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IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR ADAMS COUNTY

COLUMBIA SNAKE RIVER IRRIGATORS
ASSOCIATION,

Plaintiff,

v.

EAST COLUMBIA BASIN IRRIGATION
DISTRICT,

Defendant.

Case No.

VERIFIED COMPLAINT FOR
DECLARATORY AND INJUNCTIVE
RELIEF

(RCW Chapters 7.24 and 87.03)

I. INTRODUCTION

1. This lawsuit seeks to prevent the East Columbia Basin Irrigation District (“the District” or “ECBID”) from imposing a “development fee” on land owners without complying with statutory requirements. The development fee harms landowners who are seeking to develop distribution systems for the delivery of surface water to replace critically dwindling Odessa Subarea groundwater supplies; Columbia Snake River Irrigators Association (“CSRIA”) represents many of these landowners as alleged herein. The development fee in substance charges these landowners roughly half the cost of the very systems they propose to fund themselves for the privilege of being permitted to proceed with construction and contract for

1 water deliveries from ECBID. Through the charge, ECBID claims to attempt to be
2 “normalizing” costs as between various distribution systems, but ECBID may not lawfully tax
3 some landowners to subsidize systems for others where, as here, there are up to seven separate
4 systems and the only common costs are canal improvement costs which would be associated
5 with a far lower “development fee”. ECBID’s unlawful levy threatens the future of up to 87,700
6 acres of Odessa Subarea farmland.

7 II. PARTIES, JURISDICTION AND VENUE

8 2. Plaintiff CSRIA is a Washington nonprofit corporation formed to protect and
9 enhance irrigated agriculture in Washington State. CSRIA’s headquarters are located in
10 Kennewick, Washington, and it has members in the Odessa Subarea, including Adams County.
11 CSRIA is also the authorized agent of certain “Participants,” discussed below, residents of
12 Adams County.

13 3. Defendant East Columbia Basin Irrigation District is an irrigation district organized
14 under RCW Chapter 87, with its headquarters in Othello, Washington.

15 4. This Court has jurisdiction under RCW 2.08.010. Pursuant to RCW 4.12.025,
16 venue is proper in Adams County because defendant resides in Adams County.

17 III. FACTS

18 The Problem of the Odessa Subarea.

19 5. The Odessa Subarea is a portion of central Eastern Washington State that contains
20 significant amounts of irrigated agriculture.

21 6. The Odessa Subarea is located within the Columbia Basin Project (“CBP”), a
22 federal reclamation project owned by the U.S. Bureau of Reclamation (“the Bureau” or
23 “USBR”). Water for irrigation comes from Lake Roosevelt, the reservoir behind Grand Coulee
24 Dam.

1 replacement for approximately 70,000 acres of currently groundwater-irrigated lands both north
2 and south of I-90.

3 12. In the Record of Decision, the Bureau also stated that “[c]onstruction of facilities is
4 expected to proceed in phases from north to south consistent with expected distribution system
5 requirements [to individual landowners].” The Bureau also warned that that “no Federal
6 funding is committed or expected for implementing this project,” a position that it has reiterated
7 throughout the relevant time period. Rather,

8 “The State and the irrigators anticipate moving forward with non-Federal funding for the
9 project. The expected scenario would consist of the State funding construction of
10 conveyance infrastructure (such as widening canals, siphons, and appurtenant structures)
and irrigators funding distribution systems from the canal to the farm through local
improvement districts, loans, or other funding mechanisms.”

11 13. In March 2014, Ecology issued a new secondary use water right for water stored in
12 the CBP and authorized the Bureau to withdraw up to 164,000 acre-feet of water per year. The
13 water right, according to Ecology, will affect “70,000 acres of ground capable of being served by
14 the Columbia Basin Project distribution system and associated facilities . . . within the
15 boundaries of the [Odessa Subarea].” Ecology noted that new “laterals will be required to
16 deliver water to individual farms in the Odessa Subarea.” This water is referred to herein as
17 “New Secondary Use Permit Water.”

18 14. Ecology established a development schedule that called for the project to begin on
19 April 1, 2014 and be completed by April 1, 2024. Ecology explained that the Bureau would
20 “enter into a future contract(s) with East Columbia Basin Irrigation District and/or an existing
21 irrigation district and/or a *future water delivery entity*, who will then likely enter into individual
22 contracts with irrigators for water deliveries.” (Emphasis added.)

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1 **CSRIA's Proposal.**

2 15. Over the last five years (and with an initial invitation from Ecology and the Adams
3 County Board of Commissioners), CSRIA has worked extensively with its irrigator membership
4 in the Odessa Subarea, to respond to the Odessa Subarea groundwater problems. This work has
5 included preparation of economic analyses of the Ecology-USBR Odessa Subarea replacement
6 water environmental impact statements, economic and engineering analyses for irrigation system
7 distribution systems served by the East Low Canal both north and south of I-90, and water
8 system agreements and financial backing for construction of new irrigation systems.

9 16. Specifically, CSRIA has obtained formal authorization from landowners in the
10 Odessa Subarea for about \$42 million dollars to build "System One, North I-90," the first of
11 several phases of farmer-funded water distribution systems to be constructed. CSRIA has also
12 obtained \$100 million in associated lender commitments for completing additional systems.

13 17. CSRIA is the agent for these landowners, called Participants, who have contracted
14 to build the System One Project. CSRIA is authorized to sue on behalf of the Participants and
15 advance their interests. Most of the Participants are direct members of CSRIA. CSRIA also sues
16 on its own behalf and to vindicate the interests of its other, non-Participant members.

17 18. On or about May 29, 2014, CSRIA formally circulated a set of draft contracts
18 between the Participants, the Bureau and the ECBID seeking, in substance, for the Bureau to
19 amend its Master Water Service Contract ("MWSC") with ECBID by agreeing to "Supplement
20 No. 4," and for the Participants to enter into water service contracts with ECBID for delivery of
21 the New Secondary Permit Water. (ECBID is also proposing to use modification of its MWSC
22 to deliver the New Secondary Permit Water. *See* Exhibit 1, at 3.)

1 25. In October 2014, according to its formal minutes, the ECBID Board began
2 discussing the “benefit of establishing a development fee for new water service contracts” that
3 would raise money to pay for the ECBID irrigation proposal.

4 26. ECBID hoped to execute contracts with farmers for delivery of Conservation Water
5 and Lake Roosevelt Incremental Release Program Water (supplies of water that became
6 available before the New Secondary Use Permit Water, and would serve approximately 17,700
7 acres) to show progress in solving the Odessa Subarea problems.

8 27. By Resolution 2014-14, adopted in a Board Meeting on October 27, 2014, ECBID
9 addressed the provisions of contracts for initial water deliveries and declared that all such
10 contracts “shall be subject to an Odessa Groundwater Replacement Project Development Fee
11 established by the Board of Directors and charged to each acre served.” The Board further
12 declared that “the Development Fee for each acre shall be divided equally over a 30 year period
13 and paid annually with their contract assessment”.

14 28. On November 20, 2014, representatives of ECBID held a meeting with landowners
15 in the Odessa Subarea and handed out an agenda, a true copy of which is attached hereto as
16 Exhibit 1. The agenda refers to two types of distribution projects: some landowners would pay
17 all of their construction costs; others would rely on ECBID. Many landowners at the meeting
18 shared a common interest in developing their own systems independent of ECBID.

19 29. Exhibit 1 shows that ECBID was seeking to issue new water service contracts for
20 roughly 17,700 acres using initial water supplies. Despite the limited solution, ECBID proposed
21 a new development fee to be levied for all groundwater replacement contracts for the entire
22 87,700 acres that might ultimately be served.

23 30. ECBID purports to attempt to employ a “normalized cost” program in which all
24 landowners, regardless of the actual system costs or benefits to each separate property served,

1 would pay the same flat-fee costs per irrigated acre. The “normalization” financial scheme does
2 not reflect differential system costs, or differential costs between water conveyance zones within
3 each system.

4 31. The variance in costs among different systems is substantial. Attached as Exhibit 2
5 is a spreadsheet produced by ECBID identifying the time it was prepared as “post land owner
6 meeting” which reports a total cost for all systems of \$315 million, but a capital cost per acre
7 varying among seven different distribution systems from a low of \$2,147/acre to a high of
8 \$3,975/acre. Exhibit 3 is a later version of the spreadsheet in which total costs fall to \$296
9 million, but the spread in cost per acre rises from \$2,001 to \$4,228.

10 32. ECBID’s Manager and the Board members have referred to the “normalization”
11 cost scheme as reminiscent of the “first half” of the total CBP cost assignments. This is an
12 inaccurate analogy, as canal water transmission costs were in common, but independent water
13 line (farm mainline) distribution costs were paid by the landowners, reflecting their own water
14 distribution system costs.

15 33. As of November 20, 2014, ECBID, as reflected in Exhibit 1, reported a
16 “normalized cost” of “roughly \$240/acre/yr. with a thirty-year term.” This number assumes that
17 ECBID would build all the system with financing costs raised through the sale of 30-year
18 municipal revenue bonds.

19 34. Information available to CSRIA suggests that the System One method of direct
20 private sector financing is not only simpler but also more economical than ECBID’s revenue
21 bonding approach.

22 35. Exhibit 1 also shows that as of November 20, 2014, ECBID proposed an area for
23 the first distribution system to be constructed, and that ECBID would put “7,000 to 10,000 acres”
24 into “a District constructed system.” Landowners could “use non-District systems, but would

1 eventually have to come onto a District system if deemed reasonable by the District” pursuant to
2 unspecified terms. Exhibit 1 also reports that the cost of water will include as two components
3 (i) a “System Development Charge”, to be set as a “% of repayment cost [in] \$/ac/yr/30 yrs”; and
4 (ii) “System Repayment Cost” of “~\$240/ac/yr (for 30 yrs)”. Exhibit 1 also reported a
5 “development fee” of \$120/ac/yr.

6 36. Exhibit 1 demonstrates that ECBID proposes to collect either the annual \$120
7 Development Fee (even if the landowners build their own systems) *or* the full \$240/acre/year
8 cost if ECBID constructs the system.

9 37. In a November 21, 2014 Board Meeting, a true copy of the Minutes of which are
10 attached hereto as Exhibit 4, “Development Coordinator Johnson reiterated to the Board that the
11 latest estimate for construction of all [distribution] systems and additional East Low Canal
12 Improvements [beyond those covered by the Ecology grant] was \$240/acre per year.”

13 38. The November 21, 2014 Minutes state: “The development fee would be assessed
14 to all new water service contracts that receive groundwater replacement water,” including
15 contracts that would cover the water issued by Ecology under the new secondary use permit.
16 This would, according to the Minutes, help “normalize the cost for the entire 87,700 acres
17 receiving groundwater replacement water.”

18 39. At the November 21, 2014 Board Meeting, ECBID’s attorney warned that “the
19 development fee needed to have some kind of definition derived from the common cost” and that
20 it must “have a reasonable basis and have a cost in common throughout the project, that being
21 the widening of the East Low Canal.”

22 40. East Low Canal improvements costs are common costs, in that all of the proposed
23 distribution systems would be served by the East Low Canal, costs of which might lawfully be
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1 assessed in common against all distribution systems. The costs of individual distribution
2 systems, however, are not common costs.

3 41. In the Minutes, the ECBID Manager attempted to relate the development fee to the
4 far higher costs of not merely widening the East Low Canal but also to the costs of building all
5 seven of the distribution systems proposed by ECBID, claiming that “the fee is for the whole
6 OGWRP [Odessa Ground Water Replacement Program] because without all components the
7 project lands would not be receiving groundwater replacement water.”

8 42. The Manager’s statement was—and is—false. All parties involved understood that
9 the distribution systems to bring the replacement water would be developed separately as East
10 Low Canal improvements were completed. Indeed ECBID’s own plan, as set forth in Exhibit 1,
11 contemplated such independent development by landowners.

12 43. The Board rejected its counsel’s advice, setting the development fee at \$120/acre
13 “with the justification being the Board recognizes that there is value to all landowners within the
14 OGWRP and all lands within the OGWRP are benefitting from the OGWRP groundwater
15 replacement.” In substance, the ECBID Board acted as if no specific analysis whatsoever was
16 required to link assessed costs with benefits conferred. Instead, it adopted the \$120/acre/year
17 “Development Fee.”

18 44. There is no record that the ECBID Board ever attempted to adjust the Development
19 Fee and make it “proportional to benefits accruing to the lands assessed,” as required by RCW
20 87.03.240.

21 45. Resolution 2014-17, adopted December 8, 2014, reports that the ECBID Board
22 “met as a Board of Equalization, pursuant to notice, all as provided by statute” and established
23 various charges, but contains no mention of the recently-approved \$120-per acre Development
24 Fee.

1 46. In a meeting on January 28, 2015, ECBID's Manager asked CSRIA if the
2 Participants would be willing to pay the \$120/acre fee in order to pay for System One. CSRIA,
3 in its capacity as representative agent of the Participants, refused. This refusal reflected the
4 unwillingness of CSRIA members to pay for their own distribution costs *and* to pay for other
5 system distribution costs through ECBID fees that have no relation to common water delivery
6 infrastructure and no relationship to improvements in the East Low Canal.

7 47. Other CSRIA members have requested water allocations related to the contracts,
8 but without committing to the specific financial terms of the proposed contracts; some have
9 signed the ECBID's contract committing them to pay the Development Fee; and some have
10 questioned the composition of the Development Fee, but ECBID staff has not provided further
11 information as to how the \$120 per acre number was chosen, or what components it includes.

12 48. ECBID is already billing landowners who have executed new water service
13 contracts for initial water deliveries. These bills involve very substantial up-front payments;
14 delivery of replacement ground water to a single crop circle is associated with roughly \$15,000
15 in annual Development Fee costs.

16 49. ECBID had no lawful basis for setting the Development Fee at \$120 per acre,
17 which by all appearances is simply one-half of the estimated total system cost of \$240/acre.
18 Assuming ECBID has made full and lawful responses to CSRIA's Public Records Act requests,
19 there has been no fee allocation analysis. ECBID proposes to charge the Development Fee,
20 based on the estimated total system cost, to *all* recipients of new water service (replacement)
21 contracts, whether or not they intend to construct their own distribution systems.

22 50. ECBID's total disregard of the requirement that assessments on landowners must
23 be "made in proportion to the benefits accruing the lands assessed" (RCW 8703.240) gives rise
24 to at least two fundamental problems with the Development Fee:

1 (a) ECBID is giving no credit whatsoever against costs of self-constructed
2 distribution systems. As a result, the Development Fees paid by those building their own
3 systems would operate to subsidize the systems of those who wait for ECBID construction.

4 (b) ECBID's "normalization" approach entirely disregards cost differences between
5 distribution systems. It relies on the arbitrary \$120-per acre Development Fee to confer
6 substantially unequal benefits between landowners, some of whom cost more than twice as much
7 to serve as others.

8 51. At all relevant times, ECBID has also asserted the authority to determine whether
9 particular landowners might or might not build their own distribution systems, without any
10 lawful basis for so doing. ECBID's assertion of such authority is inequitable, and ECBID has
11 asserted such authority to bar the System One Project, while signaling others that they may
12 proceed to develop their own distribution systems—so long as they pay the Development Fee.

13 52. The high level of the development fee is intended to foreclose development of
14 distribution systems other than those built by ECBID, even though they are more expensive and
15 may injure CSRIA members and Participants.

16 53. ECBID has exploited the vulnerable position of Odessa Subarea landowners losing
17 their groundwater with threats that they must pay the Development Fee, or perhaps never obtain
18 replacement water at all. Instead of exercising fiduciary responsibilities toward irrigators,
19 ECBID has positioned itself as the "troll at the bridge" to the delivery of replacement
20 groundwater, demanding extraordinary, unprecedented, and unlawful charges.

21 **ECBID's Legal Obligations to Adopt Assessments in Proportion to Benefits.**

22 54. RCW 87.03.240 requires that ECBID assessments "shall be made in proportion to
23 the benefits accruing to the lands assessed."
24

1 55. CSRIA has filed Public Record Acts requests with ECBID, and ECBID has told
2 CSRIA, in substance, that there is no documentation constituting any detailed cost/benefit
3 analysis or documentation for the Development Fee beyond the *ad hoc* halving of the \$240/acre
4 cost estimate for completing improvements to the East Low Canal and constructing all
5 distribution systems reflected in Exhibits 1 and 2.

6 56. ECBID's counsel attempted to inform its Board at the November 21, 2014 meeting
7 that a lawful and reasonable argument for common benefits would be applied to the overall East
8 Low Canal modification costs. With the modifications in place, all distribution systems north
9 and south of I-90 would have access to Canal water.

10 57. Those modification costs would include only those directly borne by ECBID, and
11 would not include costs paid by the Ecology grant or other subsidies. They constitute the costs
12 remaining for ECBID after completing the Ecology grant-covered tasks, specifically to complete
13 East Low Canal modifications below the Lind Wasteway/Coulee.

14 58. Depending upon the nature of the work yet to be completed, ECBID's counsel may
15 be overly inclusive in asserting that all landowners receiving groundwater replacement water,
16 including those *above* the Lind Wasteway/Coulee where Ecology pays for improvements, may
17 be assessed a fee for the remaining Canal construction. Nonetheless, CSRIA and its members
18 and Participants would not challenge an assessment on all groundwater replacement contracts to
19 cover ECBID's remaining costs of completing the East Low Canal improvements.

20 59. Cost estimates for the uncompleted and unfunded Canal modifications have ranged
21 from about \$20-30 million. For purpose of estimating a reasonable assessment for such costs, a
22 mid-range estimate of about \$25 million is appropriate, and a total land in system development
23 and subject to assessments may be conservatively estimated at about 75,000 acres (the larger
24

1 acreage numbers used by ECBID in its estimates may understate costs per acre). If such costs
2 were financed by commercial lenders, the resulting annualized cost per acre would be about \$26.

3 60. There is a significant difference between charging irrigators who propose to build
4 their own systems a Development Fee of \$120/acre, as opposed to a charge to recover unfunded
5 East Low Canal improvements of \$26/acre. The excessive charges are, in substance, a direct
6 penalty on those constructing their own systems, unrelated to any cost of ECBID, which would
7 presumably then subsidize the costs of those whose systems were later constructed by ECBID.
8 They injure CSRIA, its members, and the Participants in the System One Project.

9 61. CSRIA and the Participants have at all relevant times proposed to fully compensate
10 ECBID for its proper role in the delivery of groundwater replacement water to the Participants in
11 System One. ECBID would stand to recover substantial revenues from the Participants if it
12 abandons its “troll at the bridge” strategy and works together with CSRIA and Odessa Subarea
13 irrigators to complete the delivery of replacement surface water.

14 62. For example, in a context where CSRIA and the Participants put ECBID in
15 operational control of the System One Project upon completion, CSRIA and the Participants
16 would not oppose an additional charge on the order of \$5-6/acre (over and above the \$26/acre
17 discussed above), to ensure adequate coverage of all ECBID administrative costs associated with
18 future systems operations and maintenance for systems integration into the East Low Canal.
19 Attached as Exhibit 5 is a schedule of charges, totaling \$107/acre, which ECBID might
20 appropriately levy upon the System One Participants for delivery of water. This cost structure
21 could be applied to any system using private sector construction and financing.

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1 **The Requirements of RCW Chapter 87.**

2 63. ECBID's Development Fee is an assessment within the meaning of RCW
3 87.03.240, and subject to the requirement that assessments be "proportional to benefits accruing
4 to the lands assessed". The Development Fee fails to meet that requirement.

5 64. If the Development Fee is a "rate, toll or charge" within the meaning of RCW
6 87.03.445, it must still be "equalized pursuant to the same notice, in the same manner, and at the
7 same time and with the same legal effect as in the case of assessments" (RCW 87.03.445(4)),
8 meaning that the Development Fee must still be imposed upon landowners proportional to
9 benefits accruing the lands assessed.

10 65. ECBID did not have substantial evidence before it or other lawful basis to support
11 the Development Fee when it imposed the Development Fee on November 21, 2014. Its arbitrary
12 allocation of 50% of the \$240/acre/year cost to those constructing their own distribution systems
13 has no relationship to a rational assessment of benefits arising from the expenditures for the
14 Development Fee is ostensibly collected, and the base \$240/acre/year fee reflects an inequitable
15 "normalization" scheme.

16 66. ECBID did not impose the Development Fee at the time the Board met as a Board
17 of Equalization on December 8, 2014, provided no reasonable opportunity for landowners to
18 object to the assessment of the Development Fee, and otherwise failed to comply with the
19 procedures set forth in RCW Chapter 87.03 for imposing charges.

20 67. In charging a development fee associated in substantial part with the costs of
21 building distribution systems upon those who are paying that same category of costs for their
22 own distribution systems, ECBID is not making assessments "in proportion to the benefits
23 accruing to the lands assessed."

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IV. FIRST CLAIM FOR RELIEF (DECLARATORY JUDGMENT)

68. Plaintiff realleges paragraphs 1 through 67 as if set forth previously.

69. Pursuant to RCW 7.24.020,

“A person interested under a deed, will, written contract or other writings constituting a contract, or whose rights, status or other legal relations are affected by a statute, municipal ordinance, contract or franchise, may have determined any question of construction or validity arising under the instrument, statute, ordinance, contract or franchise and obtain a declaration of rights, status or other legal relations thereunder.”

ECBID’s determination to impose a Development Fee on CSRIA’s members, Participants, and others involves an interest with respect to ECBID’s Development Fee decisions within the meaning of this statute.

70. In the alternative, RCW 7.24.050 provides that “[t]he enumeration in RCW 7.24.020 . . . does not limit or restrict the exercise of the general powers conferred in RCW 7.24.010, in any proceeding where declaratory relief is sought, in which a judgment or decree will terminate the controversy or remove an uncertainty.” The declarations sought by CSRIA will remove uncertainty that is crippling its ability – and the ability of others -- to solve the Odessa Subarea problems.

71. For the foregoing reasons, CSRIA is entitled to declarations that:

(a) ECBID’s Development Fee is unlawful pursuant to RCW 87.03.240 because ECBID did not set the assessment in proportion to the benefits accruing to the lands assessed, and instead arbitrarily imposed charges on those constructing their own distribution system disproportionate to the benefits accruing, as compared to those for whom ECBID would construct distribution systems.

(b) ECBID may not, consistent with RCW 87.03.240, lawfully “normalize” costs by forcing irrigators who may be served with replacement water more economically to subsidize irrigators in other systems who thereby receive a disproportionate benefit from the assessments.

1 (c) ECBID's adoption of the Development Fee failed to follow statutorily-required
2 procedures in RCW Chapter 87.03.

3 (d) ECBID may not lawfully authorize some groups of irrigators to build their own
4 distribution systems while denying that opportunity to others.

5 (e) ECBID's Development Fee is null and void.

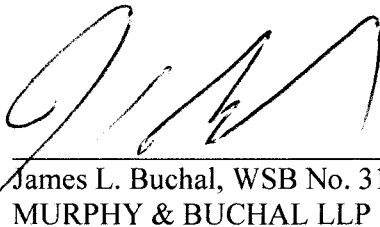
6 **VI. SECOND CLAIM FOR RELIEF (INJUNCTION)**

7 72. Plaintiff realleges paragraphs 1 through 71 as if set forth previously.

8 73. Plaintiff and its members are suffering irreparable injury to their business and
9 property as alleged herein, and will continue to suffer such injury unless and until ECBID is
10 restrained from enforcing, demanding or collecting the Development Fee.

11 WHEREFORE, plaintiff plead for judgment declaring that ECBID's Development Fee is
12 unlawful and enjoining ECBID from collecting it, and for such other and further relief as may be
13 just and proper.

14 Dated: September 14, 2014.

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16 
17 James L. Buchal, WSB No. 31369
18 MURPHY & BUCHAL LLP
19 3425 SE Yamhill Street, Suite 100
20 Portland, OR 97214
21 Tel: 503-227-1011
22 Fax: 503-573-1939
23 E-mail: jbuchal@mbllp.com
24 *Attorney for Plaintiff*

1 **VERIFICATION OF DR. DARRYLL OLSEN**

2 Darryll Olsen, Ph.D., states:

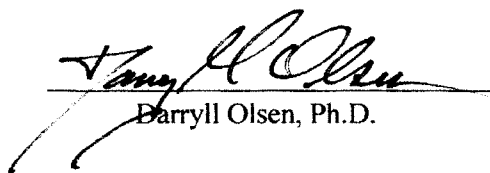
3 1. I am the Board Representative/Principal Consultant for the Columbia-Snake River
4 Irrigators Association (“CSRIA”).

5 2. I hold a Ph.D. degree from Washington State University specializing in Resource
6 Economics and Regional Planning, directed by the Office of Applied Energy Studies, the
7 Program in Environmental Science and Regional Planning, and the Depts. of Agricultural
8 Economics and Rural Sociology (1983).

9 3. During the past 32 years, my employment, consulting, and professional work has
10 included positions/projects with Argonne National Laboratory, the Pacific Northwest Utilities
11 Conference Committee, the Northwest Irrigation Utilities, the U.S. Army Corps of Engineers, the
12 State of Utah-Water Resources Dept./MWH Engineers, the Office of Columbia River-
13 Ecology/Adams County Commission, FortisBC Hydro, the Benton County Water Conservancy
14 Board, and with several other agencies and private sector groups; serving as adjunct faculty with
15 WSU-TC, where I periodically teach graduate level courses in water and resource economics
16 (ESRP-490-590) and provide associated guest lectures; and providing technical development and
17 management for state/federal water resources issues, water rights, legislation, and litigation, and
18 management for complex water and environmental projects.

19 4. I have been the CSRIA representative principally responsible for development of
20 the System One Project. I have read the foregoing allegations of fact contained in ¶¶ 1-67 and
21 certify under penalty of perjury that they are true and correct.

22 Executed on September 14, 2015, in Kennewick, Washington.

23 
Darryll Olsen, Ph.D.

East Columbia Basin Irrigation District

**OGWRP Landowner Meeting
EL22.1 System**

November 20, 2014 (1-3 p.m.)

I. OGWRP Update

- a. ELC Construction and improvement activities
 - i. Widening activities downstream of LCWW
 - ii. Siphon construction
 - iii. Remaining Zone 1 construction
 - iv. Bridge work this winter (Leisle & Calloway) (Sachman and Rd W, maybe)
- b. Board Resolution – initial system development
 - i. Calls for initial development of the EL47.5 system and additional ELC improvements required for complete OGWRP implementation
 - ii. Includes WSCs for delivery of roughly 17,700 acres
 - iii. Calls for development fee to be levied on all new WSC (for groundwater replacement to ~87,000 acres) –A % of total OGWRP system development cost (\$/ac/yr/ 30yrs)
 - iv. 7,000- 10,000 acres to be put to a District constructed system; remaining acres may be put into WSC for eligible landowners that use non-District systems, but would eventually have to come onto a District system if deemed reasonable by the District
- c. Delivery system design updates
 - i. New alignments based off of landowner feedback; changes to total amount of required mainline, stems and turn outs
 - ii. Looking into the use of booster station alternatives on the larger systems
 - iii. Current global OGWRP implementation cost for delivery system designs, construction, ELC improvements and financing costs are roughly \$240/acre/yr with a 30-year term (normalized cost)

II. EL22.1 Design Update

- a. Review of new alignments with anticipated WSC service areas
- b. Changes to Turnouts for north and north eastern portions of service area
- c. Existing WSC 390 WSCs will not be included in the service area unless the land owner wishes to receive this water through the District system
- d. Only lands without a state water right Place of Use that have been seasonally transferred to may be included in the WSC service area
- e. Only one entity/individual per WSC
- f. WSC service areas will be no larger than 960 acres of class 1 equivalent acres (roughly 1,200 acres of class 3; land class to be confirmed by Reclamation)
- g. One turnout to serve each WSC
- h. For design please help clarify/confirm:
 - i. Beneficial use acres (GW replacement acres per Ecology)
 - ii. anticipated WSC service areas (includes seasonal transfer acreage)
 - iii. Ownership information of parcels within WSC service area
 - iv. seasonal transferred lands to be included in the WSC service area
 - v. Potential transfer of water rights into or out of the system service area

III. Estimated Costs

- a. Cost of water will include the following components:
 - i. System Development Fee/Charge: % of repayment cost
\$/ac/yr/30yrs
 - ii. System Repayment Cost : ~\$240/ac/yr (for 30 yrs)
 - iii. O&M Fee: ~\$45/acre/yr indefinite
 - iv. Reclamation Construction Repayment: \$2.63/acre/yr/indefinite
 - v. Construction – First Phase SBS&T: \$6/ac/yr/indefinite for LRIRP
 - vi. Construction – First Phase SBS&T: \$3/ac/yr indefinite for CC water
 - vii. Account Fee: \$40/entity/yr indefinite
 - viii. Pump Charges: \$1.70/ac/yr (term of borrowing)
 - ix. Estimated Cost of Water roughly ~\$300/acre/yr/30yrs
- b. Discussion of Global Cost and Feedback

IV. Moving Forward

- a. Confirmation of landowner interest**
- b. Land classification (with Reclamation)**
- c. Easement acquisition (with Reclamation)**
- d. More detailed designs / cost estimates**
- e. Development fee at \$120/ac/yr**
- f. Move forward with EL47.5 system and non district system WSCs (17,700 acres)**
- g. Extension and modification of the MWSC with Reclamation (for remaining 70,000 acres)**

V. Q&A

**East Columbia Basin Irrigation District
Odessa Groundwater Replacement Program (OGWRP)
Preliminary Delivery System Cost Estimates (Post Land Owner Meeting)**

I.d.	Description/System	EL22	EL31	EL47	EL53	EL71	EL80	EL85	Total	Cost per Acre	Cost (%)
1	Pipe Purchase	\$38,036,070	\$13,019,802	\$2,870,167	\$10,924,661	\$26,209,000	\$6,342,985	\$4,844,072	\$104,246,757	\$1,151	33%
2	Pipe Install	\$8,156,715	\$4,742,967	\$1,968,242	\$4,282,126	\$7,898,882	\$3,382,146	\$2,052,622	\$32,483,700	\$359	10%
3	Pumps & Motors	\$24,800,000	\$10,000,000	\$8,400,000	\$12,000,000	\$17,600,000	\$10,000,000	\$4,000,000	\$86,800,000	\$958	28%
4	Electrical & Controls	\$750,000	\$500,000	\$400,000	\$500,000	\$750,000	\$500,000	\$400,000	\$3,800,000	\$42	1%
5	Purchase/install	\$400,000	\$500,000	\$200,000	\$300,000	\$500,000	\$300,000	\$150,000	\$2,350,000	\$26	1%
6	Easement acquisition	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$1,000,000	\$13,000,000	\$143	4%
7	Power delivery utilities	\$300,000	\$100,000	\$50,000	\$50,000	\$100,000	\$50,000	\$50,000	\$700,000	\$8	0%
8	Crossings	\$3,141,804	\$1,150,990	\$563,508	\$1,146,233	\$2,190,450	\$917,149	\$442,204	\$9,552,338	\$105	3%
9	Design	\$6,677,704	\$3,366,446	\$2,759,382	\$3,035,320	\$5,104,857	\$2,814,570	\$1,241,722	\$25,000,000	\$276	8%
10	Financing Charge (Tax Exempt)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%
11	Financing Charge (Taxable)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%
12	BPA Incentive	-\$375,000	-\$250,000	-\$200,000	-\$250,000	-\$375,000	-\$250,000	-\$200,000	-\$1,900,000	-\$21	-1%
13	State Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%
14	Federal Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%
15	sub-total	\$83,887,293	\$35,130,205	\$19,011,299	\$33,988,340	\$61,978,189	\$28,056,850	\$13,980,620	\$276,032,795	\$3,047	88%
16	Contingency (10%)	\$8,388,729	\$3,513,021	\$1,901,130	\$3,398,834	\$6,197,819	\$2,805,685	\$1,398,062	\$27,603,279	\$305	9%
17	Sales Tax (7.7%)	\$3,912,452	\$1,406,775	\$559,803	\$1,322,449	\$2,724,568	\$1,048,660	\$542,384	\$11,515,100	\$127	4%
18	Total	\$96,188,474	\$40,050,000	\$21,472,232	\$38,709,623	\$70,900,576	\$31,908,195	\$15,921,075	\$315,151,175	\$3,478	
19	Approx. Area served (acre)	24,200	12,200	10,000	11,000	18,500	10,200	4,500	90,600	\$3,478	
20	Capital Cost (\$/acre)	\$3,975	\$3,283	\$2,147	\$3,519	\$3,832	\$3,128	\$3,538	30-Yr \$/yr	\$116	
21	30-Yr \$/yr	\$132	\$109	\$72	\$117	\$128	\$104	\$118			

Notes per I.D.:

- Pipe estimate based on dia. 0-60" PVC and dia. >60" steel (other alternatives to be looked at are fiberglass and HDPE)
- Pipe install estimates based off of past District crew pipe installation costs (fnx. of pipe type and dia.)
- Pumps and motors (purchase and install); includes estimated cost for pump house construction, sumps, etc.
- Electrical and controls (purchase and install) to include SCADA
- Easement Acquisition estimated at \$1,100/acre with 50 ft wide R/W (to be updated with input from Reclamation)
- Power delivery utilities based off of estimates provided by Big Bend (south of I-90) and extrapolated for Grant Co. PUD (north of I-90)
- Crossings estimated based off of GIS information and previous District costs associated with their installation (only asphalted crossings considered here)
- Design costs based on estimate of total materials cost (pipe and pumps/motor/control/electrical (5%))
- ELC improvements include remaining siphons, radial gates and bridges (based on \$/acre served and total requirement of \$25M)
- Financing charges estimated as total \$ amount required to finance system over 30 yr term (\$400/acre) (To be updated by PFM as % of total capital)
- BPA Incentive for efficiency, e.g. VFDs (50% of electrical and controls)
- Place holder for additional state funding
- Place holder for potential federal funding
- Sub-total (w/out sales tax and contingency)
- Total project contingency (10%)
- Sales tax (calculated on 100% of pipe purchase, 50% of pumps & motors purchase/install and 50% of electronics & controls purchase/install)
- Totals (sub-total, contingency and sales tax)
- Estimated acres served by the individual systems
- Capital cost per acre
- Yearly \$/acre cost to landowner

**East Columbia Basin Irrigation District
Odessa Groundwater Replacement Program (OGWRP)
Preliminary Delivery System Cost Estimates (Capital Costs)**

Ld.	Description/System	EL22.1	EL40.2	EL47.5	EL51.9	EL71.1	EL79.2	EL98.4	Total	Cost per Acre	Cost (%)
1	Pipe Purchase	\$38,036,070	\$12,975,759	\$3,672,316	\$10,924,661	\$25,909,911	\$9,246,589	\$4,844,072	\$105,608,386	\$1,320	35.6%
2	Pipe Install	\$8,156,715	\$4,661,994	\$2,181,323	\$4,282,126	\$7,848,593	\$3,741,279	\$2,052,622	\$32,924,642	\$412	11.1%
3	Pumps & Motors	\$24,800,000	\$2,500,000	\$1,500,000	\$10,000,000	\$4,400,000	\$1,600,000	\$4,000,000	\$48,800,000	\$610	16.5%
4	Pump Plant (electrical, controls, building, etc)	\$750,000	\$7,500,000	\$4,500,000	\$500,000	\$13,200,000	\$4,800,000	\$400,000	\$31,650,000	\$396	10.7%
5	Easement acquisition	\$400,000	\$500,000	\$100,000	\$300,000	\$500,000	\$300,000	\$150,000	\$2,250,000	\$28	0.8%
6	Power delivery utilities	\$2,000,000	\$1,200,000	\$1,200,000	\$2,000,000	\$1,500,000	\$1,500,000	\$1,000,000	\$10,400,000	\$130	3.5%
7	Crossings	\$300,000	\$100,000	\$50,000	\$50,000	\$100,000	\$50,000	\$50,000	\$700,000	\$9	0.2%
8	Design	\$3,141,904	\$73,788	\$258,616	\$1,046,233	\$1,516,446	\$542,330	\$742,204	\$7,720,419	\$97	2.6%
9	ELC Improvements	\$2,857,143	\$2,857,143	\$2,857,143	\$2,857,143	\$2,857,143	\$2,857,143	\$2,857,143	\$20,000,000	\$250	6.7%
10	BPA Incentive	\$200,000	\$100,000	\$100,000	\$200,000	\$200,000	\$100,000	\$100,000	\$1,000,000	\$13	0.3%
13	sub-total	\$80,241,791	\$22,669,694	\$16,219,388	\$31,760,163	\$57,650,082	\$24,857,351	\$16,896,040	\$259,053,449	\$3,236	87.4%
14	Contingency (10%)	\$8,024,179	\$2,266,669	\$1,621,939	\$3,176,016	\$5,765,008	\$2,485,735	\$1,689,604	\$25,905,346	\$324	8.7%
15	Sales Tax (7.7%)	\$3,912,452	\$1,430,383	\$671,518	\$898,949	\$2,841,988	\$1,019,988	\$698,394	\$11,421,671	\$143	3.9%
16	Total	\$92,176,357	\$37,745,966	\$18,412,656	\$35,635,126	\$65,235,077	\$28,011,074	\$17,962,038	\$296,380,465	\$3,705	
17	Approx. Area served (acre)	21,800	10,000	9,200	10,000	17,000	9,000	3,000	80,000	\$3,705	
18	Capital Cost (\$/acre)	\$4,228	\$3,775	\$2,001	\$3,584	\$3,896	\$3,112	\$5,967	30-Yr \$/Yr	\$93	
19	30 Yr \$/Yr Updated	\$141	\$126	\$67	\$119	\$130	\$104	\$200	10/23/2014		

- Notes per i.d.
- Pipe estimate based on dia. 0-60" PVC and dia. >60" steel (other alternatives to be looked at are fiberglass and HDPE)
 - Pipe install estimates based off of past District crew pipe installation costs (fnx. of pipe type and dia.)
 - Pumps and motors (purchase and install): includes estimated cost for pump house construction, sumps, etc
 - Electrical and controls (purchase and install) including telemetry
 - Easement Acquisition estimated at \$1,100/acre with 50' wide ROW (to be updated with input from Reclamation)
 - Power delivery utilities based off of estimates provided by 5th Ward (south of I-90) and extrapolated for Grant Co. PUD (north of I-90)
 - Crossings estimated based off of GIS information and previous District costs associated with their installation (only asphalt crossings considered here)
 - Design costs based on estimate of total materials cost (pipe and pumps/motor/control/electrical) (5%)
 - ELC improvements include remaining siphons, radial gates and bridges (based on \$/acre served and total requirement of \$20M)
 - BPA incentive for efficiency, e.g. VFDs (50% of electrical and controls)
 - Place holder for additional state funding (before or after any issuance)
 - Place holder for potential federal funding (before or after any issuance)
 - Sub-total (w/out sales tax and contingency)
 - Total project contingency (10%)
 - Sales tax (calculated on 100% of pipe purchase, 50% of pumps & motors purchase/install and 50% of electronics & controls purchase/install)
 - Totals (sub-total, contingency and sales tax)
 - Estimated acres served by the individual systems; this number is approximated assuming early 390 WSC will not come onto District systems
 - Capital cost per acre
 - Yearly \$/acre capital cost

Treasurer Kimble presented the monthly Treasurer's report. He also reported the 2013 Audit has tentatively been scheduled for November 10th.

Treasurer Report

Manager Simpson gave the monthly O&M report.

Assistant Manager O&M

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

Manager Report

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 Johnson moved to approve for payment check nos. 300528 through 300800 in the amount of \$858,262.78 and electronic Payroll and AP transfer in the amount of \$444,985.62 for a total amount of \$1,303,248.40 from the O&M Fund. Director Clausen seconded and the motion carried.

Approve Vouchers

Director Booker moved to continue the meeting to Friday, November 21, 2014 at 10:00 a.m. in the Board Room of the District's office. Director Johnson seconded and the motion carried.


Other

President Osborne declared an executive session at 2:33 p.m. for approximately 30 minutes to discuss personnel performance. The meeting returned to regular session at 3:05 p.m.

Executive Session

At 3:05 p.m., there being no further business to come before the Board at that time, President Osborne continued the meeting to November 21, 2014 at 10:00 a.m. in the Board Room.

Meeting Continued


Secretary


President

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

November 21, 2014

The continued 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 at the District office in Othello by President Don Osborne.

Present were:

Directors

Don Osborne
Boe Clausen
Mark Booker
Bernie Erickson
Orman Johnson

Staff

Craig Simpson
Richard Lemargie
Steve Kimble
John McCourtie
Levi Johnson
Nate Andreini
Wendy Lange

President Osborne opened the Hearing of Petition for Inclusions of Lands, the hearing will remain open until the end of the meeting.

District Engineer Andreini presented the following permit a. for approval:

Permits

a. Grant County PUD Multiple Fiber Optic Crossings Block 40

Following discussion, Director Clausen moved to approve permit a. as presented. Director Erickson seconded and the motion carried.

District Improvements

Development Coordinator Johnson reported the following quotes and bids being presented today for consideration are for OGWRP activities and funded/reimbursable by the WSDOE grant.

Development Coordinator Johnson presented the following concrete bids for Board consideration:

Quotes and Bids

Supplier	Bid Amount
Engineer's Estimate	\$162,000.00
Central Washington Concrete	\$150,936.00
AAA Ready Mix	\$151,366.00

Development Coordinator Johnson reported Central Washington Concrete's bid did not include a batch plant certificate or job references as required in the District's bidding instructions. Following discussion, Director Johnson moved to declare Central Washington Concrete non-responsive for not meeting District bid specifications as stated and to accept the bid from AAA Ready Mix in the amount of \$151,366.00 plus sales tax as the lowest responsive bid. Director Erickson seconded and the motion carried.

Development Coordinator Johnson presented the following Leisle and Calloway Bridge rebar bids for Board consideration:

Supplier	Bid Amount
Engineer's Estimate	\$182,000.00
Morse Steel Services	\$103,346.75
Harris Rebar Burbank	\$106,738.68

Development Coordinator Johnson reported neither bidder provided references as indicated in the District's bidding instructions. After bid opening, both bidders were requested to submit references, which both did on November 19, 2014. Following discussion, Director Clausen moved to declare the irregularity of providing references late as an informality and to accept the bid from Morse Steel Services in the amount of \$103,346.75 plus sales tax as the lowest responsive bid. Director Johnson seconded and the motion carried.

Development Coordinator Johnson presented the following Front-end Wheeler Loader with Fork Attachment rental quotes for Board consideration:

Supplier	Make/Model	Rental Quote Amount
Engineer's Estimate	JD 644 or equal	\$24,000.00
Central Machinery Sales	Case 821E	\$18,200.00
Rowand Machinery Co.	JD 644K	\$20,743.75
Clyde West, Inc.	Volvo L110H	\$20,800.00
Western States	Cat 950K	\$24,750.00

Development Coordinator Johnson reported Central Machinery Sales bid did not include fork attachment specifications as required in the District's quote instructions. Following discussion, Director Booker moved to declare Central Machinery Sales non-responsive for not meeting District quote specifications as stated and to accept the rental quote from Rowand Machinery Co. in the amount of \$20,743.75 plus sales tax as the lowest responsive bid. Director Clausen seconded and the motion carried.

Development Coordinator Johnson presented the following Leisle Bridge H-piling quotes for Board consideration:

Supplier	Bid Amount
Engineer's Estimate	\$23,000.00
National Pipe and Piling	\$19,562.50
Skyline Steel	\$21,390.00
Haskins Steel Co.	\$22,487.00

Development Coordinator Johnson reported the H-piling quote from National Pipe and Piling included pile tip material that would need to be reviewed and approved by Adams County. Following discussion, Director Booker moved to accept the quote from National Pipe and Piling in the amount of \$19,562.50 plus sales tax as the lowest responsive quote pending review and approval by Adams County. Director Clausen seconded and the motion carried.

Development Coordinator Johnson presented the following OGWRP Bridge Detour and Closure signs quotes for Board consideration:

Supplier	Bid Amount
Engineer's Estimate	\$10,000.00
National Barricade and Sign Co.	\$5,969.50
National Barricade Co., LLC	\$7,758.00
Intermountain Sign and Safety	\$8,735.00

Following discussion, Director Booker moved to accept the quote from National Barricade and Sign Co. in the amount of \$5,696.50 plus sales tax as the lowest responsive quote. Director Johnson seconded and the motion carried.

Development Coordinator Johnson presented the following OGWRP lumber quotes for Board consideration:

Supplier	Bid Amount
Engineer's Estimate	\$12,000.00
Home Depot	\$6,454.41
Express/Penhallurick's	\$10,183.60
ProBuild	\$11,054.83
Ziggy's	\$11,334.94
Western Materials	\$11,499.55

Development Coordinator Johnson reported Home Depot did not quote the correct product specified in the District's bidding instructions. Following discussion, Director Erickson moved to declare Home Depot non-responsive for not meeting District bid specifications as stated and to accept the quote from Express/Penhallurick's in the amount of \$10,183.60 plus sales tax as the lowest responsive quote. Director Booker seconded and the motion carried.

Manager Simpson reported the company that was awarded the gooseneck quote has informed the District they require payment upfront in order to supply the product. Truck World, Inc. was the only responsive quote the District received. Manager Simpson requested authorization to prepay Truck World, Inc. in the amount of \$16,225.00 plus sales tax. Following discussion, Director Clausen moved to authorize payment to Truck World, Inc. in the amount of \$16,225.00 plus sales tax. Director Booker seconded and the motion carried.

District Engineer Andreini requested authorization to call for EL 18L pipeline material quotes. Following discussion, Director Booker moved to authorize a call for EL 18L pipeline material quotes. Director Clausen seconded and the motion carried.

Manager Simpson reported the District has not received the assents from USBR for the following petitions:

OGWRP
a) Petitions for
Inclusion of Land

- a. Phillips Family Farms, LLC
- b. Round Lake Farms, LLC
- c. Higley Farms

Development Coordinator Johnson gave an update on the individual system landowner meetings. The meetings were to inform potential interested landowners of OGWRP activities. The District has received predominately positive feedback from the landowners in terms of information presented. Development Coordinator Johnson's discussions at the meetings involved the recent adopted Resolution 2014-14, updated alignments for delivery systems, WSDOE requirement, seasonal transfers, land classifications with USBR, easement acquisitions and the cost of water. b) Implementation Update

Director Johnson asked what price per acre was being discussed with the landowners. Development Coordinator Johnson stated the latest estimate for construction of all systems and additional East Low Canal improvements was \$240 per acre per year. The estimated \$240 per acre per year was received by the landowners in a mixed manner. Development Coordinator Johnson reported landowners have inquired what the water service contracts would look like and the EL 47.5 landowners were provided a draft copy for their review. He also stated the District will need to have contracts for the EL 47.5 system signed soon in order to secure initial financing. Development Coordinator Johnson reminded the Board the Master Water Service Contract will either need to be extended or renewed before financing is likely to be secured.

Director Erickson stated there have been numerous landowners concerned with WSDOE's requirement to put their water right in a permanent superceding permit in order to receive groundwater replacement water. Following discussion, it was the consensus of the Board that WSDOE be made aware of these concerns.

Development Coordinator Johnson stated there have been discussions about determining a development fee in order to distribute the cost of the project. Development Coordinator Johnson again suggested looking at the cost per acre over the financing term rather than the lump sum, in order to help determine a development fee. The development fee would be assessed to all new water service contracts that receive groundwater replacement water under OGWRP. c) Development Fee Discussion

Development fee discussions continued and took into consideration different development fee scenarios, O&M charges, power costs, water service contract assessments, individual landowner pumping plant costs and the full cost of the project. A development fee of \$160 per acre per year was discussed. Director Johnson asked what staff would recommend for a development fee. Development Coordinator Johnson recommended \$125 per acre per year as a more palatable amount for landowners that still provided a substantial revenue stream for financing OGWRP development.

The meeting recessed for lunch at 12:04 p.m. and reconvened at 1:04 p.m.

President Osborne requested the definition of the development fee. Manager Simpson responded the development fee is the portion OGWRP development everyone receiving groundwater replacement water within the Odessa Subarea must pay. This fee helps normalize the cost for the entire 87,700 acres receiving groundwater replacement water. Attorney Lemargie commented the development fee needed to have some kind of definition derived from the common cost. He also stated the development fee is to have a reasonable basis and have a cost in common throughout

the project, that being the widening of the East Low Canal. Manager Simpson stated the fee is for the whole OGWRP because without all components the project lands would not be receiving groundwater replacement water.

Following further discussion, Director Booker moved to set the development fee at \$160 per acre per year. The motion failed to receive a second.

Director Johnson moved to set the development fee at \$120 per acre per year with the justification being the Board recognizes there is a value to all landowners within the OGWRP and all lands within the OGWRP are benefiting from the OGWRP groundwater replacement, pending review of Bond Counsel. Director Clausen seconded and the motion carried with Director Erickson voting nay.

Development Coordinator Johnson presented Nicholls Kovich Work Directive No. 2 for Board consideration. Work Directive No. 2 is for review and testing/inspection services not to exceed \$25,000.00. Following discussion, Director Booker moved to approve Nicholls Kovich Work Directive No. 2 not to exceed \$25,000.00. Director Johnson seconded and the motion carried.

d) Nicholls Kovich
Work Directive
No. 2

Development Coordinator Johnson reported the District will be using Adams County services as much as possible for bridge inspection and testing. The District is also looking to call for quotes for specific testing and inspection services. Development Coordinator Johnson requested authorization to call for bridge material testing and sampling services quotes. Following discussion, Director Booker moved to authorize a call for bridge material testing and sampling services quotes. Director Clausen seconded and the motion carried.

Director Erickson moved to authorize the Board, Manager Simpson, the District Attorney and appropriate staff to attend the NWRA Leadership Conference, January 13-14, 2014 at the Monte Carlo, Las Vegas, NV. Director Booker seconded and the motion carried.

Authorize Travel

Manager Simpson reported an employee who was operating a piece of equipment broke an end gun off a circle pivot. The circle was parked within the easement the employee was working in. Manager Simpson stated the question is who would be liable for repairs due to the circle pivot being within the O&M easement. The landowner had offered to move the circle but the District did not have him do so. Attorney Lemargle commented legally the District would not be liable due to the circle encroached within the O&M easement. Manager Simpson reported that staff would speak with the landowner and report back to the Board with more information on this matter.

Other

President Osborne declared an executive session at 2:18 p.m. for approximately 20 minutes to discuss personnel performance. The meeting returned to regular session at 2:40 p.m.

Executive
Session


-2014-110-

At 2:45 p.m., there being no further business to come before the Board at that time, President Osborne adjourned the meeting and continued the Hearing for Petition for Inclusion of Lands to December 8, 2014 at 10:00 a.m. in the Board Room of the District Office.

Meeting
Adjourned
Hearing for
Petition for
Inclusion of Land
Continued



President



Secretary

Minutes will resume on page -2014-111-

Revised Cost Structure:

East Columbia Basin Irrigation District Columbia Basin Project Groundwater Replacement Water Service Contracts Annual Assessment

Systems N/S I-90 Capital Costs Paid by Private Sector Financing.

Combined Water Supplies, LRIRP, CC, Supplemental Permit
(based on allocations of 3.0 acre-ft. per acre)

	Cost Category	\$/Acre/Year
1a	Development Fee-ELC Capital Amortization (20 years per private sector financing)*	\$26.0
1b	District N/S-I-90 Systems Operation & Main. and Administrative Costs	\$6.0
2	General and Common Operation & Main.	\$48.0
3	Emergency Reserve	\$0.5
4	Reclamation Construction-All Water Supplies	\$3.0
5	Reclamation Construction-SBS&T	\$9.0
6	Construction-Webber Siphon	\$11.5
7	Pump Charges	\$2.0
8	General Account Management Fee	\$1.0
9	Total Per Acre Annual Assessment**	\$107

*This financing would be managed directly by the ECBID.

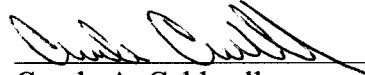
**Combined WSC Assessment Structure

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G 17 DECLARATION

I have examined the Verified Complaint containing the Verification of Dr. Darryll Olsen and Exhibits 1 through 5 faxed to me to be filed in *Columbia Snake River Irrigators Association v. East Columbia Basin Irrigation District*, Adams County Superior Court, Case No. not yet assigned. The document consists of 32 Pages including this page. The Verified Complaint is complete and legible.

Dated this 14th day of September 2015.



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