

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

October 12, 2023 Pasco, Washington

The regular meeting of the Board of Directors of the South Columbia Basin Irrigation District was called to order by Director J. Balcom at 9:00 a.m. on October 12, 2023. Those in attendance were:

OFFICERS AND STAFF

Maury Balcom	John O’Callaghan, Secretary/Manager
Jared Balcom	Kellie Pierson-Geddes, Assistant Secretary/Treasurer
Charles Lyall	Brian Scott, Chief Engineer
JJ Danz	Terrie Chambers, Executive Assistant
Richard Conrad	Dan Johnson, Purchasing & Facilities Manager
	Paul Dempsey, Attorney Halverson Northwest

OTHERS

Clyde Lay, United States Bureau of Reclamation
Amy Rodman, United States Bureau of Reclamation
Darvin Fales, Columbia Basin Hydropower
Mike Schwisow, Schwisow & Associates
Anna Franz, Law Offices of Kenison Franz
Kirk Rathbun, Candy Mountain Farms, LLC.
Sydney Anderson, Candy Mountain Farms, LLC.
Mary Beth Miller, Lamb Weston
Steve Bannworth, Lamb Weston
Ian Toevs, Lamb Weston
Marvin Price, Lamb Weston
Michael Bromund, Rubicon Water, LLC.

APPROVAL OF MINUTES

The September 7, 2023 regular meeting minutes were presented for Board approval. Director Danz moved to approve the minutes as presented. Director Lyall seconded the motion and it carried. Director Conrad abstained from voting.

FINANCE AND BUDGET

Treasurer Pierson-Geddes reviewed the summary of investments and the September month-end financial statements.

Secretary/Manager O’Callaghan reviewed the budget for September 31, 2023.



Treasurer Pierson-Geddes presented the following vouchers for Board consideration:

Monthly Expenditures

Electronic funds transfer 102172 through 102186	\$369,669.71
Check Nos. 220037 through 220296	\$1,857,789.05

Payroll

Check Nos. 29437 through 29441 and electronic funds transfers to employee accounts	\$456,508.29
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Treasurer Pierson-Geddes recommended approval. Director Danz moved to approve the vouchers as presented. Director Lyall seconded the motion and it carried.

AGREEMENT FOR PERMANENT RELEASE OF WATER ALLOTMENT

Secretary/Manager O'Callaghan presented and recommended approval of the following Agreements for the Permanent Release of Water Allotment:

Richard Crook - Parcel #003-039-002-03310-0 for 11 Acre Feet
David C. & Debra Jayne Kohler - Parcel #001-067-006-03500-0 for 4.25 Acre Feet

Director Conrad moved to approve the Agreements for Permanent Release of Water Allotment. Director Lyall seconded the motion and it carried.

CONSENT TO WATER DELIVERY CHANGES

Chief Engineer Scott presented and recommended approval of a Consent to Water Delivery Changes for Ray E. & Vanae S. Knight moving the current point of delivery, EL85BB at Stationing 26+18.0 Rt., to EL85BB1 at Stationing 0+60 Lt. Director Lyall moved to approve the Consent to Water Delivery Changes. Director Conrad seconded the motion and it carried.

BIDS & PRICING

Purchasing and Facilities Supervisor Johnson presented pricing for a 34' x 1,600' geomembrane liner for the PE41.2C from Western Ag in the amount of \$31,557.36 excluding Washington State sales tax. Director Danz moved to approve the purchase as presented. Director Lyall seconded the motion and it carried.

Chief Engineer Scott discussed the bid opening on November 10th. There was some confusion regarding the bid opening time for the Lower Scootney Pump Plant Manifold. Attorney Dempsey advised that due to the understanding among the attendees, the District can move forward with the lowest bid.

Chief Engineer Scott presented the bids for the Lower Scootney Pump Plant Manifold Replacement. Director Conrad moved to accept the lowest bid from C&E Trenching, LLC. in



the amount of \$375,690.00. Director Danz seconded the motion and it carried.

Chief Engineer Scott presented the bids for the Block 24 Valve Replacement. Director Danz moved to accept the low bid from Tapani Inc. in the amount of \$262,000.00. Director Conrad seconded the motion and it carried.

TREASURER'S REPORT

Assistant Secretary/Treasurer Pierson-Geddes reported on the following projects:

Assessments - The 2024 assessment roll is being prepared. The 2024 construction rates are 116% of the base rate. Block 23 will be paid out this year. The construction fund will be adjusted to align with the amount the District owes to the United States Bureau of Reclamation (Reclamation) for the annual construction payment. Acres, convenience turnouts, splits, and factors are all being reviewed for the assessment roll.

Assistant Secretary/Treasurer participated in various meetings throughout the month.

Investments – Two United States Treasury Bills matured in September. There were no new investments in September.

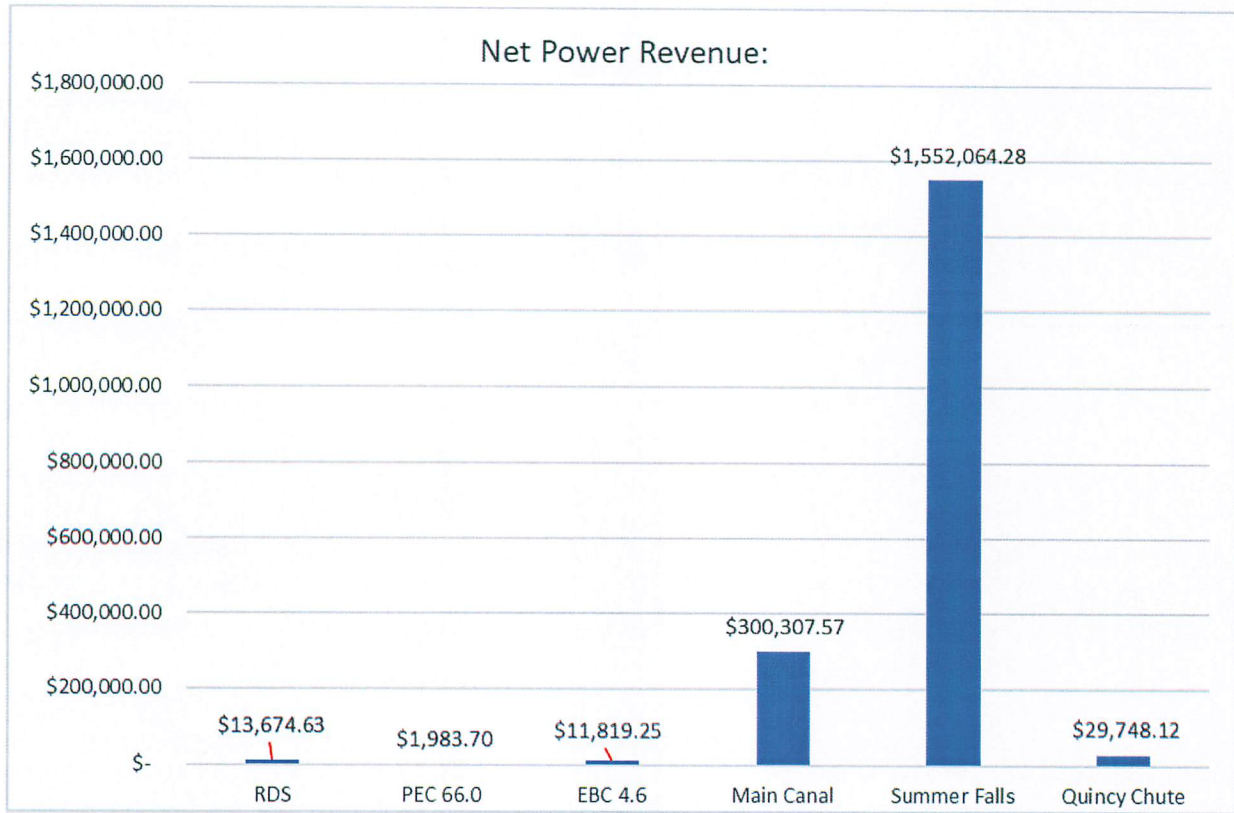
Foreclosures – Two delinquent accounts are eligible for foreclosure. Alex B. Najera owes \$4,264.83 and Fabiola Perez, et al owes \$503.90. Director J. Balcom moved to proceed with the foreclosure process of both delinquent accounts. Director Conrad seconded the motion and it carried. Upon receiving a warning letter from Halverson Northwest, a payment was received for one delinquent account.

Audit – The Washington State Auditor's Office has requested the general ledger, vendors, and employee information for the 2023 Annual Audit. The lead auditor has not been announced.

Network Security – The District IT provider reported that all firewalls are running current firmware. The security software, Sentinel 1, and the uninterruptible power supply devices will be updated. In the last 90 days, no viruses were detected on the first level of security and 19 on the second level. There were no computers infected.



2023 POWER REVENUE & EXPENSES



ENGINEERING REPORT

Chief Engineer Scott reported on the following topics:

Engineers are completing designs for winter projects, procuring materials, and preparing to begin projects. Bids for the Block 24 valve replacement and the Lower Scooteny Pump Discharge Manifold replacement were opened on Tuesday. District engineers are working on retaining wall designs for the PP6.0 WW Pond, as well as permitting and pipeline designs.

A retaining wall and fence were built at the Pasco office to limit run-off from our neighbors, SMK Tri-Cities Inc., during the winter and spring.

Engineer Poe and Chief Engineer Scott met with a fiberglass reinforced pipe supplier and design engineering firm. The firm has been working with East District on the Odessa Groundwater Replacement Program (OGWRP) project and a pipe project in Hermiston. District staff will visit the Hermiston project site.

Chief Engineer Scott met with landowner Ed Skelton to discuss a plan forward for the PE65 system. Chief Engineer Scott watched an information session on the Columbia River Treaty presented by the United States Army Corps of Engineers.



Secretary/Manager O’Callaghan and Chief Engineer Scott met with Kirk Rathbun and Sydney Anderson of Candy Mountain Farms, LLC. to discuss potential changes to water service contract #248 as related to OGWRP.

PERMITS

Chief Engineer Scott presented the following permits for Board consideration:

<u>BLOCK/FARM UNIT</u>	<u>APPLICANT/LANDOWNER</u>	<u>PERMIT REQUESTED</u>	<u>FEE</u>
21/58	Holly Hafer Kenner	Culvert Crossing	\$50
WSC 192	DCM Land LLC	Bridge Crossing	\$0
1/1	Sagemoor Vineyards LLC	Bridge Crossing	\$0
WSC 131	Kevin Kulp	Bridge Crossing	\$0
17/13	Kevin Filbrun	Bridge Crossing	\$0
20/29	Stephen Mathis	Culvert Crossing	\$50
25/04	Diego Arellano Valezquez	Convenience Turnout	\$250
Mattawa	Grant County PUD	Fiber Crossings (137)	\$3500?

Chief Engineer Scott advised that the permits met all District requirements, there were no further operations or maintenance concerns to be considered and recommended approval by the Board. Director Conrad moved to approve the permits as presented. Director Lyall seconded the motion and it carried.

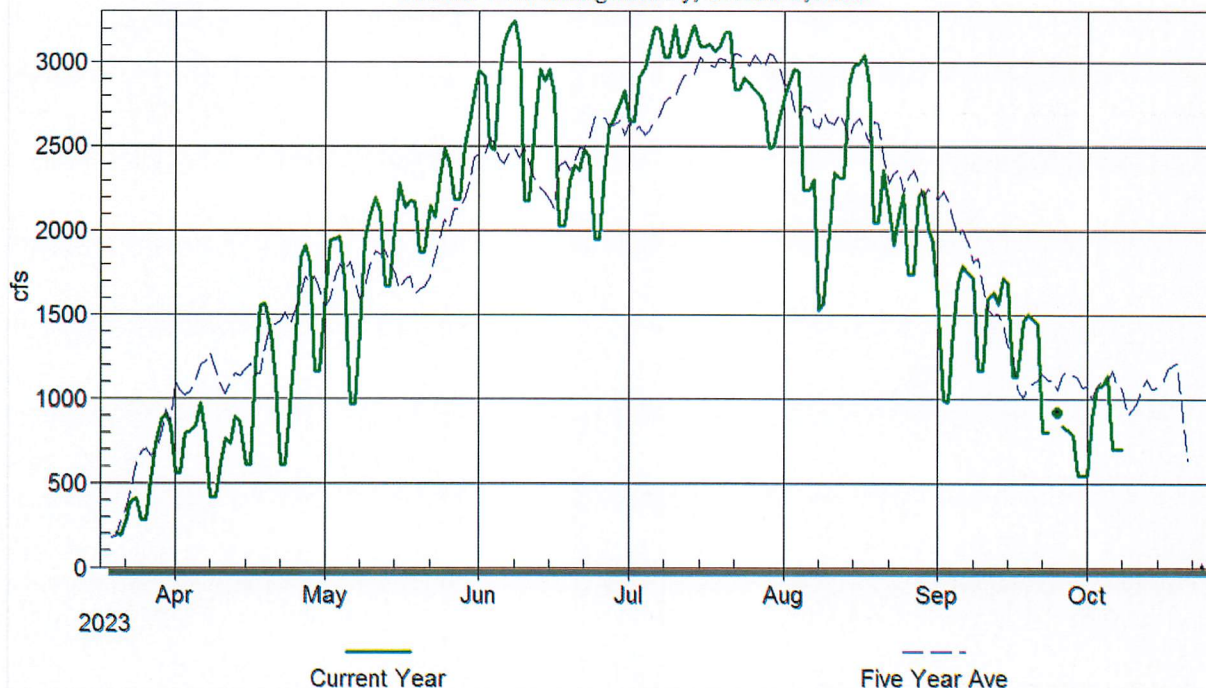
OPERATIONS REPORT

Assistant Manager Dixon was absent and Chief Engineer Scott reported on the following topics in his stead: The elevation of the Potholes Reservoir is 1030.7 feet (147,400 acre-feet active storage) and the feed is 150 cubic feet per second (CFS) as of October 9, 2023. Potholes Canal Discharge at O’Sullivan Dam was 1400 CFS. Potholes Canal Discharge at Scootney Outlet was 790 CFS. Wahluke Branch Canal Diversion was 615 CFS. There have been 4,461 acres sprayed to date. There have been 3,790 acres and 2,101 miles mowed.



2023 POTHOLES CANAL FARM DELIVERIES

Plot for week ending Monday, October 9, 2023



All watermaster yards have been cleaning ditches, administering chemical treatments and maintaining roads as needed. The Eltopia crew have been hauling gravel/rip-rap to stockpile locations, and installing additional yard lighting poles in truck parking areas. Concrete was placed in the yard around the new oil storage building. Mesa crews have been stockpiling clay at the Russell Road site. Preparations for winter work at the PE38.9 siphon are underway. The new dump truck for pulling the excavator was received. The Wahluke crew has been preparing for winter projects and responded to several minor ditch issues. Installation of additional lighting in the equipment yard has been completed in the Mattawa watermaster yard. A yellow line was painted on the Priest Rapids WW fence in an attempt to deter future theft of material.

The District has executed a contract with Plateau Archaeological Investigations, LLC for the Cultural Resource / Historical Inventory Services on facilities associated with the Partial Title Transfer. Work will begin after the Partial Title Transfer is approved by Reclamation Commissioner Touton.

On September 18th, Quagga Mussel larvae were discovered in the Snake River near Twin Falls. The District is communicating with Reclamation and the Washington State Department of Fish and Wildlife regarding response and monitoring. The last day for water delivery changes is October 20th and the water will be shut off on October 23.

MANAGER'S REPORT

Secretary/Manager O'Callaghan reviewed and discussed various meetings attended during the month which included a trip to Washington, DC, a diversion rate meeting at Grand Coulee Dam, and a SCADA meeting.

CALENDAR OF EVENTS

Secretary/Manager O'Callaghan reviewed the October and November calendars.

USBR REPORT

Ephrata Field Office Deputy Manager Lay confirmed that the Partial Title Transfer has been approved by Reclamation Commissioner Touton.

AUTHORIZATION TO BID

Alligare, Inc. is no longer the sole source supplier for the aquatic herbicide Acrolein. Director Lyall moved to authorize a request for bids for Acrolein. Director J. Balcom seconded the motion and it carried.

QUINCY INDUSTRIAL USER GROUP

Representatives from Agricultural Industrial Reuse Irrigation System, formed by Lamb Weston and Quincy Foods, updated the Board on a project to provide irrigation water to the Columbia Basin from industrial wastewater generated by food processing facilities in Quincy. Discussion amongst the board and staff ensued. The District's primary concern continues to be the potential threat to the agricultural water exemption under the Clean Water Act.

WATER SERVICE CONTRACT #248

Kirk Rathbun and Sydney Anderson, Candy Mountain Farms, LLC, discussed water service contract #248 with the Board.

RECESS

Director M. Balcom called for a 15-minute recess at 10:45 A.M. The meeting reconvened at 11:00 A.M.

TRAVEL AUTHORIZATION

Secretary/Manager O'Callaghan requested authorization for the following travel:

Irrigation Leader Workshop: January 23-25 in Phoenix, AZ
America Water Resource Association Conference: November 6-8 in Raleigh, NC



Director Conrad moved to authorize the travel requests as presented. Director Lyall seconded the motion and it carried.

COLUMBIA BASIN DEVELOPMENT LEAGUE

The Columbia Basin Development League Conference & 59th Annual Meeting is in Moses Lake on November 14th, 2023. The Board discussed sponsoring the conference. Director Danz moved to approve payment of the annual membership dues in the amount of \$2,500.00 and a platinum-level sponsorship in the amount of \$1,625.00. Director Conrad seconded the motion and it carried.

WASHINGTON, DC TRIP UPDATE

Secretary/Manager O'Callaghan updated the Board on the recent trip to Washington, DC. A few of the topics addressed during meetings with Commissioner Touton and Legislators were the Partial Title Transfer and SCADA improvements.

ELTOPIA DIESEL/PUMP MECHANICS SHOP

Chief Engineer Scott discussed the plans for a diesel and pump mechanics shop at the Eltopia Watermaster yard. The existing District facilities for this purpose are inadequate. Director J. Balcom moved to authorize a request for bids for a diesel/pump mechanics shop at the Eltopia Watermaster yard. Director Danz seconded the motion and it carried.

STAFFING

District Pump Supervisor Petersen and the two District pump mechanics are within a few years of retirement. Secretary/Manager O'Callaghan discussed the importance of hiring their replacements early to allow for an extended job shadowing period. The Board concurred with this action.

2024 FINAL BUDGET

Secretary/Manager O'Callaghan presented the final 2024 budget to the Board and recommended a \$1.00 per acre increase in the assessment rate for all land classes. There was discussion among the Board. Director J. Balcom moved to approve a one-dollar per-acre increase in the assessment rate for all land classes. Director Danz seconded the motion and it carried.

LIABILITY & REAL PROPERTY INSURANCE RENEWAL

The District liability and real property insurance policies require renewal prior to the November board meeting, however, the renewal rates are not yet available. Director Conrad moved to authorize Secretary/Manager O'Callaghan to approve the liability and real property insurance subject to ratification at the November board meeting. Director Danz seconded the motion and it carried.



ASURIS INSURANCE RENEWAL

Secretary/Manager O'Callaghan presented pricing for the District health insurance for non-bargaining employees and recommended approval. The current provider, Asuris, has offered an increase of 7% for a no-bid renewal of our current policy. Director J. Balcom moved to authorize Secretary/Manager O'Callaghan to approve the insurance contract as presented. Director Conrad seconded the motion and it carried.

TRAVELERS INSURANCE SETTLEMENT

The pending insurance claim with Travelers Insurance for the dump truck that was hit on Booker Road has been paid in full.

DIVERSION RATE UPDATE

This matter will be discussed in executive session.

CBP WATER RIGHTS

Secretary/Manager O'Callaghan and Mike Schwisow, Schwisow and Associates, are working to change state legislation to increase the total acres covered by the Columbia Basin Project water rights held by the United States.

COLUMBIA BASIN HYDROPOWER

Secretary/Manager Fales requested \$10,000 from each Columbia Basin Project irrigation district for the legal fund which will be utilized to negotiate the contract with Conifer Infrastructure Partners. The funding agreement for the potential development of a Banks Lake lease of power privilege project was provided to the Board. Director Danz moved to approve the payment to Columbia Basin Hydropower in the amount of \$10,000. Director Lyall seconded the motion and it carried.

TITLE TRANSFER

The District's application for Partial Title Transfer of Blocks 1, 2 and 3, as well as additional lands and facilities, has been approved by Reclamation. This means that Reclamation and the District can move forward through the process to determine if this title transfer meets the necessary requirements. There were no public comments regarding the title transfer process.

PUBLIC COMMENT

There were no members of the public in attendance.



EXECUTIVE SESSION

Director J. Balcom called for a 25-minute executive session at 12:30 p.m. The regular meeting reconvened at 12:55 p.m.

OTHER BUSINESS

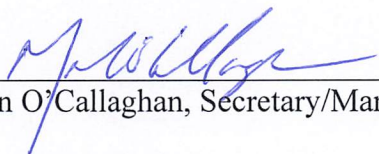
There was no other business.

NEXT MEETING

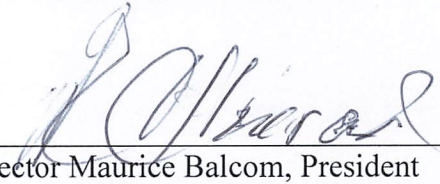
The next regular meeting will be on November 16, 2023.

ADJOURNMENT

With no further business, Director M. Balcom adjourned the meeting at 1:00 p.m.



John O'Callaghan, Secretary/Manager



Director Maurice Balcom, President

