonnichsen, Assessment Clerk/Assistant Secretary Kristel Espinoza, Watermaster Clay Bohlke, Maintenance Supervisor Dave Rollinger, District Attorney Tom Cowan.

Audience members: Tanner Winckler, Brenton Roy, Paul Merritt, Jason Don, Stan Schweissing-HDR Engineers and Allan Evans-HDR Engineers.

The President called the meeting to order at 9:05 A.M. and requested the Board consider the consent agenda as presented:

- a. Minutes of September 30, 2019 Special Board meeting.
- b. Minutes of October 8, 2019 Regular Board meeting.
- c. Statement of Income & Expense for the nine periods ending September 30, 2019.
- d. Comparative Balance sheet for the nine periods ending September 30, 2019.
- e. Status of Investing Accounts report – October 31, 2019.
- f. Treasurer's Financial Statement report – October 31, 2019.
- g. Claims.
- h. Declaration of surplus equipment.

The following claims are approved for payment: payroll numbers 29456- 29459 in the amount of \$4, 436.23. Vouchers numbers 63107-63118, 63187-63238, 63256-63328 and 63246-63252 in the amount of \$526,669.14 and electronic payments 09-19, 12-19, 13-19, 19-23, 19-24, 22-19, 23-19 in the amount of \$286,430.26 from the period of October 2, 2019 to November 12, 2019.

It was moved by Mr. Willard, seconded by Mr. Minick and unanimously passed to approve the consent agenda as presented.

District Manager Revell confirmed for the Board that notice of the equalization hearing will be published in the Yakima Herald and the Tri-City Herald for the 2020 assessment roll and confirmed that the assessment roll was delivered to the Board pursuant to RCW 87.03.250.

District Manager Revell reported Jason Sheehan was the only candidate to file for the Division 3 director position. Following discussion, Mr. Minick moved, seconded by Mr. Willard and unanimously passed, to declare Jason Sheehan elected as director for division 3 for the 2020-2023 term pursuant to RCW 87.03.250.

Stan Schweissing-HDR Engineers presented the Board with the cash flow analysis for the Kachess Drought Relief Pumping Plant and explained the Floating Pumping Plant alternative projected costs are lower than the annual costs for the Near Shore Pumping Plant for approximately the first 40 years of the projects. He explained that the analysis for the Floating Pumping Plant assumed a \$177,590,500 loan for 40 years and that the pumps & motors, VFDs, generator and cardanic joints would be replaced every 25 years and the marine cable every 30 years. After the initial capital costs are paid off, the Floating Pumping Plant annual costs begin to exceed the annual costs for the Near Shore Pumping Plant with a breakeven point out at about 100 years.

The Board discussed potential next steps. Mr. Schweissing pointed out that the level of design for the Floating Pumping Plant is currently at about 15% and that there is a lot of uncertainty regarding constructability of the floating pumping plant as designed within the proposed time line. If the construction period were to be extended, the costs for construction would increase. Mr. Schweissing noted that construction costs could exceed \$200M.

Brenton Roy spoke in favor of the project. Tanner Winckler noted that he could not afford a \$100 per acre plus increase in his assessment that would be required to pay for this project and that there would need to be a way for landowners to "opt-out" of paying for this project and receiving the benefits of the project.

Mr. Sonnichsen suggested that the floating pumping plant design be brought to 30% so that the uncertainties related to construction and O&M could be addressed to determine if the current cost estimate is reliable or to what value it would increase. A 30% level design would be needed to advance the Floating Pumping Plant as a preferred alternative in the EIS.

Upon further discussion, Director Willard proposed development of a scope of work and cost estimate by HDR Engineering to bring the Floating Pumping Plant to 30% design and that discussion and a decision of how best to move forward with this project should include Director Sheehan at a future meeting.

Engineering Manager Wayne Sonnichsen reported to the Board on additional winter projects and noted the ongoing winter construction projects were moving along very well. The Pump 15 Low Enclosed Conduit Project is expected to complete around January 1st. Mr. Sonnichsen mentioned that with the early completion it will free up personnel and equipment for other projects. There are several projects, including; piping the Moxee Valley lining drains, replacing Pump 2 High Right wasteway concrete pipe, piping the Morrison Drain near Mile Post 32.0 and the addition of a gravel pack at Mile Post 38.1 that these resources can be applied, but would require purchase of materials. Following discussion, Mr. Willard moved, seconded by Mr. Jones and unanimously passed to approve the additional winter work material costs in the amount of \$71,500.00

District Manager Scott Revell presented the Board with the 2020 budget planning information and known projected changes in both income & expenses. No action was requested of the Board.

District Manager Revell presented the proposed per acre assessment for 2020. Stating that the proposed assessment rate represented an increase of \$2.00/acre from 2019 with \$1.00/acre going to capital improvement projects based on projected changes to income and expenses. Mr. Revell noted that Blocks 1 – 6 have no remaining construction obligation to the United States and Block 7 is the only remaining construction obligation. Following discussion, Mr. Minick moved, seconded by Mr. Jones and unanimously approved and set the 2020 operation and maintenance assessment at \$179.90 per acre.

The President declared the Board to be in executive session for an estimated twenty minutes beginning at 10:50 A.M. pursuant to:

- a. Executive session pursuant to RCW 42.30.110(1)(i). Potential and pending litigation- State v. Acquavella, Terrace Heights Sewer District, Kennewick Irrigation District and Kachess Community Association.
- b. Executive session pursuant to RCW 42.30.110(2)(a)(iii). To evaluate legal risk of a proposed action.
- c. Executive session pursuant to RCW 42.30.110(1)(b). Selection of a site or the acquisition of real estate.

President Valicoff announced at 11:10 A.M. and noted the Board would be in executive session for approximately fifteen additional minutes.

The President returned the Board to regular session at 11:25 A.M.

Watermaster Clay Bohlke presented, and the Board reviewed the Watermaster's monthly report.

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.

No further business appearing and upon motion duly made, seconded and unanimously passed, the Board did there upon adjourn at 11:42 A.M. on Tuesday November 12, 2019.

ATTEST:


SECRETARY


PRESIDENT