



BOARD OF DIRECTORS REGULAR MEETING

Tuesday, January 9th, 2024 – 9:00A.M.

AGENDA

1. Consent Agenda (approved with one motion).
 - a. Minutes of December 5, 2023, Regular Board meeting.
 - b. Status of Investments Report – December 31, 2023.
 - c. Treasurer’s Report– December 31, 2023.
 - d. Statement of Income and Expense Report, for the eleven periods ending November 30, 2023.
 - e. Comparative Balance Sheet Report, for the eleven periods ending November 30, 2023.
 - f. Claims.
2. Oath of office –Tanner Winckler, Jason Don
3. Reorganize board: elect President and Vice-President.
4. Readopt and/or change By-Laws.
5. Readopt Delegation Resolution.
6. *2024 water supply update.
7. Selah-Moxee Irrigation District lease.
8. 2024 Budget.
9. Board of Directors travel authorization for Family Farm Alliance annual conference.
10. Watermaster’s report.
11. District Manager’s report.
12. *Policy Director’s report.
13. Engineering Manager’s report.
14. Executive Session:
 - a. Executive session pursuant to RCW 42.30.110(1)(g). To evaluate the performance of a public employee.
 - b. Executive session pursuant to RCW 42.30.110(1)(i). Potential and pending litigation- State v. Acquavella, Terrace Heights Sewer District.
 - c. Executive session pursuant to RCW 42.30.110(2)(a)(iii). To evaluate legal risk of a proposed action.
15. Appoint the Secretary/Treasurer and hire the manager.
16. Oath of office – Scott Revell.

Item #1

REGULAR MEETING MINUTES

December 5, 2023

The Board of Directors for the Roza Irrigation District convened in regular session on Tuesday December 5, 2023. Present were President Ric Valicoff, Vice-President Jim Willard, Director Jason Sheehan, Director Tanner Winckler, Director Jason Don and Engineering Manager Wayne Sonnichsen. Policy Director Sage Park, Watermaster Dave Rollinger, Assistant Watermaster Aaron Wiederspohn, Maintenance Superintendent Dave Clampitt, and Assessment Clerk/Assistant Secretary Kristel Espinoza and District Attorney Brian Iller

Via telephone conference: District Manager Scott Revel

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

- a. Minutes of November 7th, 2023, Regular Board meeting.
- b. Status of Investments Report – November 30, 2023.
- c. Treasurer's Report– November 30, 2023.
- d. Comparative Balance Sheet report for the ten periods ending October 31, 2023.
- e. Statement of Income Expense report for the ten periods ending October 31, 2023.
- f. Claims.
- g. Miscellaneous Bills.

The following claims were approved for payment: Payroll numbers:29677 – 29679 in the amount of \$3,741.51. Voucher numbers 69548 – 69551, 69614 – 69627, 69640 – 69673 and 69674 – 69747 on the amount of \$749,358.23 and electronic payments 10-2023, 10-23, 23-33, 23-34, 23-35, 23-36, 31-23, 32-23 and 33-23 in the amount of \$347,104.91 from the period of November 2, 2023 to December 5, 2023.

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

The Board convened as the Board of Equalization. Mr. Revell confirmed for the Board that notice of the equalization hearing was published in the Yakima Herald and the Tri-City Herald pursuant to RCW 87.03.255 and the assessment roll was delivered to the Board on November 1, 2023 and had been available for inspection. No water users were present for the Board of Equalization. Mr. Revell noted that the equalization reflects only irrigated acres assigned to parcels and not the amount assessed. Following discussion, Mr. Willard made a motion, seconded by Mr. Sheehan, and unanimously adopted Resolution # 2-2023 pursuant to RCW 87.03.255 to equalize the 2024 assessment roll.

District Manager Revell updated the Board on the 2024 water year. The 2024 water year began on October 1, 2023, and water in storage is only 34% of average. The first 2024 water forecast will occur on Monday March 4, 2024.

District Manager Revell reported to the Board on the 2024 drought preparation which Staff is working on several issues simultaneously in case there is a drought in 2024: including water leases with the Selah Moxee Irrigation District, coordination with Ecology staff, cloud seeding and water user communication.

District Manager Revell updated the Board on the cloud seeding webinar he attended in November which included several presentations including the science of cloud seeding, costs and funding, the seeding programs in several states and other various topics. Mr. Revell explained that he had been coordinating with senior executives at the Washington Department of Agriculture, Fish and Wildlife, Ecology's Water Resources program and Office of Columbia River. Following discussion, Director Don moved, seconded by Mr. Willard, and unanimously approved up to \$250,000 from the drought fund for cloud seeding activities.

District Manager Revell updated the Board on the 2024 budget planning and discussed the background information on several line items detailed in the staff report and options for balancing the budget. No action was requested from the Board.

District Manager Revell discussed with the Board the 2024 operations and maintenance assessment. Board members and Staff discussed at length about the districts rising costs for insurance, United States Bureau of Reclamation power and operation & maintenance expenses,

REGULAR MEETING MINUTES

December 5, 2023

current needs, long term capital improvements and water supply development. Mr. Winckler stated that his opposition was primarily based on the district's ability to operate in 2024 with a lower assessment and that he understood the United States Bureau of Reclamation expenses reductions were temporary. The Board discussed potential use of reserves, use of Tier II funds, accumulation of reserves and interest income. Following a lengthy discussion, Mr. Willard made a motion, seconded by Mr. Sheehan and motion was carried by majority with Mr. Don in favor and Mr. Winkler opposed, the Board approved to increase the assessment and set the 2024 operation and maintenance assessment at \$202.00 per acre.

Watermaster Dave Rollinger presented, and the Board reviewed the Watermaster's written report.

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

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

The President declared the Board to be in executive session for an estimated ten minutes beginning at 11:30 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, National Pollutant Discharge Elimination System (NPDES) permit.
- b. Executive session pursuant to RCW 42.30.110(2)(a)(iii). To evaluate the 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.

The President returned the Board to regular session at 11:36A.M.

No further business appearing and upon motion duly made, seconded, and unanimously passed, the Board did there upon adjourn at 11:37 A.M. on Tuesday December 5, 2023.

ATTEST:

SECRETARY

PRESIDENT

**ROZA IRRIGATION DISTRICT
STATUS OF INVESTING ACCOUNTS
December 31, 2023**

BANK	\$ AMOUNT	INTEREST EARNED	INTEREST RATE	BALANCE
L.G.I.P.	\$13,999,543.60	69,108.35	5.4285%	\$14,068,651.95
U.S. - MIA INV.	\$48.61	4.41	0.14905%	\$53.02
U.S. - SAVINGS	\$471,262.88	1.38	0.05%	\$471,264.26
U.S. - CHECKING	\$170,167.10	49.90	0.01%	\$170,217.00
			TOTAL	\$14,710,186.23

**ROZA IRRIGATION DISTRICT
STATUS OF INVESTMENTS
December 31, 2023**

INVESTMENT	RATE	MATURE	EXPENSE	TOTAL
			0.00	0.00
TOTALS:			0.00	0.00

TOTAL OF ALL CASH	14,710,186.23
MINUS RESTRICTED CASH	594,872.95
(Construction/Reserve/Memo \$)	
(Drought)	3,849,391.02
(WSD)	4,065,106.17
TOTAL O & M CASH	6,200,816.09

ROZA IRRIGATION DISTRICT
TREASURER'S FINANCIAL STATEMENT
December 31, 2023

	EXPENSE	CONST.	RESERVE	MEMO	TOTAL
Balance First of Month	16,149,897.34	324,875.13	288,000.00	0.00	16,762,772.47
Collections	614,474.80	0.00			614,474.80
Miscellaneous	67,917.82				67,917.82
Matured Investments					0.00
Interest	69,199.04				69,199.04
Transfers					0.00
TOTAL	16,901,489.00	324,875.13	288,000.00	0.00	17,514,364.13
LESS:					
Voucher Checks Issued	494,381.43	18,002.18			512,383.61
Misc. Checks Issued	2,291,615.90			0.00	2,291,615.90
Tier 2 Checks					0.00
NSF Check Returned					0.00
Bank Charge	178.39				178.39
Void Check					0.00
TOTAL PAID	2,786,175.72	18,002.18	0.00	0.00	2,804,177.90
Balance End of Month	14,115,313.28	306,872.95	288,000.00	0.00	14,710,186.23

STATEMENT OF INCOME EXPENSE
Roza Irrigation District
For the Eleven PERIODS ENDING November 30, 2023

	CURRENT PERIOD	2023 YTD	2022 YTD
ASSESSMENT INCOME/O & M	0.00	14,094,693.78	13,512,649.02
ASSESSMENT INCOME/CONST	0.00	1,351.05	1,624.70
TOTAL ASSESSMENT INCOME	<u>0.00</u>	<u>14,096,044.83</u>	<u>13,514,273.72</u>
INTEREST INCOME/INV/DELINQ	1,140.41	15,768.16	16,468.41
INTEREST INCOME/INV/OTHER	75,031.94	854,507.52	228,888.29
TOTAL INTEREST INCOME	<u>76,172.35</u>	<u>870,275.68</u>	<u>245,356.70</u>
RENTAL INCOME/HOUSES	575.78	5,989.73	5,693.55
TOTAL RENTAL INCOME	<u>575.78</u>	<u>5,989.73</u>	<u>5,693.55</u>
DISP OF FIXED ASSETS INCOME	3,000.00	2,910.33	969.60
MISC INCOME	1,649.73	157,657.11	133,265.94
TIER 2 INCOME	0.00	27,266.54	793,110.11
MISC. INCOME/HEALTH/SAFETY	9,939.11	103,965.54	96,956.89
MISC INCOME/ AQUALASTIC LINING	0.00	0.00	230,987.50
MISC INCOME/22-23 PRESSURE PROJECT	0.00	82,407.60	0.00
MISC INCOME/KACHESS STUDY	0.00	0.00	48,167.43
TOTAL MISCELLANEOUS INCOME	<u>14,588.84</u>	<u>374,207.12</u>	<u>1,303,457.47</u>
TOTAL OF ALL INCOME	91,336.97	15,346,517.36	15,068,781.44
MC/LINED/BURNING	77.11	11,712.79	14,054.63
MC/LINED/CLEANING	17,936.11	26,669.99	17,149.86
MC/LINED/GROUTING	367.86	42,062.57	108,851.41
MC/LINED/REPAIR	25,244.68	39,788.40	89,452.00
MC/LINED/SEALING	0.00	0.00	231,239.94
MC/LINED/DRAINS	495.14	22,875.80	18,419.51
MC/LINED/COUNTRY CLUB REHAB	0.00	0.00	320.25
MC/UNLINED/BERMING	0.00	0.00	1,604.16
MC/UNLINED/BURNING	0.00	39,371.44	31,134.01
MC/UNLINED/CLEANING	21,461.22	66,590.68	77,042.79
MC/UNLINED/CORING	0.00	0.00	20,955.82
MC/UNLINED/REPAIR	1,292.18	30,886.59	70,555.63
MC/GROUND WEEDS/SPRAY	10,950.78	73,027.29	80,570.33
MC/GROUND WEEDS/PULL	0.00	2,760.28	1,524.26
MC/GROUND WEEDS/MOW	831.29	236,446.73	263,027.82
MC/AQUATIC WEEDS	155.83	172,202.81	162,139.00
MC/STRUCTURES/CLEANING	8,105.27	26,697.12	39,355.41
MC/STRUCTURES/CONST	2,016.15	25,193.56	57,823.71
MC/STRUCTURES/GRAVEL PACK	2,151.93	38,662.49	54,922.30
MC/STRUCTURES/GROUT	0.00	244.45	134.84
MC/STRUCTURES/REPAIR	337.60	18,075.11	57,585.62
MC/WATER MEASUREMENT	0.00	12,888.68	29,153.04
MC/SCADA/O & M	633.37	10,796.48	9,673.19
MC/AUTOMATED STRUC/REPAIR	21,801.42	64,344.80	68,005.98

Roza Irrigation District

For the Eleven PERIODS ENDING November 30, 2023

	CURRENT PERIOD	2023 YTD	2022 YTD
MC/ROADS/CONST	2,441.50	2,646.02	506.98
MC/ROADS/BRIDGES,CATTLE GUARDS	1,690.18	20,251.50	32,448.98
MC/ROADS/REPAIR	4,652.61	112,600.98	311,887.63
MC/WASTEWAYS/BURN	0.00	3,197.13	4,176.66
MC/WASTEWAYS/CLEAN	0.00	16,670.88	1,232.59
MC/WASTEWAYS/REPAIR	8,347.45	14,004.40	5,722.27
MC/WASTEWAYS/SPRAY	0.00	0.00	386.80
MC/SIPHON & TUNNELS/CLEAN	0.00	6,178.23	24,890.00
MC/SIPHONS & TUNNELS/REPAIR	3,922.55	35,796.23	25,522.63
MC/UNDERSHOTS/CLEAN	0.00	12,321.66	21,735.90
MC/UNDERSHOTS/REPAIR	973.09	3,438.37	0.00
TOTAL MAIN CANALS	135,885.32	1,188,403.46	1,933,205.95
LATERAL/PIPED/CONST	0.00	58,488.55	29,454.87
LATERAL/PIPED/REPAIR	683.82	29,410.84	40,559.10
LATERAL/PIPED/LOCATING	0.00	4,361.84	865.25
LATERAL/OPEN/BURNING	77.11	23,323.51	24,915.81
LATERAL/OPEN/CLEAN	4,838.73	25,788.44	56,760.74
LATERAL/OPEN/CORING	0.00	11,968.70	367.92
LATERAL/OPEN/REPAIR	67.72	11,912.92	20,920.08
LATERAL/GROUND WEEDS/SPRAY	6,623.53	19,104.00	6,820.01
LATERAL/GROUND WEEDS/PULL	0.00	3,145.82	8,813.49
LATERAL/GROUND WEEDS/MOW	2,067.85	103,652.14	86,173.25
ECS/REPAIR	30,176.97	236,389.38	252,339.14
ECS/LOCATE	0.00	0.00	1,176.40
LATERAL/AQUATIC WEEDS	6.25	6,754.05	7,964.60
LATERAL/STRUCTURES/CONST	0.00	132.38	4,339.31
LATERAL/STRUCTURES/GROUT	0.00	0.00	1,380.93
LATERAL/STRUCTURES/REPAIR	2,896.70	5,842.11	11,396.51
FLOWMETER/CONST	0.00	0.00	13.25
FLOWMETER/REPAIR	346.39	58,900.56	27,224.45
LATERAL/ROADS/REPAIR	0.00	8,812.12	0.00
LATERAL/WASTEWAYS/CLEAN	0.00	1,239.44	23.10
TOTAL LATERALS	47,785.07	609,226.80	581,508.21
DRAINS/OPEN,TOE/BURN	0.00	1,706.90	3,227.44
DRAINS/OPEN,TOE/CLEAN	0.00	1,465.30	2,650.69
DRAINS/OPEN,TOE/CONST	0.00	0.00	412.21
DRAINS/OPEN,TOE/REPAIR	0.00	0.00	980.66
DRAINS/OPEN,TOE/PULL	0.00	0.00	693.48
DRAINS/OPEN,TOE/MOW	239.31	1,864.39	1,378.44
DRAINS/OPEN,OUTLET/BURN	0.00	585.39	3,456.09
DRAINS/OPEN,OUTLET/CLEAN	338.60	9,785.81	12,821.95
DRAINS/OPEN,OUTLET/REPAIR	0.00	0.00	1,253.52
DRAINS/OPEN,OUTLET/SPRAY	0.00	125.96	0.00
DRAINS/OPEN,OUTLET/PULL	0.00	164.46	443.80
DRAINS/OPEN,OUTLET/MOW	0.00	83.60	2,461.28

STATEMENT OF INCOME EXPENSE
Roza Irrigation District
For the Eleven PERIODS ENDING November 30, 2023

	CURRENT PERIOD	2023 YTD	2022 YTD
DRAINS/UNDERSHOTS/CLEAN	0.00	0.00	163.95
DRAINS/OPEN,PICKUP/REPAIR	0.00	1,430.40	0.00
ROZA MAINT/DID #11/CLEAN	1,215.93	33,819.85	0.00
ROZA MAINT/DID #11/REPAIR	0.00	0.00	10.45
ROZA MAINT/DID #11/PULL	0.00	253.54	0.00
ROZA MAINT/DID #11/MOW & CUT	1,598.20	32,888.97	1,396.54
JOINT DRAINS/SVID	19,345.23	350,377.31	294,000.75
DRAINS/DID #11	0.00	46,778.05	39,379.05
DRAINS/PIPED,TOE/CONST	0.00	67.72	349.13
DRAINS/PIPED,TOE/REPAIR	264.76	7,748.79	1,983.93
DRAINS/PIPED,OUTLET/REPAIR	0.00	0.00	3,372.59
TOTAL DRAINS	<u>23,002.03</u>	<u>489,146.44</u>	<u>370,435.95</u>
PUMP PLANT/PUMP	15,447.60	174,198.33	166,859.73
PUMP PLANT/MOTOR	5,540.69	59,570.42	118,074.84
PUMP PLANT/CONTROLS	7,660.29	89,137.76	46,150.79
PUMP PLANT/STRUCTURES	0.00	2,344.00	8,993.95
PUMP PLANT/PIPE & VALVES	4,096.31	18,231.90	36,639.70
PUMP MAINT SHOP	29.08	2,348.13	648.63
PUMP PLANT/SCREENS O & M	652.61	9,793.25	10,608.03
PUMP PLANT/ELECTRICAL STRUCTURES	24,044.13	24,044.13	0.00
PUMPS/SILT REMOVAL	392.10	4,287.94	6,503.97
FLOATING PUMP PLANT/STUDY	6,388.70	53,051.34	87,572.97
P14 UPGRADE	0.00	6,527.99	59,168.81
P16 UPGRADE	8,136.21	27,513.68	160,163.07
TOTAL PUMPS	<u>72,387.72</u>	<u>471,048.87</u>	<u>701,384.49</u>
SAFETY	7,058.88	32,610.80	40,703.30
DRUG TESTING	182.46	3,223.95	2,828.42
PORTA POTTY'S	0.00	4,445.02	5,481.42
TOTAL SAFETY/DRUG TESTING	<u>7,241.34</u>	<u>40,279.77</u>	<u>49,013.14</u>
21-22 PRESSURE PROJECT	0.00	97,445.18	144,948.76
22-23 PRESSURE PROJECT	0.00	468,785.75	1,524,115.54
23-24 PRESSURE PROJECT	222,256.87	1,511,263.80	0.00
24-25 PRESSURE PROJECT	737.00	3,574.52	0.00
TOTAL PRESSURE PROJECTS	<u>222,993.87</u>	<u>2,081,069.25</u>	<u>1,669,064.30</u>
REIMB/Private INDIV	65.14	12,362.14	15,136.87
TOTAL REIMBURSABLES	<u>65.14</u>	<u>12,362.14</u>	<u>15,136.87</u>
EQUIPMENT EXPENSE	1,493.55	25,159.25	(49,595.47)
EQUIPMENT EXPENSE/MISC	2,282.18	23,103.01	13,176.25
EQUIPMENT EXPENSE/TOOLS	1,356.96	12,936.96	16,080.38
STOREHOUSE EXPENSE	13,920.54	157,331.55	137,450.67
SHOP EXPENSE	3,234.07	64,838.92	39,038.88
YARD BUILDING EXPENSE	0.00	5,819.64	3,709.95

Roza Irrigation District

For the Eleven PERIODS ENDING November 30, 2023

	CURRENT PERIOD	2023 YTD	2022 YTD
OFFICE BUILDING EXPENSE	484.76	36,122.47	4,609.32
SHOP BUILDING EXPENSE	41.11	14,535.01	427.65
WAREHOUSE BUILDING EXPENSE	786.35	5,590.78	301.93
SHOP ROOF EXPENSE/INSTALL	0.00	0.00	54.90
GROUNDS EXPENSE	6,920.19	80,711.34	48,926.39
DISTRICT HOUSES/MISC	0.00	7,151.10	1,458.14
DISTRICT HOUSE/WW3	496.80	1,081.70	142.12
DISTRICT HOUSE/P8	0.00	15,845.38	0.00
DISTRICT HOUSE/P13E	0.00	10,752.56	0.00
DISTRICT HOUSE/P13W	0.00	428.96	12.65
DISTRICT HOUSE/P14W	0.00	10,553.65	1,094.35
SHOW UP TIME	101.58	101.58	126.58
RADIO	0.00	10,664.12	0.00
UTILITIES/SHOP & WAREHOUSE	432.41	5,273.87	4,438.86
UTILITIES/GATES & WASTEWAY	101.81	727.41	709.11
WW6 REREG/O & M	2,987.24	11,898.74	44,299.73
WW7 REREG/O & M	1,551.97	15,428.83	3,580.20
WW5 REREG/O&M	203,326.52	286,567.58	77,439.45
TOTAL EQUIPMENT/BUILDINGS	239,518.04	802,624.41	347,482.04
WATER MANAGEMENT	11,884.90	706,217.18	688,304.32
TOTAL WATER MANAGEMENT	11,884.90	706,217.18	688,304.32
CONTRACT/USBR/STORAGE	0.00	802,000.00	642,000.00
CONTRACT/USBR/RESERVED WORK	0.00	319,000.00	349,000.00
CONTRACT/USBR/POWER	0.00	1,113,350.00	1,113,350.00
CONTRACT/USBR/KACHESS	0.00	368,807.00	0.00
TOTAL USBR CONTRACTS	0.00	2,603,157.00	2,104,350.00
ADMIN & GENERAL SALARIES	70,692.56	887,995.50	835,172.21
DIRECTOR'S FEES	1,920.00	10,496.00	11,648.00
ENGINEERING MATERIALS	39.68	3,394.91	7,293.19
COMPUTER EXPENSE	0.00	14,593.35	4,779.95
COMPUTER PROGRAMS	0.00	4,571.26	2,199.00
COMPUTER MAINTENANCE	199.00	3,168.28	21,793.01
HEALTH & SAFETY COORD	5,752.99	62,510.08	58,094.55
ANNUAL LEAVE/UNION	25,178.52	152,979.80	140,852.97
SICK LEAVE/UNION	20,533.59	114,544.51	125,177.13
HOLIDAY/UNION	9,699.76	75,441.58	63,962.38
KEPT ON SALARY/UNION	0.00	0.00	2,714.50
ADMINISTRATIVE LEAVE/UNION	2,254.66	7,041.06	8,297.90
SOCIAL SECURITY & MED TAXES	26,124.55	281,819.43	267,589.03
TAXES/UNEMPLOYMENT/UNION	0.00	5,496.36	13,269.57
INDUSTRIAL INSURANCE	6,067.26	69,047.38	99,865.22
GROUP INSURANCE/UNION	34,505.64	359,463.70	360,346.38
STATE RETIREMENT	30,374.19	356,222.24	352,234.04
WA. PAID LEAVE	672.32	7,831.68	5,548.63

STATEMENT OF INCOME EXPENSE
Roza Irrigation District
For the Eleven PERIODS ENDING November 30, 2023

	CURRENT PERIOD	2023 YTD	2022 YTD
ANNUAL LEAVE/NON-UNION	12,975.24	103,868.82	95,976.54
SICK LEAVE/NON-UNION	1,162.66	14,281.65	21,696.06
HOLIDAY/NON-UNION	3,167.28	37,025.24	28,717.40
JURY DUTY/NON-UNION	0.00	0.00	243.20
GROUP INS/NON-UNION	15,091.22	161,047.42	153,967.30
TRAVEL & MILEAGE/ADMIN & SUPV	10,741.04	129,002.14	112,934.69
TRAVEL & MILEAGE/DIRECTOR	1,501.18	11,077.20	5,101.18
TOTAL ADMIN & GENERAL EXPENSES	<u>278,653.34</u>	<u>2,872,919.59</u>	<u>2,799,474.03</u>
ACCOUNTING & LEGAL SERVICES	0.00	2,100.00	12,176.00
LEGAL	550.00	37,993.43	50,401.63
LEGAL/WATER RIGHTS	4,298.13	103,606.12	81,875.00
TOTAL LEGAL EXPENSES	<u>4,848.13</u>	<u>143,699.55</u>	<u>144,452.63</u>
INSURANCE/PROPERTY	1,803.97	28,775.83	28,142.95
INSURANCE/INJURY & DAMAGES	27,279.61	303,936.99	246,123.79
INSURANCE/DIRECTORS & OFFICERS	1,759.98	19,359.78	16,081.67
INSURANCE/OTHER	833.33	9,266.63	9,411.63
TOTAL INSURANCE EXPENSES	<u>31,676.89</u>	<u>361,339.23</u>	<u>299,760.04</u>
PHONE/877-3880	197.40	1,515.11	1,408.45
PHONE/973-2441	225.83	1,615.75	1,500.71
CELLULAR PHONES	0.00	37,368.45	41,653.51
TOTAL PHONE EXPENSES	<u>423.23</u>	<u>40,499.31</u>	<u>44,562.67</u>
A/P DISCOUNTS	(384.12)	(4,159.53)	(3,687.26)
GIS	201.74	2,741.81	2,210.00
MISC. TAXES	0.04	374.24	923.01
UTILITIES/OFFICE	821.33	9,054.98	7,557.13
ROZA-SVID BOJC	0.00	388,977.00	338,166.00
OFFICE EQUIPMENT	0.00	11,035.32	6,422.94
OFFICE EXPENSE	3,062.46	44,515.12	34,486.88
PUBLISHING	854.29	4,527.92	7,638.84
DUES & SUBSCRIPTIONS	52.00	44,515.20	39,935.64
TOTAL MISCELLANEOUS EXPENSES	<u>4,607.74</u>	<u>501,582.06</u>	<u>433,653.18</u>
DEPRECIATION/EQUIPMENT	26,200.13	280,116.86	265,201.20
DEPRECIATION/ECS	59,520.96	654,730.55	654,730.55
DEPRECIATION/WW5 REREG	51,486.13	566,347.43	566,347.42
TOTAL DEPRECIATION	<u>137,207.22</u>	<u>1,501,194.84</u>	<u>1,486,279.17</u>
TOTAL OF ALL EXPENSES	1,218,179.98	14,424,769.90	13,668,066.99
NET INCOME (LOSS)	<u>(1,126,843.01)</u>	<u>921,747.46</u>	<u>1,400,714.45</u>

COMPARATIVE BALANCE SHEET

Roza Irrigation District

For the Eleven PERIODS ENDING November 30, 2023

	CURRENT PERIOD	PRIOR YEAR	DIFFERENCE
CASH IN BANK/CHECKING	27,271.61	106,974.03	(79,702.42)
CASH IN BANK/O & M	16,122,625.73	15,081,503.11	1,041,122.62
CASH IN BANK/CONST	324,875.13	336,041.90	(11,166.77)
CASH IN BANK/USBR RESERVE	288,000.00	288,000.00	0.00
PETTY CASH	100.00	100.00	0.00
TOTAL OF ALL CASH	16,762,872.47	15,812,619.04	950,253.43
ACCOUNTS RECEIVABLE	22,942.50	151,381.00	(128,438.50)
TOTAL CURRENT RECEIVABLES	22,942.50	151,381.00	(128,438.50)
ASSESSMENT RECEIVABLE/O & M	95,725.99	201,277.48	(105,551.49)
ASSESSMENT RECEIVABLE/CONST	1,208.58	2,625.16	(1,416.58)
ASSESSMENT RECEIVABLE/DELIQUENT INTEREST	15,949.16	30,166.38	(14,217.22)
ASSESSMENT RECEIVABLE/MISC BILLS	433.72	1,200.41	(766.69)
TOTAL ASSESSMENT RECEIVABLES	113,317.45	235,269.43	(121,951.98)
INVENTORY/GAS & OIL	1,064.44	(10,281.95)	11,346.39
INVENTORY/VEHICLE SHOP	88,157.45	61,768.04	26,389.41
INVENTORY/SUPPLIES	610,817.14	552,266.22	58,550.92
INVENTORY/EQUIPMENT PARTS	(15,270.59)	37,961.80	(53,232.39)
TOTAL INVENTORY	684,768.44	641,714.11	43,054.33
PREPAID SVID JOINT DRAINS	(3,412.50)	47,818.02	(51,230.52)
PREPAID COSTS/WARRANTYS	7,215.22	167,134.14	(159,918.92)
TOTAL PREPAIDS	3,802.72	214,952.16	(211,149.44)
TOTAL OF ALL CURRENT ASSETS	17,587,703.58	17,055,935.74	531,767.84
LAND & LAND RIGHTS	467,633.44	467,633.44	0.00
BUILDINGS	90,689.05	90,689.05	0.00
ENCLOSED CONDUIT SYSTEM	37,904,537.08	35,899,536.50	2,005,000.58
PUMP UPGRADES	580,422.09	356,459.35	223,962.74
WW6 REREG	336,280.37	336,280.37	0.00
WW7 REREG	539,933.11	539,933.11	0.00
WW5 REREG	30,891,678.06	30,891,678.06	0.00
CONST & MAINT EQUIPMENT	8,309,754.17	7,635,133.18	674,620.99
MISC EQUIPMENT	1,182,761.17	1,146,162.37	36,598.80
OFFICE EQUIPMENT	115,681.38	103,023.07	12,658.31
COMPUTER SOFTWARE	44,813.41	44,813.41	0.00
TOTAL CAPITAL ASSETS	80,464,183.33	77,511,341.91	2,952,841.42
BUILDINGS/ACCUMULATED DEPRECIATION	(90,689.05)	(90,689.05)	0.00
ECS/ACCUMULATED DEPRECIATION	(11,909,672.29)	(11,195,420.78)	(714,251.51)
WW6 REREG/ACCUMULATED DEPRECIATION	(336,280.37)	(336,280.37)	0.00
WW7 REREG/ACCUMULATED DEPRECIATION	(381,817.16)	(353,914.35)	(27,902.81)

	CURRENT PERIOD	PRIOR YEAR	DIFFERENCE
WW5 REREG/ACCUMULATED DEPRECIATION	(3,295,112.28)	(2,677,278.72)	(617,833.56)
EQUIPMENT/ACCUMULATED DEPRECIATION	(4,517,984.14)	(4,168,052.44)	(349,931.70)
MISC EQUIPMENT/ACCUMULATED DEPRECIATIO	(889,157.12)	(784,851.77)	(104,305.35)
OFFICE EQUIPMENT/ACCUMULATED DEPRECIAT	(93,497.21)	(91,386.73)	(2,110.48)
COMPUTER SOFTWARE/ACCUMULATED DEPREC	(36,817.92)	(27,855.24)	(8,962.68)
CAPITAL ASSETS ACCUM DEPRECIATION	(21,551,027.54)	(19,725,729.45)	(1,825,298.09)
USBR CONST OBLIGATION REC.	0.00	50,087.97	(50,087.97)
USBR KACHESS OBLIGATION REC.	748,791.00	0.00	748,791.00
TOTAL CONST RECEIVABLE	748,791.00	50,087.97	698,703.03
NET PENSION ASSET	1,148,795.00	3,196,979.00	(2,048,184.00)
TOTAL NET PENSION ASSET	1,148,795.00	3,196,979.00	(2,048,184.00)
TOTAL OF ALL ASSETS	78,398,445.37	78,088,615.17	309,830.20
DEFERRED OUTFLOWS/PENSIONS	1,161,227.02	391,672.02	769,555.00
TOTAL DEFERRED OUTFLOWS/PENSIONS	1,161,227.02	391,672.02	769,555.00
TOTAL ASSETS AND DEFERRED OUTFLOWS	79,559,672.39	78,480,287.19	1,079,385.20
ACCOUNTS PAYABLE/EXPENSE	512,383.61	259,769.31	252,614.30
ACCOUNTS PAYABLE/USBR/CONST	0.00	31,936.54	(31,936.54)
ACCOUNTS PAYABLE/USBR/KACHESS	603,503.00	0.00	603,503.00
TOTAL ACCOUNTS PAYABLE	1,115,886.61	291,705.85	824,180.76
ACCRUED ANNUAL LEAVE PAYABLE	424,370.68	400,997.70	23,372.98
ACCRUED SICK LEAVE PAYABLE	576,482.78	533,157.57	43,325.21
ACCRUED SALES TAX PAYABLE	376.41	0.00	376.41
ACCRUED TAXES PAYABLE	147.86	129.10	18.76
ACCRUED IND INS PAYABLE	16,292.19	22,793.25	(6,501.06)
ACCRUED RET. DEDUC & MATCH	32,228.82	34,126.18	(1,897.36)
MISC PAYROLL DEDUCTIONS	6,318.00	4,316.42	2,001.58
ACCR WA PD LEAVE DEDUCT&MATCH	4,954.77	3,452.21	1,502.56
ACC WA CARES FUND	3,319.98	0.00	3,319.98
TOTAL ACCRUED EXPENSES	1,064,491.49	998,972.43	65,519.06
OVERPAYMENT	0.79	0.00	0.79
TOTAL PREPAIDS/DEPOSITS	0.79	0.00	0.79
CONTRACT PAY/USBR CONST	0.00	50,087.97	(50,087.97)
CONTRACT PAY/USBR/KACHESS	145,288.00	0.00	145,288.00
TOTAL LONG TERM LIABILITIES	145,288.00	50,087.97	95,200.03

COMPARATIVE BALANCE SHEET
Roza Irrigation District
For the Eleven PERIODS ENDING November 30, 2023

	CURRENT PERIOD	PRIOR YEAR	DIFFERENCE
NET PENSION LIABILITY	663,236.00	304,735.00	358,501.00
TOTAL NET PENSION LIABILITY	<u>663,236.00</u>	<u>304,735.00</u>	<u>358,501.00</u>
 TOTAL OF ALL LIABILITIES	 2,988,902.89	 1,645,501.25	 1,343,401.64
 DEFERRED INFLOWS/PENSIONS	 1,210,702.00	 3,349,279.00	 (2,138,577.00)
TOTAL DEFERRED INFLOWS/PENSIONS	<u>1,210,702.00</u>	<u>3,349,279.00</u>	<u>(2,138,577.00)</u>
 RESERVE/USBR - CONST OBLIG	 288,000.00	 288,000.00	 0.00
TOTAL RESERVES	<u>288,000.00</u>	<u>288,000.00</u>	<u>0.00</u>
 UNAPPROPRIATED SURPLUS	 74,150,320.04	 71,796,792.49	 2,353,527.55
NET INCOME (LOSS)	921,747.46	1,400,714.45	(478,966.99)
TOTAL UNRESERVED	<u>75,072,067.50</u>	<u>73,197,506.94</u>	<u>1,874,560.56</u>
 TOTAL EQUITY	 75,360,067.50	 73,485,506.94	 1,874,560.56
 TOTAL LIABILITY, EQUITY & DEFERRED INFLOWS	 79,559,672.39	 78,480,287.19	 1,079,385.20

Roza Irrigation District
 VENDOR CHECK REGISTER REPORT
 Payables Management

Ranges: From: To:
 Check Number First Last
 Vendor ID First Last
 Vendor Name First Last

From: To:
 Check Date 12/1/2023 12/31/2023
 Checkbook ID PRE-PAIDS PRE-PAIDS

Sorted By: Check Number

* Voided Checks

Check Number	Vendor Check Name	Check Date	Amount
11-2023	U.S. BANK	12/29/2023	\$3,392.89
11-23	DEPARTMENT OF REVENUE	12/22/2023	\$397.87
23-1222	ROZA PAYROLL PAYABLE # 29680-29681	12/22/2023	\$110,066.60
23-1222	U.S. BANK/E.F.T.P.S.	12/22/2023	\$39,682.86
23-1228	ROZA PAYROLL PAYABLE	12/29/2023	\$624.25
23-37	ROZA PAYROLL PAYABLE	12/8/2023	\$117,655.79
34-23	U.S. BANK/E.F.T.P.S.	12/8/2023	\$40,902.04
36-23	U.S. BANK/E.F.T.P.S.	12/29/2023	\$900.57
37-23	U.S. BANK/E.F.T.P.S.	12/29/2023	\$180.62
69748	RETTIG FORGETTE ILLER BOWERS,	12/5/2023	\$8,007.12
69749	CENTURYLINK	12/6/2023	\$12.50
69750	U.S. CELLULAR	12/6/2023	\$88.47
69751	BRANDCRAFT MEDIA, LLC	12/6/2023	\$199.00
69752	RAINWATER, INC.	12/6/2023	\$1,036.80
69753	PACIFIC POWER & LIGHT CO.	12/6/2023	\$2,956.69
69754	U.S. CELLULAR	12/6/2023	\$3,654.13
69755	SAGE PARK	12/6/2023	\$786.38
69756	SYMETRA LIFE INSURANCE CO.	12/6/2023	\$498.92
69757	NOE GUZMAN/C&C JANITORIAL	12/7/2023	\$385.00
69758	DEPARTMENT OF RETIREMENT	12/8/2023	\$2,441.95
69759	ROZA EMPLOYEE BENEFIT FUND	12/8/2023	\$86.00
69760	DEPARTMENT OF RETIREMENT	12/12/2023	\$57,245.52
69761	NW LABORERS TRUST FUND	12/12/2023	\$54,581.00
69762	CO-ENERGY	12/12/2023	\$14,218.59
69763	HUB INTERNATIONAL NORTHWEST LL	12/12/2023	\$10,000.00
69764	CITIES INSURANCE ASSOCIATION	12/12/2023	\$630,704.89
69765	U.S. BUREAU OF RECLAMATION	12/12/2023	\$422,500.00
69766	U.S. BUREAU OF RECLAMATION	12/12/2023	\$556,675.00
69767	GARY ADKINS	12/12/2023	\$25.00
69768	OXARC, INC.	12/12/2023	\$10.71
69769	VALLEY AGRONOMICS LLC	12/12/2023	\$26.82
69770	PACIFIC POWER & LIGHT CO.	12/12/2023	\$33.00
69771	UTILITIES UNDERGROUND LOCATION	12/12/2023	\$39.99
69772	CLIFF'S SEPTIC SERVICE	12/12/2023	\$108.00
69773	YAKIMA WASTE SYSTEMS, INC.	12/12/2023	\$114.99
69774	ASM AFFILIATES	12/12/2023	\$150.00
69775	AT&T MOBILITY	12/12/2023	\$154.65
69776	CENTURYLINK	12/12/2023	\$158.92
69777	COLUMBIA ELECTRIC SUPPLY	12/12/2023	\$204.16
69778	HLA ENGINEERING AND LAND SURVE	12/12/2023	\$223.00
69779	NC MACHINERY CO.	12/12/2023	\$362.75
69780	YAKIMA HERALD-REPUBLIC	12/12/2023	\$494.70
69781	CNA SURETY	12/13/2023	\$100.00
69782	WASHINGTON STATE DEPT. OF AG	12/13/2023	\$1,650.00
69783	CAMPBELL & COMPANY	12/13/2023	\$270.50
69784	SEVEN SIGNS	12/14/2023	\$1,566.00
69785	APPLIED INDUSTRIAL TECH.	12/14/2023	\$1,981.23
69786	CASCADE NATURAL GAS CO.	12/14/2023	\$2,054.51
69787	SEWER EQUIPMENT CO. OF AMERICA	12/14/2023	\$2,132.99
69788	POPPOFF, INC.	12/14/2023	\$3,702.24
69789	LAD IRRIGATION COMPANY	12/14/2023	\$4,004.24
69790	CORE & MAIN LP	12/14/2023	\$4,510.42
69791	O. L. LUTHER CO., INC.	12/14/2023	\$7,128.00
69792	AG PRO CONSTRUCTION, INC.	12/14/2023	\$5,025.00
69793	CODY McMILLAN	12/14/2023	\$123.90
69794	TRENCHMAN SEORING	12/14/2023	\$3,678.80

* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
69795		RH2 ENGINEERING	12/15/2023			\$2,159.16
69796		YAKIMA COUNTY AUDITOR	12/15/2023			\$5,318.00
69797		CLIFF'S SEPTIC TANK SERVICE	12/15/2023			\$649.20
69798		RETTIG FORGETTE ILLER BOWERS,	12/15/2023			\$6,532.12
69799		YAKIMA COUNTY G.I.S.	12/19/2023			\$201.74
69800		CENTURYLINK	12/19/2023			\$68.99
69801		SHANNON & WILSON, INC.	12/19/2023			\$10,377.56
69802		DID #11	12/19/2023			\$39,748.99
69803		NOE GUZMAN/C&C JANITORIAL	12/21/2023			\$385.00
69804		CENTRAL PRE-MIX CONCRETE	12/19/2023			\$4,930.97
69805		JUAN SOTO	12/19/2023			\$32.46
69806		ROZA EMPLOYEE BENEFIT FUND	12/22/2023			\$86.00
69807		AFLAC	12/22/2023			\$554.06
69808		LABORER'S LOCAL UNION 348	12/22/2023			\$2,128.00
69809		YAKIMA COUNTY AUDITOR	12/21/2023			\$613.50
69810		DEPARTMENT OF RETIREMENT	12/28/2023			\$1,556.95
69811		QUILL CORPORATION	12/29/2023			\$55.12
69812		SUNNYSIDE VALLEY IRRIGATION DI	12/29/2023			\$196.54
69813		PITNEY BOWES GLOBAL FINANCIAL	12/29/2023			\$135.26
69814		CRYSTAL SPRINGS	12/29/2023			\$99.50
69815		PACIFIC POWER & LIGHT CO.	12/29/2023			\$618.06
69816		DEPARTMENT OF REVENUE	12/29/2023			\$221.79
69817		KELLEY CONNECT	12/29/2023			\$1,838.32
69818		PACIFIC COATINGS, LLC	12/29/2023			\$74,119.00
69819		CITIES INSURANCE ASSOCIATION	12/29/2023			\$145.25
69820		ALLIED BODY WORKS, INC	12/29/2023			\$18,928.39

Total Checks: 82

Total Amount of Checks: \$2,291,615.90

Item #2

Item #3



To: Board of Directors
From: Scott Revell, District Manager
Date: January 9, 2024
Re: 2024 Election of Officers

Background


Article 5 of the District's Bylaws require that officers be elected each year as noted below.

Article 5 - *The Directors of the District shall organize as a Board and shall elect a President and Vice President from their number, appoint District Manager/Secretary/Treasurer and adopt by-laws each year. A majority of the Directors shall constitute a quorum for the transaction of business, and in all matters requiring action by the Board there shall be concurrence of at least a majority of the Directors present. The Board shall have the power and it shall be its duty to adopt a seal of the District.*

Staff recommends that officers be elected for 2024.

Item #4



To: Board of Directors
From: Scott Revell, District Manager 
Date: January 9, 2024
Re: Re-Adoption of the Board's Bylaws

Attachment

1. Board Bylaws (dated 5/5/14)
2. RCW 87.03.115

Background

The Board bylaws were updated in May of 2014. The bylaws are required by statute, RCW 87.03.115. Article 5 of the bylaws requires that they be readopted each year.

The bylaws are available for inspection by Roza water users at the District office and on the District's website. No changes are proposed at this time.

Recommended Motion

I move to re-adopt the Board bylaws with no changes.

BY-LAWS OF ROZA IRRIGATION DISTRICT

Article 1 - The Roza Irrigation District is organized, formed and governed by Title-87, Revised Code of Washington.

Article 2 - The principle place of business is the office at the corner of 13th Street and Blaine Avenue, P.O. Box 810, Sunnyside, Washington 98944, (509) 837-5141.

Article 3 - The Directors shall meet in public meeting at the District's principle place of business at 9:00 A.M. on the first Tuesday following the first Friday of each month or at such other time as may be lawfully designated.

Article 4 - There shall be five Directors, whose term shall be three years with elections held each year in accordance with Title 87, Revised Code of Washington.

Article 5 - The Directors of the District shall organize as a Board and shall elect a President and Vice President from their number, appoint District Manager/Secretary/Treasurer and adopt by-laws each year. A majority of the Directors shall constitute a quorum for the transaction of business, and in all matters requiring action by the Board there shall be concurrence of at least a majority of the Directors present. The Board shall have the power and it shall be its duty to adopt a seal of the District.

Article 6 - The Board of Directors shall establish a policy and formulate rules and regulations for operation of the District, as authorized and required under Title 87, Revised Code of Washington and in accordance with the District's Repayment contract and Federal Reclamation Law. The Board may provide for exceptions or variances to the rules and regulations in appropriate cases.

Article 7 - The District Manager/Secretary/Treasurer shall be responsible for the total operation of the district in accordance with RCW and the rules and regulations established by the Board of Directors and is authorized to make investments of District funds and to make expenditures for supplies, services, equipment and staff travel.

Organization of board—Meetings—Quorum—Certain powers and duties.

(1) The directors of the district shall organize as a board and shall elect a president from their number, and appoint a secretary, who shall keep a record of their proceedings.

(2) The office of the directors and principal place of business of the district shall be at some place in the county in which the organization was effected, to be designated by the directors.

(3) The directors serving districts of five thousand acres or more shall hold a regular monthly meeting at their office on the first Tuesday in every month, or on such other day in each month as the board shall direct in its bylaws, and may adjourn any meeting from time to time as may be required for the proper transaction of business.

(4) Directors serving districts of less than five thousand acres shall hold at least quarterly meetings on a day designated by the board's bylaws, and may adjourn any meeting from time to time as may be required for the proper transaction of business.

(5) Special meetings shall be called and conducted in the manner required by chapter **42.30** RCW.

(6) All meetings of the directors must be public.

(7) A majority of the directors shall constitute a quorum for the transaction of business, and in all matters requiring action by the board there shall be a concurrence of at least a majority of the directors.

(8) All records of the board shall be open to the inspection of any electors during business hours.

(9) The board shall have the power, and it shall be its duty, to adopt a seal of the district, to manage and conduct the business and affairs of the district, to make and execute all necessary contracts, to employ and appoint such agents, officers, and employees as may be necessary and prescribe their duties, and to establish equitable bylaws, rules, and regulations for the government and management of the district, and for the equitable distribution of water to the lands within the district, upon the basis of the beneficial use thereof, and generally to perform all such acts as shall be necessary to fully carry out the provisions of this chapter: PROVIDED, That all water, the right to the use of which is acquired by the district under any contract with the United States shall be distributed and apportioned by the district in accordance with the acts of congress, and rules and regulations of the secretary of the interior until full reimbursement has been made to the United States, and in accordance with the provisions of said contract in relation thereto.

(10) The bylaws, rules, and regulations must be on file and open to inspection of any elector during regular business hours.

(11) All leases, contracts, or other form of holding any interest in any state or other public lands shall be, and the same are hereby declared to be title to and evidence of title to lands and for all purposes within *this act, shall be treated as the private property of the lessee or owner of the contractual or possessory interest: PROVIDED, That nothing in this section shall be construed to affect the title of the state or other public ownership, nor shall any lien for such assessment attach to the fee simple title of the state or other public ownership.

(12) The board of directors shall have authority to develop and to sell, lease, or rent the use of:
(a) Water facilities and water derived from the operation of the water facilities to such municipal and quasi-municipal entities, the state of Washington, and state entities and agencies, and public and private corporations and individuals located within and outside the boundaries of the district, and on such terms and conditions as the board of directors shall determine; (b) electric facilities and power derived from electric facilities authorized by RCW **87.03.015** or **87.03.0155**, to such municipal or quasi-municipal corporations and cooperatives authorized to engage in the business of distributing electricity, electrical companies subject to the jurisdiction of the utilities and transportation commission, private commercial or industrial entities that acquire electric power for their own use or resale, and other irrigation districts, and on such terms and conditions as the board of directors shall determine; and (c) power derived from

electric facilities authorized by RCW 87.03.015 or 87.03.0155 on such terms and conditions as the board of directors shall determine. No water shall be furnished for use outside of said district until all demands and requirements for water for use in said district are furnished and supplied by said district. As soon as any public lands situated within the limits of the district shall be acquired by any private person, or held under any title of private ownership, the owner thereof shall be entitled to receive his or her proportion of water as in case of other land owners, upon payment by him or her of such sums as shall be determined by the board, and at the time to be fixed by the board, which sums shall be such equitable amount as such lands should pay having regard to placing said lands on the basis of equality with other lands in the district as to benefits received, and giving credit if equitable for any sums paid as water rent by the occupant of said lands prior to the vesting of private ownership, and such lands shall also become subject to all taxes and assessments of the district thereafter imposed.

[2017 c 63 § 3; 2013 c 23 § 492; 1983 c 262 § 1; 1979 ex.s. c 185 § 3; 1921 c 129 § 5; 1919 c 180 § 4; 1915 c 179 § 4; 1913 c 165 § 5; 1889-90 p 677 § 11; RRS § 7428. Formerly RCW 87.01.200 and 87.32.010, part.]

NOTES:

***Reviser's note:** "This act" first appears in 1921 c 129 § 5.

Effective date—Severability—1979 ex.s. c 185: See notes following RCW 87.03.013.

Director divisions: Chapter 87.04 RCW.

Item #5



To: Board of Directors
From: Scott Revell, District Manager *Scott*
Date: January 9, 2024
Re: Delegation Authority Re-Adoption

Attachment

1. Resolution No. 5-2014

Background

Attached is the Districts resolution which delegation a series of authorities to the Secretary/Manager. It is required to be readopted annually.

No changes are proposed and it can be re-adopted by motion. Changes to the resolution require amendment by a resolution.

RESOLUTION NO. 5-2014

DELEGATION OF AUTHORITY

A Resolution of the Roza Irrigation District adopting a master policy on the administrative authority of the Manager and his designees.

WHEREAS, Section 87.03.115 of the Revised Code of Washington provides authority to the Board of Directors for delegation of powers to the Manager; and

WHEREAS, the Board of Directors has previously adopted policy directives delegating administrative authority to the Manager and his designees for the purpose of expeditious administration of the District; and

WHEREAS, the Board of Directors has from time to time found it necessary to amend and revise such directives due to changes in law and/or operations of the District; and

WHEREAS, the Board of Directors now wishes to provide an updated master policy directive on the administrative authority of the Manager and his designees, and to repeal any prior resolutions dealing with the same subject;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Roza Irrigation District as follows:

SECTION 1. The master policy of the Board of Directors of the Roza Irrigation District as set forth as Exhibit "A" attached to this Resolution and incorporated herein by such reference, is for the purpose of establishing administrative authority for the Manager and his designees.

SECTION 2. The Revised Code of Washington authorizes the Board of Directors to delegate to the Manager by resolution, the authority to sell and convey District property as outlined in Exhibit A, Section III. Inasmuch as state law requires that this authority be renewed from year to year, the Board of Directors is authorized to accomplish the same by motion; provided, however, that in the event this authority is amended or repealed, such amendment or repeal must be by resolution adopted by the Board of Directors.

ADOPTED by the Board of Directors of the Roza Irrigation District this 16th day of June 2014, and duly authenticated in open session by the signatures of the Boarders voting in favor thereof.

ROZA IRRIGATION DISTRICT BOARD

Ric Valenz
Scott Wiley
D. J. Smith
Michael L. Mc

VACANT

EXHIBIT "A" TO RESOLUTION NO. 5-2014

Roza Irrigation District

BOARD POLICY DIRECTIVE

**AUTHORITY OF MANAGER
AND DESIGNEES**

The following policy is adopted by the Board of Directors for the purpose of establishing the administrative authority of the Manager who is responsible for normal District operations. The phrase "normal District operations" as used herein, means regular day-to-day business transactions involving personnel, materials and money. The Board shall retain a Manager to implement the objectives of the District, which shall be established by the Board of Directors. The Manager derives authority from the Board acting as the governing body. The Manager shall retain professional staff, which shall operate and manage according to directives from the Manager. The Manager shall regularly inform and consult with the Board regarding significant information and business transactions, by a method mutually agreeable to the Board and the Manager. The Manager shall serve as the primary spokesman for management. The Manager shall be solely responsible for the conduct of business transactions of the District.

The Board is responsible for setting policy and direction for all District business. It does so by annually adopting a budget and, from time to time, adopting other policy-setting documents. Within the general scope of and in conformance with the direction established by such documents and with the exception of the limitations identified in the specific policies which follow, the Manager shall be responsible for the operation, maintenance, administration and use of the District's properties and facilities; the implementation of construction work and alterations and improvements to the District's real estate and physical facilities and necessary planning incidental thereto; the administration of the day-to-day operations which include personnel administration (salary and benefit matters, job descriptions, setting wage rates for non-bargaining unit employees within approved ranges, task and project assignments, hiring, firing, training, grievance procedures, employee enrichment and improvement, and execution of separation agreements, etc.); execution of contracts; the delivery of services essential to the District's mission; financial and accounting related matters; legal matters and all other administrative matters. Further, Manager is hereby authorized to publish notice of any and all public hearings which are required by law or are necessary for Board of Directors action. Except as may be prohibited by state law, all delegations described herein with monetary limitation shall be automatically adjusted at the beginning of each year to conform with changes in State law related to such limitations.

Prior to implementation, the Manager will notify the Board of Directors of the index adjustments which will then become effective as of February 1.

The Manager may delegate to appropriate District staff such of his/her administrative authority or reporting requirements herein established as, in his/her discretion, is necessary and advisable in the efficient exercise of such authority. To implement delegations of authority to District staff,

the Manager shall promulgate Roza Irrigation District Policy and Procedure Manuals, monetary delegations, authority to execute contracts, and other documents such as employee position descriptions, affirmative action plans, office manuals, etc., which shall include such delegations as appropriate. The responsibility for all administration and day-to-day operations of the District rests solely with the Manager. Any Board directives or initiatives shall be made through the Manager and shall be made only by the Board of Directors acting as a body.

ROZA IRRIGATION DISTRICT
SPECIFIC POLICY DIRECTIVES OF
ADMINISTRATIVE AUTHORITY OF MANAGER
AND DESIGNEES

I. REAL PROPERTY AGREEMENTS

A. Types of Agreements

The following directives of this Article I apply to all agreements for use of District real property, including but not limited to leases, license agreements, rental agreements, operating agreements and use agreements (all hereinafter referred to as "Real Property Agreements or "Agreements").

B. General Real Property Agreement Policy

Except as provided in Paragraph I(c), all real property of the District shall be used pursuant to an appropriate written instrument approved by the Board of Directors and accompanied by security in accordance with law.

Prior to the execution of such instrument, the Manager shall have secured authority to enter negotiations and shall have appraised the Board of Directors of the progress of such negotiations; provided for proper security, submitted the Agreement to District Counsel for approval; and followed all other applicable laws and Board of Directors created Lease Policy.

C. Real Property Agreement Procedures

The Manager is authorized to perform the following actions without Board of Directors approval, but must quarterly provide the Board of Directors a report summarizing actions:

1. Agreements having a term (including any options) of five years duration or less may be approved and signed by the Manager provided the District's standard Agreement form is used (except for provisions inapplicable), Agreement terms conform to proper real estate practices and the guidelines set forth in the Lease Policy, and there is no financial obligation of the District for improvements.

2. To the extent assignments, subleases, or options are permitted in the basic Agreement the same may be approved by the Manager , provided; other substantive terms of the Agreement are unchanged; any option or options do not result in an Agreement term (including options) of more than five years; rental adjustments consistent with District Lease Policy are made; and provided an amendment to the Agreement may be approved by the Manager if the scope of the amendment is otherwise within the authority of the Manager under this Resolution.
3. Easements of five years or less, licenses and permits ancillary to the normal operation of the District may be granted by the Manager.
4. The Manager is charged with the responsibility to insure that all agreement terms are complied with and is authorized to take necessary measures to cause compliance or to protect the District's legal position, including but not limited to the giving of all notices provided for in the Agreement.

II. REAL PROPERTY AGREEMENT SECURITY AND INSURANCE

The Manager is authorized to take all necessary actions on behalf of the Board of Directors in connection with Agreement surety bonds, Agreement surety, rental insurance, or other security (hereinafter referred to as "Agreement Security") and insurance coverage required pursuant to any Agreements of the District, including any of the following actions:

- A. Where the Agreement is not in default, to release any Agreement Security where adequate substitute security has been provided.
- B. To approve any Agreement Security or insurance submitted in fulfillment of the requirements of any Agreement, including substitute or replacement coverage for any terminated bond or other Agreement Security.
- C. To approve any substitute or modification of insurance, and to release any insurance company when substitute or replacement insurance coverage has been provided.

III. REAL PROPERTY TRANSACTIONS

- A. When the Board of Directors authorizes the acquisition of real property by negotiated purchase or condemnation, the Manager shall take all necessary steps, including appraisals, to secure title of such property for the District. The acquisition price of individual properties (or ownerships) shall in no case exceed the District's appraisal without further specific Board approval. When several parcels are authorized for purchase by the Board of Directors, the total price paid for all such properties shall not exceed the District's appraisal without further specific Board approval.

- B. When the Board of Directors authorizes the sale of District real property, the Manager shall be empowered to take all necessary administrative steps including the acquisition of appraisals in order that execution of the conveyance instrument by the Board may occur. After execution of the instrument by the Board, the Manager is authorized to take any and all other necessary steps, including delivery, to finalize the sale.

IV. CONTRACTS FOR PERFORMANCE OF WORK

A. Contract Awards for Construction and Maintenance

1. The Manager may, without prior Board approval, execute on its behalf small works roster contracts where the total estimated contract price does not exceed Three Hundred Thousand Dollars (\$300,000), the work is within Capital Budget authorized limits, and so long as all statutory procedures are followed.
2. The Manager may, without Board of Directors approval, prepare plans and specifications, issue notices calling for bids, award and accept contracts for work where the total estimated contract price does not exceed Three Hundred Thousand Dollars (\$300,000), provided that all requirements of law are met, and the work is within authorized Capital Budget limits. Change order amounts are at the discretion of the Manager, provided they do not increase the adjusted contract to an amount in excess of ten per cent of the original contract sum. If the project scope varies from the Board approved Capital Budget, it will be brought before the Board before obligation of any funds.
3. On contracts for work exceeding Three Hundred Thousand Dollars (\$300,000), Board approval shall be required prior to the preparation of plans and specifications for such work. Request for authorization to prepare plans and specifications shall include an estimate as to the total cost of the work. Upon completion of plans and specifications, the Manager is authorized to publish notice calling, for bids. Award of contract will be made with Board approval unless there is a time constraint. In the event of a time constraint, Board approval for award by the Manager will be requested in connection with the request for authorization to prepare plans and specifications. If an award is to be made to other than the lowest responsible bidder; if there is a material deviation from the District's General Conditions; or if the bid is in dispute, Board of Directors approval shall be sought prior to the award. Board of Directors approval shall be required for the rejection of all bids.
4. When any emergency shall require the immediate execution of a contract for work, the Manager, pursuant to the procedures of R.C.W. 39.04.020 (as it may be amended or succeeded), is authorized to make a finding of the existence of such emergency and execute any contracts necessary to respond to the existing emergency, provided that the Manager shall, at the first Board of Directors meeting following the Manager's finding of the existence of an emergency, request Board of Directors ratification of the finding of emergency and any contracts awarded and/or executed pursuant to that finding.

B. Change Orders

Where contracts for the performance of work exceeding \$50,000 have been awarded and under which the work is in progress, and individual changes in plans and/or specifications are necessitated in order to properly accomplish the work, the Manager is authorized to execute individual change orders to the contract provided the following conditions are met:

1. The estimated cost of the individual changes in plans and/or specifications will not exceed Fifty Thousand Dollars (\$50,000) or 10% of the contract price, whichever is less. However, when an individual change order issued under any contract shall cause the total cumulative amount of change orders to that contract to exceed a sum equal to 20% of the original contract amount, or Fifty Thousand (\$50,000), whichever is less, such change order shall not be issued without prior Board approval and no future change orders to said contract may be issued without Board approval.
2. The contract provides for issuance of change orders.
3. The individual change order has been approved and certified by the District's Engineer supervising the contract as being necessary to the proper accomplishment of the work called for in the basic contract.
4. Any time extension for completion of said contract which accompanies said change order does not exceed forty-five (45) days, except a change order extending the contract determined time beyond forty-five (45) days where it is to be a result of fire and other casualties not the fault of the contractor; strikes, riots and other civil disorders; unsuitable weather, or other act of God which results in suspension of work by order of the District's Engineer supervising the contract.

C. Reports

Notwithstanding the authorities granted in the preceding sections A and B, the Manager shall keep the Board advised of all contracts on a monthly basis.

V. UTILIZATION OF DISTRICT CREWS

- A. The Manager is authorized to use necessary workers for operations and maintenance of facilities pursuant to Board of Directors approved labor agreements.
- B. The Manager shall be responsible for obtaining, prior Board of Directors approval for work projects which are new construction or major modifications of District facilities to be carried out by District crews when the total estimated cost exceeds Fifty Thousand Dollars (\$50,000).

VI. CONTRACTS FOR ACQUISITION OF UTILITIES, MATERIALS, EQUIPMENT, SUPPLIES, AND SERVICES

The Manager shall have the responsibility for following all statutory requirements and procedures in connection with all contracts for the acquisition of utilities, materials, equipment, supplies and services. Utilities, materials, equipment, supplies and services (including services provided by public agencies) may be acquired on the open market, pursuant to published tariffs, or by competitive bidding when necessary for the normal maintenance and operations of the District, and no prior Board of Directors approval shall be required but shall, where appropriate, be approved as part of normal monthly expenses and shall be within authorized budgets. Where a requirement exists for formal competitive bidding, the Manager may execute contracts for the acquisition of utilities, materials, equipment, supplies and services subject to the following conditions:

- A. The contract or purchase order price for one year does not exceed Fifty Thousand Dollars (\$50,000) or, if specifically identified in the annual budget, the amount shown in such budget, and the contract provides for no more than two (2) options to extend the contract for one (1) year periods, provided that the basic contract or purchase order price and any contract extensions must be within appropriate annual budget limits.
- B. The award is made to a bidder who has submitted a proposal based on the plans and specification on file, or, where permissible, based upon his own plans and specifications and accompanied by a bid proposal deposit as may be required.
- C. The successful bidder has provided, where required, a performance bond with sureties which comply with the requirements of the applicable law.

VII. REIMBURSABLE SERVICES

The Manager is authorized to enter into agreements pursuant to which the District will provide reimbursable services, when such services are part of normal District operations or incident thereto.

VIII. ARCHITECTURAL, ENGINEERING, AND TECHNICAL SERVICES

The Manager is authorized to contract with qualified architectural, engineering, and technical testing and inspection firms licensed in the State of Washington to provide such services as required for maintenance, engineering work or small projects of the District. Selection and reimbursement for such services shall follow all required statutory procedures and shall be consistent with normal established fees paid for such services. If the fee on any single project or closely related work is estimated to exceed Fifty Thousand Dollars (\$50,000), Board of Directors approval shall be required. Where architectural and engineering services are ancillary to capital projects, Board of Directors approval shall not be required so long as those fees do not exceed 15% of the estimated contract amount. The Manager will endeavor to use a variety of firms

(including minority and women-owned business firms) based on the nature of the work and the expertise of the firms.

IX. PROFESSIONAL AND CONSULTANT SERVICES

Except as provided in Section VIII of this Exhibit A, the Manager shall be responsible for obtaining professional and consultant services where deemed necessary in carrying out normal District operations and provided all applicable legal requirements are met. The Manager may arrange for such services where the estimated cost of the proposed service does not exceed the amount of Fifty Thousand Dollars (\$50,000), provided all such arrangements shall be reported to the Board of Directors monthly.

X. LEGAL SERVICES AND OTHER REPRESENTATION

The Manager appointed District Counsel shall be responsible for management and supervision of all legal services required by the District and for litigation in which the District has an interest, direct or indirect. For purposes of this section, "litigation" shall mean the assertion of any position, right or responsibility by or against the District (or in which the District may have an interest) which has been filed in any court of general jurisdiction, be it state or federal, or any quasi-judicial or administrative forum.

A. Legal Services

The Manager is authorized to retain law firms, through District Counsel as necessary, to provide legal services. Retained legal counsel may act solely on behalf of the District or jointly with other interested parties. Payment for legal services other than litigation shall be by reimbursement not to exceed established hourly rates plus expenses. In litigation matters, legal counsel shall be reimbursed at a rate not to exceed their established hourly rate plus expenses.

B. Engagement of Other Representatives

In connection with litigation or other legal matters in which the District has a direct or indirect interest, the Manager may engage, or cause to be engaged through the District Counsel, other representatives to act solely on behalf of the District or jointly with other interested parties. Such representatives shall be reimbursed at their established hourly rates plus expenses or on another basis which is standard for their services.

C. Engagement of Experts

The Manager may engage or cause to be engaged through the District Counsel, such experts as may be necessary to the orderly preparation of litigation in which the District has a direct or indirect interest, within limitations otherwise prescribed in Section IX above. Such engagement shall be upon authorization given by the Manager after having been satisfied that such expenditure is necessary to the adequate preparation and representation of the District's position in such litigation and shall, wherever practicable, include evaluation of the litigation and an estimate of the probable cost of such experts.

D. Settlement

Unless otherwise specified herein any matter which is the subject of litigation may be compromised and settled by the Manager provided that the settlement amount does not exceed \$25,000 and that the District Counsel shall certify to the Manager that such compromise and settlement is justified on the basis of the following:

a. Claims filed against the District

- I) the likelihood that a judgment rendered in the case would be in the amount claimed, or higher than the amount claimed, or that there is reasonable cause to believe that there is considerable exposure of liability for the District; or
- ii) the likelihood that the expenses involved in litigation would be unnecessarily high in relation to the amount claimed, or the likely result.

b. Claims filed on behalf of the District

- I) that the determination to settle the claim outweighs the risk of resorting litigation; or
- ii) that the settlement of the claim would provide prompt payment to the District and eliminate extensive delays; or
- iii) the proposed offer of settlement is reasonable in light of the claim asserted.

E. Separation Agreements

The Manager is authorized to enter into separation agreements with employees when the amount paid does not exceed \$25,000 and the employee agrees to execute a written release of claims.

**XI. ADJUSTMENT AND SETTLEMENT OF CLAIMS
(Except those as referenced above)**

The Manager shall be responsible for the observance of necessary procedures whereby the adjustment and final settlement of all claims, either against or on behalf of the District, shall be carried out. Necessary procedures in the handling of such claims shall include the following:

- A. For purposes of this section, "Claim" shall mean the assertion of any position, right or responsibility by or against the District, but not including (1) accounts receivable to the extent covered in Section XII, or (2) claims asserted by or against the District which have become the subject of litigation as defined in Section X above.

- B. No claims against the District shall be considered unless and until proper notice has been served by the claimant upon the District.
- C. Any individual claim which exceeds \$25,000 may be processed in all respects (except for final approval and payment) by the Manager and District Counsel. No such claims shall be submitted for approval to the Board of Directors until a tentative agreement has been reached with the parties concerned for settlement. Claims which in the opinion of the Manager may exceed \$25,000 shall be reported to the Board of Directors promptly.
- D. Any single claim not exceeding \$25,000 may be adjusted and settled and paid by the Manager provided that all of the following conditions are met:
 - 1. The District Counsel shall certify to the Manager that payment of the claim is justified on the basis of the following:
 - a. Claims filed against the District:
 - 1) a substantial likelihood that the District is or could be found liable; or
 - ii) the likelihood that a judgment rendered in the case would be in the amount claimed, or higher than the amount claimed or that there is reasonable cause to believe that there is considerable exposure of liability for the District;
 - iii) the likelihood that the expenses involved in litigation would be unnecessarily high in relation to the amount claimed, or the likely result.
 - b. Claims filed on behalf of the District:
 - i) that the determination to settle the claim outweighs the risk of resorting to litigation;
 - ii) that the settlement of the claim would provide prompt payment to the District and eliminate extensive delays;
 - iii) the proposed offer of settlement is reasonable in light of the claim asserted.

2 All such claims, when paid, shall be reported to the Board of Directors

XII. ADJUSTMENT AND WRITE-OFF OF ACCOUNTS RECEIVABLE

The Manager is authorized to establish procedures to (1) make adjustments to accounts receivable for valid business reasons which do not constitute a gift of public funds, or (2) to write off any uncollectible account which does not exceed \$5,000.

Prior to adjusting or writing off of any account receivable or uncollectible, the Manager shall be satisfied that every reasonable effort has been made by the staff to resolve or accomplish the collection of the account. For those accounts that fail to make payment, the Manager shall authorize the District Counsel to bring action in courts of law, or if more appropriate, to assign the same to collection agencies in an attempt to collect such accounts. If, after attempting all normal account collection procedures, the account is still uncollectible after 90 days or more, the Manager shall be authorized to provide for writing off such an account. Any account in excess of \$5,000 which is deemed to be uncollectible shall be referred to the Board of Directors for final approval of writing off that account.

XIII. INVESTMENT OF TEMPORARILY IDLE DISTRICT FUNDS

For purposes of this section, "Temporarily Idle District Funds" shall mean those funds which are not required for immediate expenditure. The Manager is authorized to direct the District Treasurer, in accordance with applicable law relating to the investment of public funds, in the investments of temporarily idle District funds. These directives include, but shall not be limited to, investments in authorized government securities, sale of such investments, and necessary inter-fund transfers. A summary report of all investments, shall be provided to the Board of Directors monthly.

XIV. INSURANCE PROGRAMS

The Manager shall be authorized to negotiate and obtain appropriate policies of insurance to cover District property, liability, employee coverage, and other areas appropriately included within a comprehensive insurance program. The Manager is authorized to approve changes or modifications within the policies of insurance, including programs to provide deductible provisions, so long as such programs are promptly and regularly reported to the Board of Directors so it is kept informed of basic changes made in the overall insurance program of the District.

XV. RULES AND REGULATIONS

The Manager is authorized to adopt any administrative rules and regulations necessary for the efficient operation of the District so long as such rules and regulations are reported to the Board of Directors annually.

XVI. TRAVEL OF EMPLOYEES AND OTHER AUTHORIZED REPRESENTATIVES OF THE DISTRICT

The Manager is authorized to approve travel by employees and/or other authorized representatives of the District in accordance with the established travel policy in order to effectuate necessary normal District operations, provided that reimbursable personal travel expenses for an individual trip shall not exceed Three Thousand Five Hundred Dollars (\$3,500)

within the continental United States provided that the Board shall be advised monthly of major travel made by District staff.

The President of the Board shall be notified in advance of any absence greater than 72 hours of the Manager and be furnished a report of major travel monthly. Major travel is defined as being outside of Washington, Oregon and Idaho.

XVII. SALE OF PERSONAL PROPERTY

The Manager is authorized to sell and convey surplus personal property of the District pursuant to the requirements of law and District policy. In no case shall surplus personal property of the District be sold to any Director or District employee or to members of their immediate families without the specific approval of the Board of Directors.

XVIII. BANKING SERVICES

The Manager is authorized to negotiate for banking services, and enter into agreements for such services for terms not to exceed five years. Procedures shall be established for the deposit/disbursal of District funds recognizing the requirements of law, and providing for an adequate system of internal control. Warrants/checks may require single or dual signatures as is deemed appropriate.

XIX. AUTHORIZATION OF EXPENDITURES

The Manager is authorized to establish an adequate system to control purchases of materials, supplies and services. Such system should take into consideration the nature of the purchases and the dollar amounts involved. No funds shall be expended unless the purchase invoices have been properly approved in accordance with the provisions of the system established. Warrants/checks may require single or dual signatures as is deemed appropriate.

- A. Approval of the Board of Directors is required for non-emergency use of unallocated reserve funds.

XX. IMPREST WORKING FUNDS (PETTY CASH/CHANGE FUNDS)

The Manager is authorized to establish various working funds, provided that the total amount of any such fund shall not exceed one hundred dollars (\$100.00). The working funds provide for petty cash purchases/change funds, and the dollar amount thereof shall be recorded on the District's balance sheet. The Manager is also authorized to establish and maintain procedures for the creation and control of such funds.

Item #7



To: Board of Directors

From: Scott Revell, District Manager

Date: January 9, 2024

Re: Selah-Moxee Irrigation District Water Lease

Scott

Background

The lease is for up to 6,500 acre feet of senior water (pre-May 10, 1905):

- \$300 per acre foot with a total cost of \$1,950,000 (which equates to \$26.89/acre across Roza);
- \$195,000 non-refundable option fee which is 10% of the lease cost which will be applied to the lease fee if exercised (which equates to \$2.70/acre across Roza);
- The original option exercise date of April 10, 2024 has been changed to April 1, 2024 at the request of SMID.

The Roza system requires diversions of approximately 800 acre feet per day (400 CFS) at the lowest flows that the canals can physically be operated at. In a drought year, 6,500 acre feet will add just over eight days to the irrigation season. The lease costs can be paid from Roza’s drought fund, which has \$4.1M before the 2023 repairs to the Wasteway 5 Re-regulation Reservoir.

Staff has been working with the Department of Ecology to prepare for a temporary change to the point of diversion and place of use. The temporary transfer involves moving the point of diversion upstream, which can be complicated due to fish issues and other diversions, like the Town Ditch in between the points of withdrawal which could be impacted.

SMID is amenable to a multi-year option and have tentatively agreed to a ten year option but would like to address it in a separate agreement.

Full supply or very low (less than 50%) water forecasts in March and April make for a much easier decision. A mid-range supply forecast (roughly 65% to 55% +/-) will make for a more difficult decision. Staff has discussed an extended option period with SMID in those instances.

Staff is examining applying for an Ecology grant for up to half of the option & lease costs under a new Ecology drought preparedness program.

Item #8



To: Board of Directors
From: Scott Revell, District Manager
Date: January 9, 2024
Re: 2024 O&M Budget

Overview

Significantly increased expenses for equipment, insurance, labor and aquatic chemicals are expected and are built into the 2024 budget. Notably, decreased USBR O&M expenses offset most of the increases in the short term (1 to 3 years). Net expense changes are roughly **+\$577,654.**

The draft budget is based on an O&M assessment of \$202/ac. which is an increase of \$8.10/ac. and provides for:

- \$177.12 for the base assessment;
- \$6.94/ac. for Water Supply Development (\$500,000), which is no increase;
- \$17.94/ac. for Capital Rehabilitation of aging infrastructure (\$1,300,955), which is a \$1/acre increase-see attachments 1, 2 & 3

Pages 2 & 3 are a summary of the changes. A list of the income and expense line items are explained in more detail on pages 4 to 17.

Pages 18 & 19 are a list of issues on the horizon in 2025 and beyond, as well as items that are not included in the budget.

Projected changes in non-assessment income in 2024 (w/out grants)

Item	Projected change	Line Item	Notes
Interest	+ \$ 400,000	Interest	Conservative-may be more
Rentals	+ \$ 1,000	Rentals	Rent increases
Misc.	+ \$ 54,000	Misc.	Increases with the assessment/ac. & +\$50K for surplus 315
Total	+ \$ 455,000		Non-assessment income only

2024 Expense Decreases

Item	Change	Notes
Aquatic Herbicides	-\$25,000	Drought in 2023 resulted in less chemical usage due to lower flows which resulted in higher chemical carryover which more than offset price increases (90% in Main Canal).
Lateral aquatic canal herbicides	-\$102,100	Reduction due to updated allocation of 10% of total chemical costs rather than 30% in prior budgets.
USBR O&M	-\$603,000	Projection from USBR due to reduced O&M work (-\$275K) & 2023 credits applied in 2024 (-\$327K)
Total	\$730,100	2024 projected expense decreases

2024 Expense Increases

Item	Change	Notes
Equipment	+\$ 415,000	Deere 131 excavator & \$125K toward grader replacement in '26
Vehicles	+\$ 88,200	5 pickups (+1 purchased in 2023) on the replacement schedule
Main Canal	+\$ 492,700	One additional 5-month temp worker, +\$15K tree removal & +\$20K concrete panels repairs & maint. position #42 & \$225K for winter 2024-25 work program. Includes \$124.4K in net MC herbicide allocation increases. Includes #42 maint. position health benefits.
Pumps	+\$ 15,000	Power pole cross arm repairs/replacements by USBR
Pressure Proj	+\$ 100,000	Materials cost increases
Drains	+\$ 19,754	Drainage Improvement District #11 increase over 2023 & 2024 Joint Drain budget has been approved separately
Union wages	+\$ 95,000	Admin-3.25% contract union wage increases effective 1/1/24
Wages/ Benefits	+\$ 269,000	Main Canal & admin line items. Wage increases for non-union employee effective 4/7/24 & health care increases will add \$13K/yr. The Policy Director position will add \$127K & the 3 rd engineering staff position will add \$92K (w/ health ins). The health benefits for crew position #42 are in the MC line.
Admin	+\$ 800	Additional ARC GIS license (recurring)
Admin	+\$ 10,000	Knuckle boom crane training (boom truck) not annual-recurring every few years. Larger groups have a cost efficiency. \$2K/ea
Insurance	+\$ 102,700	Liability premium increase of 17.7% (+\$89K in 2023)
RSBOJC	+\$ 10,300	The RSBOJC 2024 budget was approved in Nov.
Equip./bldgs.	+\$ 41,800	Digital equipment & pickup repair manual subscriptions & +\$35K for equipment & vehicle repair costs.
Water management	+\$ 25,000	Ditchrider tablet replacements & cell service for real time updates (\$5K is recurring for data packs during irrig. season)
Phones	+\$ 4,000	Service for additional devices
Misc.	+\$ 1,000	YBJB dues increase
Capital	+\$ 72,500	Additional capital improvements per the approved plan
Total	+\$ 1,762,754	2024 projected expense changes

1. **Assessments O & M**- Assessment income includes carryover from the prior year. There are 72,517.01 assessed acres in 2024. The assessment of \$202/ac. in 2024 includes:
 - \$17.94/ac for capital rehabilitation, and
 - \$6.94/ac for Water Supply Development.

Assessment income increases by \$72,517 with each \$1/acre increase. Assessment income does not include roughly \$98,800 in income from the U.S. Department of Defense for water delivery to the Yakima Training Center (See Miscellaneous income section below).

Note that budgets prior to 2022 used 72,000 acres for budgeting purposes.

2. **USBR**-Payments by USBR to Roza for reimbursable contract work on non-Roza USBR facilities such as the Wapato or Chandler canals. Assumed to be \$0 in 2023.
3. **Interest**-Interest from bank accounts and investments. Includes interest paid on delinquent accounts. Interest income is assumed to be \$800,000 in 2024 due to significantly increased return rates, which is an increase of \$400,000.

Staff's approach is to budget interest conservatively and use additional reserves if necessary (with Board approval), so as to avoid overly optimistic income forecasts and be short on revenue if interest rates decline and cause offsetting cuts or use of reserves.

2024 Interest is projected at \$800,000+. Interest was \$924,000 in 2023 and in \$286,000 in 2022.

Statements by the Federal Reserve chair indicate that rate cuts are possible in 2024, which could negatively impact the District's interest income.

4. **Rentals**- \$6,000 in income from rental of the two occupied ditch rider houses at Pump 13 and Wasteway #3. This represents an increase of \$1,000 due to rent increases.
5. **Miscellaneous**- All other revenue not captured elsewhere. Including:
 - Repair reimbursements for damage to Roza facilities by landowners (estimated at \$75,000),
 - Payments by the U.S. Army for irrigation service to 489 acres on the Yakima Training Center (\$98,800 +/- and a net increase of \$4,000)

- Terrace Heights Irrigation District O&M payment income (\$93,000), which could increase with THID specific cost tracking.
- Surplus equipment/vehicles proceeds of \$85,000.
- Flowmeters installed as part of the pressure projects (estimated at \$30,000+/-) this amount varies annually.
- Late fees, which are minimal.

Miscellaneous income is projected to total \$380,900, which is an increase of \$54,000 in 2024 due to the U.S. Army payment increasing by a nearly equivalent amount and the sale of the surplus 315 excavator.

The surplus trip hammer was planned for auction previously but did not occur, and will occur in 2024.

6. **Tier II Water**-Income from the sale of Tier II water. The budget will assume the first \$500,000 of revenue from Tier II water in 2024 will be directed to the Water Supply Development fund (see also Expense section #20 on page 17 below) unless otherwise directed by the Board.

Tier II water income in excess of \$500,000 goes to the undesignated operating reserves unless otherwise directed by the Board.

2023 Tier II income was \$27,200 (net+/- w/ refunds) as of the end of October.

7. **Other Unbudgeted**-Grant income.

- The state grant funds for Main Canal sealing are reimbursable and will be received in mid-2024 in the amount of just over \$600,000. See page 6 for additional information on the sealing grants.
- BPA efficiency incentive grant funds in the amount of approximately \$40,000 will be received in 2024 due to the Phase 1 Pump 14 ECS project.

8. **Reserves**-The 2024 budget is built using money from the reserves, as follows:

- \$12,000 from the Drought Fund to pay for replacing emergency floats at pump stations.
 - \$206,000 from reserves to fund 2024 capital projects per the approved 2022-26 capital improvement plan.
- \$218,000 Total from reserves in 2024

Note that the reserves were enhanced in 2021 by planned underspending on capital projects by \$264,000 and due to there not being an ECS project in 2021-22 and in anticipation of the 2023 & 2024 shortfall in the capital program. See also Section #21 below.

The Drought Fund balance was \$4,049,214 as of the end of October 2023. Repairs to the Wasteway 5 Re-Regulation Reservoir will be approximately \$330,000 and are being funded from the Drought Fund.

No O&M assessment dollars have been budgeted to build operating reserves or the drought fund in 2024, although reserves build when line items are underspent.

Expense Line Items

1. **Main Canal**-Mowing, embankment repairs, check structures, lining, lining drain maintenance, terrestrial and aquatic weed control, concrete sealing, repair and replacement, three re-regulation reservoirs, and O&M along two sides of 95 miles of Main canal, labor, equipment/vehicles, materials, mileage (but not fuel).
Wasteway operation and maintenance labor and equipment, including:

- All chemical purchase costs (aquatic and terrestrial) are projected at \$473,000, of which:
 - ✓ Cascade
 - ✓ Acrolein
 - ✓ Teton
 - ✓ Liquid copper
 - ✓ Copper sulfate
 - ✓ Re-reg reservoir treatments
 - ✓ Terrestrial chemicals
 - ✓ Red & blue dye approximately
 - ✓ Ancillary equipment and supplies

Total chemical purchases are projected to decrease by \$25,000 due to larger carryover inventories which resulted from reduced chemical usage during the 2023 drought.

Each season has a different amount of carryover chemicals unused from the prior year.

The 2024 costs are estimates based on new pricing with early purchase discounts through the Northwest Irrigation Operators purchasing pool to obtain better pricing through bulk discounts.

These are the chemical purchase costs only, and include dye, but do not include equipment, labor, fuel and lab analysis of samples. Ancillary equipment includes repairs to the chemical pumps, trailers and miscellaneous chemical application equipment.

- Roughly 90% of aquatic and terrestrial chemical costs (\$425,700) are assigned to the Main Canal, which is an increase of \$124,400 in this line item due to the updated proportion of chemical expenses assigned to the Main Canal. Chemicals used in the re-regulation reservoirs are included in the Main Canal line item.

Approximately 9% of the herbicide expenses are for terrestrial weed control.

- Nine 5-month temporary workers in 2024 as follows:

Tasks	#	Notes
ECS (lateral canal piping)	3	Same as 2019-2021
Canal starts up	3	Same as 2021 + 1 over 2022
Weed pulling/water truck	1	Same as 2019-2022
Grouting	1	1 less than 2021
Warehouse	1	Same as 2019-2022

This is an increase of one temporary worker compared to 2023. See the table on page 19.

Not all temporary workers are listed in the Main Canal line item. Each five-month temporary employee costs the District a total of around \$20,500 in wages and payroll taxes, but not including unemployment if the employee files after leaving the District.

- The Main Canal line item also includes the following items
 - ✓ Canal geo-liner purchase-one roll (\$7K/yr.) for lateral leaks, undershot exit headwalls and repair of existing liner. Liner is typically purchased in multi-roll orders every few years to save on freight costs.
 - ✓ Grouting materials expenses (\$34K/yr.) The amount can vary widely based on grout machine down time and the size of the voids being filled but peaks at approximately \$34K/yr. +/-
 - ✓ Concrete panel repairs (\$35K/yr.) which is an increase of \$20K.
 - ✓ \$25K/yr. for tree trimming/removal using contractors along the canals. Which is an increase of \$15K

- ✓ \$75K/yr. is included to purchase crushed rock for canal O&M roads & miscellaneous use (e.g., flowmeter pads, etc.).
 - \$75,000 for fuel was added to the Main Canal line item in 2022, that allocation was moved to the Equipment-Building line item plus an additional \$75,000 in 2023 and is unchanged in 2024.
 - The maintenance crew will consist of 42 full time positions, which is an increase of one position (\$75,000). See the table on page 19.
2. **Lateral Canals**- Includes: mowing, embankment repairs, terrestrial and aquatic weed control, labor, equipment/vehicles, and materials for 37.5 miles of open ditches and 352.2 miles of piped laterals.

Roughly 10% of chemical costs are assigned to the lateral canals, which equates to about \$47,300 in 2024, which is down \$102,100 from \$149,400 in 2023. Note that prior to 2024 the total chemical usage on lateral canals was assumed to be 30% of total expenditures.

3. **Drains**- The network of drains is nearly as extensive as the network of canals. This line item includes:

- Joint Drains (\$306,238). There are 30 joint drains and three wasteways whose O&M costs are shared with SVID. Joint Drains costs are projected to increase \$8,500 in 2024. Joint Drains are administered by SVID (and charges 15% for overhead), and Roza is billed one time per year in January. SVID has a drain crew of nine people.

Joint Drains have a separate budget which lists projected expenses for each drain, and was approved by the Board in September 2023.

- Drainage Improvement District (DID) #11 is the lower Moxee A drain and five smaller tributary drains and had been budgeted at \$62,000 in 2023. DID #11 expenses can vary widely.

DID #11 is no longer operated by Yakima County, but instead by the DID #11's own staff and Roza is billed twice a year. DID #11 expenses have increased markedly in recent years and staff has been securitizing these expenses.

Roza expended \$6K to \$10K in 2023 labor and equipment to perform maintenance work in DID #11 drains and can do so again in 2024.

The Roza Board accepted the DID #11 2024 budget proposal in August, which included a Roza portion of \$81,254. Assuming \$8,000 in credits for work done by Roza in 2023, the net fiscal impact to Roza in 2024 will be \$11,254 more than the 2023 budgeted amount.

Roza is continuing to propose undertaking more of the DID #11 work to reduce costs.

- Roza labor, equipment and fuel expenses related to operating and maintaining Roza drains. Expenses to maintain Roza drains can vary widely and increased drain expenses are typically offset with reduced Main Canal or lateral canal maintenance expense reductions, and are projected at \$15,000.

The various types of Roza drains includes:

- ✓ Lining drains (through the Main Canal floor in concrete lined sections);
- ✓ Undershot drains (draining land uphill of the Main Canal under the canal);
- ✓ Toe drains (drain to collect seepage at the toe of the canal slope);
- ✓ Overshot drains (into the Main Canal from upland areas); and
- ✓ Pickup drains (on-farm runoff conveyed via a swale following the lay of the land to a larger drain).

The total net drain expenses, for all types of drains is expected to increase by at least \$19,754 due to DID #11 & Joint Drain expenses.

4. **Pumps**-Maintenance, operation, repair and replacement of Roza's fifty-seven 1940s era pumps at the eighteen pumping plants, and includes intake screen expenses as well as wages and benefits for the District's two Pump Mechanics, mileage (but not fuel), tools and parts. Non-capital expenses in this line item fluctuate but have ranged from \$360,000 to \$380,000 over the past two years.

This line item includes:

- \$75,000 for pump motor reconditioning and rewinds. This amount assumes \$25,000 for five pump reconditions and \$50,000 for two rewinds (at \$25K per unit +/- typically). These expenses can vary by season, and

are time sensitive to get the work done before the irrigation season begins.

- An increase of \$10,000 to account for increased pump repair costs, particularly machine shop costs when repairs occur.
- A reduction of \$10,000 to test roughly half of the 57 pump motors. Testing occurs roughly every five years over a two-year period. 2023 was year 2 of the most recent 2-year testing cycle. Testing was previously done in 2014 & 2015. This amount can be eliminated in 2024.
- An increase of \$15,000 for power pole cross arm repair and replacement by USBR. The power poles support the wires which supply power to the 18 pumping stations which provide water to 27,000 acres of land served by the pump lateral canals.

The total net increase in the Pumps line is \$15,000 in 2024.

5. **Safety-Drug testing-** Safety training costs, canal safety education, and drug tests. Staff wages during safety training and personal protective equipment.
6. **Pressure Projects-**Piping lateral canal Pump 14-phase 2 (to be completed in 2024) \$2,500,000. Includes the cost of pipe, labor, equipment and fuel. The pressure project crosses the fiscal year because the pressure project begins in September and ends in March. The next ECS project (Pump 3 Low) will begin in the 3rd quarter of 2024.

Includes pressure project related expenses such as:

- Equipment rental (\$60,000 +/-)
- Road rock (\$153,000 for Pump 14)
- Three temporary employees (\$61,500) for the 2023-24 enclosed conduit system (ECS) project come from this line item.

The road rock expense for both phases of the Pump 14 ECS project is estimated and was incurred in 2016 as part of a large multi-project rock purchase. Road rock for ECS projects varies from \$80,000 to \$220,000 based on the size of the project.

7. **Reimbursables**- Includes:

- ✓ Contract work for USBR by Roza crews on non-Roza facilities,
- ✓ Repairs for damage done by land owners,
- ✓ Cooperative piping (Roza installed land owner purchased pipe)
- ✓ Flow meter replacement/relocations, etc. (E.g., 6005 jobs).

The 2024 budget assumes no USBR related expenses. Reimbursables can vary widely, and are projected at \$75,000.

8. **Equipment-Buildings**- Equipment & vehicle repair (parts and labor), fuel, facilities and grounds maintenance, and operation for all Roza facilities, shop expenses (parts and labor), miscellaneous tools and equipment and equipment operating expenses. Included are:

- \$60,000 is included for major equipment & vehicle repairs and building repairs, which is a \$35,000 increase.
- \$15,000 has been included for small tools (no change).
- \$6,800 in new subscription repair manual costs for equipment and vehicles.

The District typically incurs \$50,000 to \$60,000 in tire purchases, tire repairs and wheel alignments annually which are included in this line item.

The 2024 budget does not include funds to rebuild the Warehouse roof (\$275,000).

9. **Water Management** –Wages and benefits for thirteen Ditchriders and four relief riders to cover vacations/sick days during the water season and vehicles and related expenses. 2024 wage increases are captured in the Administration line item. Relief Ditchriders come from the maintenance crew when a Ditchrider is ill or on leave, or at training.

This line item includes Ditchrider overtime for weekends and holidays which totals approximately \$55,000, which is approximately a \$19,000 savings over prior years beginning in 2023 due to scheduling efficiencies (2 employees on weekends and holidays instead of 3).

10. **USBR O&M and Power**-Roza has contracts with USBR for operations and maintenance of the five reservoirs, and for delivery of electric power for Roza's eighteen pumping plants.

Both the O&M and power costs are billed by USBR to Roza in two installments each year (June and December). The first 2024 installments were paid in December 2023.

Estimates from USBR

	2018	2019 initial est. from USBR	2020 budget w/ 2019 O&M credits	2021 initial estimate from USBR	2022	2023	2024
Power	\$886,691	\$886,691	\$886,691	\$886,691	\$1,126,000	\$1,113,350	\$1,113,350
O&M	\$980,000	\$1,027,000	\$727,044	\$1,067,000	\$ 991,000	\$1,121,000	\$ 518,000
Total	\$1,866,691	\$1,913,691	\$1,613,735	\$1,953,691	\$2,117,000	\$2,234,350	\$1,631,350

USBR Power

This is the cost of power to pump irrigation water to the lateral canals which irrigate 27,000 acres above the Main Canal which are served by the 18 pump stations and to pump water into the WW5 re-regulation reservoir.

- The 2024 power estimate of \$1,126,000 was given to Roza in September 2023, and represents no change.
- 2024 power expenses are paid 50% in December 2023 and 50% in June 2024. When there are credits, they come off the June (2nd) payment.
- Power expenses are spread out over all 72,517 assessed acres pursuant to a 1953 vote of the water users.

USBR O&M

- Preliminary estimates from USBR in September were that O&M charges would decrease by \$603,000 in 2024, due to unfilled vacancies at USBR and project work not occurring and \$327,000 in projected credits from 2023 which will reduce the 2024 bill.
- 50% of 2024 O&M expenses (\$422,500) will be prepaid in December 2023. 50% is paid in June, and when there are credits, they come off the June (2nd) payment.
- The breakdown for USBR O&M costs are:

- ✓ \$523,000 for Roza's proportionate share of USBR's Yakima Project storage system, which is a decrease of \$279,000.
- ✓ \$322,000 for Roza's proportionate share of O&M for Roza dam, the first 11 miles of the Main Canal (which are the "reserved works") and wasteway O&M, which is up \$3,000.
- The irrigation districts pay 50% of the USBR's Yakima Project O&M costs and Roza's portion is based on its percentage of the total water diversions.

For example, if Roza accounts for 22% of the water diverted in the Yakima Project, Roza is charged 22% of the 50% of O&M costs that the irrigation districts pay.

These cost decreases may last for a few years, but are temporary because they are the result of an abnormally large number of unfilled positions in the Yakima Field Office. At some point, those jobs will be filled and maintenance work will increase and Roza's costs will increase commensurately. The credits are equal to over \$8/acre in 2024.

USBR-Construction- This line item has been eliminated due to payoff of the loan!

11. Administration-General Expense-

- Non-union wages, salaries and benefits (15 positions) not captured in the line items above. The budget includes a 4.1% COLA for non-union employees in 2024 effective on April 7th.
- A third engineering position will be filled which adds \$92,000 in salary and benefit expenses. The position had been vacant since 2020.
- Re-filling the Policy Director which adds \$127,000. The position had been vacant since 2017.
- Health insurance and fringe benefits for all Roza employees, including the two new positions which are projected to increase by \$38,000;
- Board expenses (meeting fees, training and travel);
- Staff travel and training (+\$10,000 knuckle boom training in 2024);

- Expenses related to State audits;
- An additional ARC GIS license fee (\$800)
- Union wage increases (\$95,000)

This line item also again includes \$5,000 for scheduled computer upgrades.

12. Legal- The District uses two law firms. Brian Iller is the District's general counsel and Cascadia handles environmental issues.

Outside counsel is hired on occasion when specialty expertise is required, and in some cases is paid from separate line items. Expenses can vary widely based on the complexity of the issues encountered during the year.

Expenses have ranged from \$50,000 to \$80,000 in recent years, not including litigation defense and water supply development.

13. Insurance- Liability insurance for the District's properties and operations. Total expenses for insurance in 2024 are projected to increase significantly based on current coverage levels increase by 17.7% (\$93K) to \$640,705 (which includes fleet additions during 2023) and which also includes the broker fee to HUB, International which remains unchanged at \$10,000. Both are paid in December of the year prior and are expensed monthly.

The District's policy includes \$10M in coverage plus \$10M in additional coverage called "excess coverage" (e.g. in excess of the baseline). The premium for the "excess" coverage has been increasing significantly. Insurance premiums continue to increase, particularly for the last \$5M in liability coverage that is in excess of the \$10M base coverage

The additional \$10M of excess insurance coverage had gone from roughly \$7,500 ten years ago to over \$62,000 in 2023 due in part to Coronavirus related risks and partially due to the ever-increasing litigiousness environment. Insurance premiums are being driven upward by the number of claims reaching the excess coverage layer, large judgments awarded by juries, higher settlements as a result, and defense of COVID related claims.

The District's deductible is \$10,000 and the budget does not include funds for paying deductibles. Two full deductibles were paid in 2019 and none in 2020-2022. One in 2023 (for a pickup fire). Claim payouts typically range between \$6,000 to \$12,000 per year and are not budgeted.

The District has examined increasing the deductible to \$25,000, \$50,000, or \$100,000 in order to reduce premiums. The premium reductions were not significant and did not justify the higher deductibles, although that may change in the years ahead.

The District is in the Cities Insurance of Washington Pool, which allows water districts and sewer districts to join. School districts are in a separate pool for risk rating, because they have different risk profiles.

The insurance policy runs from December 1st to November 30th each year. The District's insurance broker shops the coverage package with other carriers annually.

Roza's insurance follows the districts vehicles & equipment no matter who is operating them. Insurance expenses can vary during the year because when new vehicles and equipment are added to the fleet the insurance for them is added to the policy and when old ones are sold the district gets a small credit.

14. **Phones**- \$49,000 in cell phone & tablet charges in 2024, plus \$2,700 for landlines and Wi-Fi for the Upper End and Lower End offices are included in this line item. This line item increases by \$4,000.

- Landlines for the Roza headquarters in Sunnyside are budgeted through RSBOJC due to the shared computer/phone system.
- Cellular SCADA data transmission is budgeted in the Main Canal line item.

15. **RSBOJC**- RSBOJC expenses (water quality, safety coordinator, shared phones/network expenses). Total RSBOJC expenses are projected to increase by \$5,646 in 2024, although Roza's share will increase by roughly \$10,323 in 2024, due to the reduced use of reserves which were drawn down over the past few years.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Change</u>
Roza	\$256,934	\$270,436	\$399,683	\$338,166	\$388,977	\$399,300	+\$10,323
SVID	\$256,934	\$270,436	\$399,683	\$338,166	\$388,977	\$399,300	+\$10,323
<u>RSBOJC</u>	<u>\$400,000</u>	<u>\$400,000</u>	<u>\$ 50,000</u>	<u>\$150,000</u>	<u>\$100,000</u>	<u>\$85,000</u>	<u>-\$15,000</u>
<u>Reserves</u>							
Total Budget	\$913,868	\$940,872	\$849,366	\$826,332	\$877,954	\$883,600	+\$5,646

RSBOJC is administered by SVID and annual expenses are paid in January and are expensed monthly. RSBOJC reserves are projected to be \$162,466 at the end of 2024.

16. **Miscellaneous**-Dues and subscriptions, office building utilities, computers, office equipment and supplies, publishing, miscellaneous taxes and bad debt.

Major association dues are unchanged in 2024 (unless noted). All dues are paid in the first quarter of the year.

- \$43,000 Yakima Basin Joint Board (+\$1,000)
- \$39,900 Yakima River Basin Irrigation Legal Coalition
- \$28,900 Washington State Water Resources Association (\$6,900 of which is the legislative portion which includes NWRA dues and the association's lobbyist in Olympia)
- \$8,700 Family Farm Alliance (\$0.12/acre)
- \$100 Northwest Irrigation Operators dues, which includes the herbicide purchasing pool

This line item increases \$1,000 in 2024 over 2023.

This line item had been combined with RSBOJC expenses prior to 2015.

17. **Equipment Purchase**- \$415,000 is budgeted in 2024 compared to \$0 in 2022 & 2023. The District had been budgeting roughly \$300,000 for equipment replacement in recent years.

A 314 excavator was replaced in the Fall of 2023 with a John Deer 130 at a cost of \$290,000. The purchase occurred early because the unit was unexpectedly available immediately.

The budget also includes \$125,000 toward replacement of the grader in early 2026.

Note that separate approvals by the Board outside of the budget have funded other equipment purchases.

Equipment is typically purchased through a purchasing pool to obtain the best pricing. Lead times are often 6 to 18 months.

18. **Vehicle Purchase-** The following are scheduled for purchase in 2024: 4 ditchrider trucks, and 1 pump mechanic truck at a total cost of \$299,000.

Note that \$18,000 from the 2023 O&M budget was used toward the 2024 pump shop truck replacement, which increased significantly in price from the initial estimates presented to the Board in August in 2023.

2023	\$155,000
2022	\$0
2021	\$150,000
2020	\$230,000
2019	\$230,000

\$230,000 which had been budgeted annually for the past several years, which equals \$290,000 in 2023.

Vehicles are typically, but not always, purchased through the state contract buying pools that that the District has access to. The pool is accessible by all public entities and in some cases, there is reciprocity with neighboring states. See also the 2025 and beyond section.

19. **Water Supply Development-** \$1,000,000 is budgeted for permitting, design and related expenses for water supply development projects as well as water right/supply acquisitions or upstream capital improvements outside of the district which could result in additional water being available during future droughts.

This line item is funded with \$500,000 from assessments and \$500,000 from Tier II revenue, provided that Tier II revenue is received in 2024. Prior budgets had \$500,000 in Tier II revenue, except for 2021 in which \$300,000 was budgeted.

The Water Supply Development fund balance stood at \$4,049,138 as of November 2023.

Year	Assessed portion \$6.94/ac.	Tier II portion	Total Income	Notes
2017	\$500,000	\$450,560	\$ 950,560	Net tier II revenue was less than \$500K
2018	\$500,000	\$500,000	\$1,000,000	
2019	\$500,000	\$ 53,920	\$ 553,920	Less than full water supply
2020	\$500,000	\$500,000	\$1,000,000	
2021	\$500,000	\$300,000	\$ 800,000	\$200K budgeted from Tier II to balance budget
2022	\$500,000	\$483,000	\$ 983,000	Some Tier II 2022 revenues were reprogrammed for winter work projects and equipment
2023	\$500,000	\$27,360	\$ 527,360	Less than full water supply
2024	\$500,000	\$500,000	\$1,000,000	Presumes full water supply
Totals	\$4,000,000	\$2,814,840	\$6,814,840	Total WSD fund income through 2024

20. **Capital Rehabilitation-** \$1,312,500 for several projects. The project-by-project spending plan for these funds in 2024 was approved by the Board on 9/6/22.

This line item increases by \$72,500 in 2024 with a \$1/ac increase for capital projects. \$17.94 per acre of the assessment funds these projects. Note also the use of \$12,000 in drought funds.

The capital projects have been removed from the individual line items (e.g. Main Canal, Pumps, etc.).

Looking ahead to 2025 and Beyond

- The USBR O&M cost decreases may last for a few years, but are temporary because they are the result of an abnormally large number of unfilled positions in the Yakima Field Office. At some point, those jobs will be filled and maintenance work will increase and Roza's costs will increase commensurately.

Combined with much higher interest income, which equals \$5/ac +/-, some expenses increases are offset.

- USBR power costs will be stable through 2026.
- The equipment budget will need to be fully funded (\$300K+) and needs to increase to keep up with inflation. The updated plan should assume a reasonable escalation rate for future budgets. \$300,000 in 2017 = \$380,000 in 2024.

Looming equipment replacements: over the next several years include:

- ✓ Sterling dump truck (2025)
 - ✓ 315 Excavator (2026 which was \$290K in 2023)
 - ✓ Grader (by 2026 using accelerated equip replacement funds from '24-'26) \$480K +/- w/ GPS
 - ✓ 1952 small grader
 - ✓ Forklift
 - ✓ Vac truck (to replace the jet truck)
 - ✓ Boom truck
 - ✓ Pup trailer & long stick excavator boom
 - ✓ #201 side boom & mower head
- Union labor costs will increase at a not yet known rate in 2025-27 due to the labor agreement expiring in December 2024.
 - Liability insurance is expected to increase significantly again in 2025.
 - 3 pickups and the Suburban are scheduled for replacement in 2025 and will total \$215K+/-.
 - Aquatic weed control chemicals will increase. If the first two Sonde dye detectors prove to be a good investment up to three more will be requested at \$12K/ea. over 2025-2027
 - Replacement pump station switchgear, which can run over \$1M for a larger pump station may be necessary before the pump station is replaced, although doing so will reduce the eventual pump station replacement cost proportionately.

- Replacement of the pump station main tubes from the pump to the head weirs at all 18 pump stations. Costs are not yet known. The tubes need to be examined to begin prioritizing replacement.
- Two-year pump testing cycle will begin again in 2027. The cost during the 2022/2023 cycle was approximately \$10,000 total.
- The District's will need to budget more for rock purchases when the stockpile at Rothrock Road is exhausted. Roughly 50% of the crushed rock pile will remain at the start of the 2024 irrigation season.
- DID #11 expenses should trend downward in 2025.
- The warehouse roof needs to be replaced.
- A ditchrider position can be eliminated in 2028 when Pumps 13 & 14 piping is complete, which will also coincide with the need to add a pump mechanic.

Items Not Included in the O&M Budget

- Leave payouts for employees who retire or leave voluntarily (including via voluntary separation agreements). Two longtime employees will also likely retire 2024. They have leave accumulations of approximately \$35,000 to \$75,000.
- Deductibles and claim payouts. The District's deductible is \$10,000 and the budget does not include funds for paying deductibles. Two full deductibles were paid in 2019 and none in 2020-2022. One in 2023 (for a pickup fire). Claim payouts typically range between \$6,000 to \$12,000 per year and are not budgeted. Claims in 2023 have been just over \$3,000.
- Acquisition of a future HQ site & chemical building

Year	Full time Crew size	Temps	Total temp mos.	Union positions only (not supervisors)
2014	39	0	0	Often 1 to 3 workers were out or were on light duty for extended periods at any given time.
2015	39	0	0	“ “
2016	39	3	9	Three-month temps for ECS added using Tier II funds
2017	43	3	9	1 Troubleshooter, 1 Equipment operator and 2 relief ditchriders/class III maintenance positions added. The crew went down to 41 w/ 2 promotions mid-2017. New Maintenance Superintendent & Asst. Three-month temps for ECS & planned Nov. Friday OT
2018	41	7	21	Three-month temps (4 in O&M & 3 ECS)
2019	43	10	50	2 crew added (to backfill the spots created by the promotions to supervisory jobs in 2017) plus 3 five-month temps were added for a total of 10 temps The rules changed in 2018 due to a Supreme Court ruling affecting union membership and temps could work 5 months & w/out joining union or the state retirement system. Total budgeted temp months increased from 21 to 50
2020	43	10	50	Five-month temps (COVID absences diminished crew)
2021	41	9	45	2 crew positions eliminated to balance budget. five-month temps
2022	41	7	35	Five-month temps (2 temps cut in Dec.)
2023	41	8	40	Five-month temps
2024	42	9	45	Five-month temps

Crew size	Overall effect* (w/ 7 to 10 temps)
38-40	Little to no progress on backlogged work and the backlog grows at times
40-41	Some progress at times on backlogged work (usually winter & before/after aquatic treatments occur during irrigation season)
42-43	Very good progress on backlogged work all year

*These are generalizations, and can be affected by the number of workers out due to illness, injury & delays in filling vacancies.

Item #9



To: Board of Directors
From: Scott Revell, District Manager *Scott*
Date: January 9, 2024
Re: Upcoming Travel by the Board of Directors

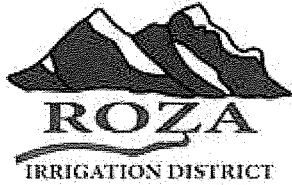
Background

The Bylaws require that the Board authorize travel by Directors. The 2024 Family Farm Alliance annual conference will be held in Reno on February 21-23.

Recommended Motion

I move to approve travel to the Family Farm Alliance annual conference (list applicable Board members).

Item #10



To: Board of Directors
From: Dave Rollinger, Watermaster *DR.*
Date: January 9, 2024
Re: Recent Past and Future Maintenance Work

Summary for December

Progress slowed on all projects in December, many employee's took vacation for the Christmas and New Year holidays leaving at times a total of twelve employees (mostly inexperienced) working on the P14 ECS project.

Staffing

- Joshua Castro was hired on December 4th as a 5 month temporary employee.
- Ryan Slack was hired from a 5 month temporary employee to a full time probationary employee on January 8, 2024.

P14 ECS

- Crews have installed 17,000' +/- or 75% of the pipe on P14 lateral. Crews continue to have a hard time digging and are using rental excavators with hammers to break up the rock. Two rental trucks along with four Roza trucks are hauling rock from the project and then haul clean dirt back in to backfill and compact around the installed PVC pipe.
- Crews started installing bottoms for all of the P14 delivery points (bottoms are the blue powder coated steel pipes coming out of the ground at a 45 degree angle).

Distribution System Maintenance

- Crews installed 300' of Huesker liner for Terrace Heights Irrigation District in their open lateral just upstream of Maple Ave.
- Trouble shooters finished forming and pouring 8 concrete Main Canal panels at MP. 21.3, 28.7 and 29.5, they also finished forming and pouring 6 Waste Way 3 concrete panels.
- Trouble shooters have completed 23 courtesy valves this year, 3 more than were scheduled leaving 10 left to complete.
- Trouble shooters finished installing the gravel pack at MP 59.5.

- Crews have installed 4 Main Canal maintenance road gates (built by Dave Clark Roza's fabricator) at M.P. 13.6, 17.5, 41.0, and 92.4 to help keep unwanted traffic and garbage dumping from occurring.
- Crews are digging silt and debris out of the Main Canal turnouts and pump plant forebays. When digging out the Main Canal turn outs, they are also checking the canal head gates for proper operation.
- Starting on 12/18/2023 and finishing on 12/22/2023, Northwest Farm Service started grinding in two locations on the DID 11 drainage (MP. 17.1), grinding 12 tree piles by the Ace Hardware south of Duffield Rd. in Moxee and pulling and grinding 53 trees just south of East Miers Rd also in Moxee.
- Crews finished cleaning and maintenance on all 60 Main Canal gravel packs with the jet truck. Removing silt and debris from the gravel packs will help keep them in good working condition.
- Sprayers have completed spraying the Main Canal roads, pump plants, storage yards and re-regulation reservoirs with Payload and Diuron.
- Crews have completed cleaning Pump 2 High right and Pump 2 Low right open laterals with a 314 Excavator. Crews still have Pump 1, 3, and 13 laterals to clean.
- Ditchriders finished cutting brush on the high side Main Canal concrete liner from MP. 11.0 to MP. 26.9. They have also cut off the loose Aqua elastic that has pulled away from the concrete line sections in the Main Canal from MP. 11.0 to MP. 68.6.
- Trouble shooters have started working on the undershot walls and extending the undershot with culvert pipes to widen the roadways around sharp corners at MP. 63.8, 65.0 and 65.1.

Equipment

- The 2 rear Tiger mowers that were ordered on 1/26/2023 for #201 and #202 our 2006 and 2007 New Holland mowing tractors came in on 12/18/2023.
- The new service box for #97 our 2021 Chevrolet 2500 pump mechanic truck that was tail ended on July 31, 2023 has been installed and is back in service.
- Pape Material Handling installed 2 high lift doors in the shop.

Projected for January

- Install 5 stilling wells at 77.3, 91.1, 91.5, 92.4 and 92.7.
- Install 3 new Main Canal turn out screens at 34.2, 36.8 and 59.5.
- Start Pump 10 piping. Crews will be removing the old concrete regulation structure and will inclosing the system with PVC pipe.
- Continue to lay pipe, haul rock, backfill and install flow meter bottoms and concrete pads on the P14 ECS project.

- Dig pump plant forebays and Main Canal turn outs and re-install turnout screens.
- Start laying 300' of 36" double walled HDPE pipe on Pump 2 high right.
- Start laying 640' of 12" PVC pipe at the end of Pump 2 low left. 120' of the pipe will be billed to a landowner who wants to reroute the line to build a new shop.

Item #11



To: Board of Directors
From: Scott Revell, District Manager *Scott*
Date: January 9, 2024
Re: District Manager's Monthly Update

Miscellaneous Items

1. The new daily threshold for directors is \$161 per day, with an annual compensation limit of \$15,456 as established in state law. This compensation change took effect 1/1/2024.
2. The annual letter to water users was mailed December 26th. Assessments went out January 5th. The delay was due to staff illnesses in mid-December.

There has been positive feedback on including the drought management matrix on the back of the annual letter.

3. The new fish screens at Roza dam will begin in November 2024 and run through February 2026.
4. The safety of dams work at Kachess Dam will be deferred if necessary to maximize filling the pool in 2024. They may not completely fill this season.
5. The NPDES appeal settlement conference was rescheduled for January 30th due to my illness in December.
6. Staff met with Ecology staff about emergency drought well permitting, mitigation and metering on January 8th.

December Meetings Report

- ✓ Water Transfer Work Group (December 4th)
- ✓ YBIP Water Acquisition (December 6th)
- ✓ River Operations meeting (December 7th)

- ✓ Yakima Basin Integrated Plan Work Group, Executive Committee, and Implementation Committee workshop (December 13th)
- ✓ Northwest Irrigation Operators board meeting and annual conference prep (December 14th)
- ✓ Yakima Basin Joint Board (December 15th)
- ✓ WSWRA (December 20th)

December 15, 2023

The Honorable Jay Inslee
Governor
State of Washington
P.O. Box 4002
Olympia WA 98504-0002

Dear Governor Inslee:

As organizations representing millions of your constituents, we are extremely concerned that your administration has been actively negotiating with plaintiffs to the litigation on the Columbia River System Operations (CRSO) to develop the Columbia Basin Restoration Initiative (CBRI) and then privately engaging the U.S. government on its response. We are deeply disappointed that the State of Washington's agriculture industry was effectively excluded from this process, even though our members would be directly impacted by significant changes to the river system.

As noted in the court filing dated October 31, 2023, regarding the extended stay on the CRSO litigation, "...representatives from the United States, and staff teams for the National Wildlife Federation et al. Plaintiffs, the State of Oregon, the State of Washington, the Confederated Tribes and Bands of the Yakama Nation, the Confederated Tribes of the Umatilla Indian Reservation, the Confederated Tribes of the Warm Springs Reservation of Oregon, and the Nez Perce Tribe (collectively, "Parties"), have developed a package of actions and commitments that they intend to discuss with the other regional sovereigns and litigation parties and, following conferral, present to the Parties' decision-makers for final review and approval."ⁱ

Now that the "package of actions and commitments" has been daylighted, our organizations are frustrated that nobody representing the State of Washington in these private negotiations has provided any meaningful or direct briefings on the substance and the impacts to the agriculture community. Our absence is reflected in the fact that navigation isn't mentioned, and irrigation is mentioned only once. This is antithetical to the stated goals of the mediation for "...meeting the many resilience needs of stakeholders across the region."ⁱⁱ

Other examples of our concerns in the "package of actions and commitments" include:

- Neither the "Transportation Upgrades" nor the "Water Supply Analysis" include stakeholder engagement despite the fact any modifications to the existing systems should require our input.
- Numerous other objectives outline the "Six Sovereigns" as leads, representing a shift in how decisions have been made under the current river operating system.
- While the document suggests dam removal is up to Congress, included therein is a requirement that the U.S. Army Corps of Engineers conduct dam breaching "feasibility studies," not only attempting to bypass Congress but reflecting on the longstanding stated goals of removal by many of the "Six Sovereigns."
- There are no caps on costs particularly related to funds expended by the Bonneville Power Administration, and, therefore, what increases will be passed on to ratepayers.

- Littered throughout the document is vague language regarding governance and dispute resolution and, therefore, little understanding of how, or even if, stakeholder input would even be considered.

Provided we have had de minimis time to review, unlike those who have been secretly negotiating a lot longer regarding the future of the river system, these are our initial reactions. It seems farmers, ports, the river transportation sector, irrigators, riverside communities, and river-dependent businesses in Washington state were knowingly being left out of these negotiations. As the “package of actions and commitments” could negatively impact our industries, we believe the State of Washington should be inclusive of our concerns, not exclusive of them.

We know that you understand the benefits of the river system and the delicate nature of what is being discussed. We also know that you have heard similar complaints about this process in which your administration plays an active role in potentially tying the hands of future generations of Washingtonians. We plead with you to assert true leadership in this mediation and to demand that all Washington state constituencies have a voice in these discussions. We need assurances from the state that our farms and families will not be left behind and that our crops will continue to get to market in the most efficient and cost-effective way.

We urge your administration to delay these proceedings and to provide for meaningful input from our organizations, representing millions of your constituents, in any negotiations regarding the future of the CRSO and lower Snake River dams.

Sincerely,

Columbia Basin Development League
Far West Agribusiness Association
Food Northwest
Northwest Agricultural Cooperative Council
Washington Association of Wheat Growers
Washington Cattlemen’s Association
Washington Cattle Feeders Association
Washington Friends of Farms and Forests
Washington Potato and Onion Association
Washington Winegrowers Association
Washington State Dairy Federation
Washington State Water Resources Association

cc: WA State Congressional delegation
Derek Sandison, Director, Washington State Department of Agriculture
State Legislators

ⁱ “Notice Re: Stay Expiration and Further Proceedings”; U.S. District Court for the District of Oregon; October 31, 2023

ⁱⁱ “Exhibit 2 – United States Commitments” - Guided by a stay order issued by the U.S. District Court of Oregon, The Biden Administration and intervenor defendants entered mediation with plaintiffs to try to resolve the litigation. The stay order articulates a set of “United States Commitments” expressed in “Exhibit 2.”

Item #13



To: Board of Directors

From: Wayne Sonnichsen, Engineering Manager

Date: January 9, 2024

Re: Engineering Manager's Report

Miscellaneous items of note:

- Culbert Construction was unable to finish the WW5 Reservoir North Embankment Modification Project before the wet weather arrived. It has been too wet at the project site to run dump trucks and scrapers since the first week of December and no clear window of dry weather in site, so the contractor has moved most of the equipment other projects in the area.

Fortunately, the contractor was able to come close to filling the area upstream of the embankment to the height of the concrete apron on the embankment so there is very little area for water to pond up in the event of a major rain on snow event.

- RH2 Engineering has recently completed the 60% design of the P16 pump plant upgrade and sent the design package to Reclamation for critique.
- The Pump 3 ECS project is a bit behind schedule. The Engineering staff will be working toward finishing acquiring easements and agreements from affected landowners by the end of January with the intent of being able to have a bid packet ready for advertisement by mid-February.
- The canal sealing project has been on hold for the past several weeks due to persistent wet weather conditions. The contractor is planning to restart the project in the first part of February and try to finish the areas in the deep cuts. A change order will be executed to extend the project completion date to March of 2025. The end date for the contract for funding from Ecology is June 30, 2025.
- Last week an agreement was delivered to Brenton Roy of Oasis Farms that would allow the District to dig exploratory holes in the area that an enlarged WW6 Reservoir would occupy. Staff is hoping to dig the holes toward the end of January.

I have been working through determining the big picture elements of the WW6 Enlargement project that would need to be considered for the project, discussed in a feasibility report, and part of the work that an engineering consulting firm would help with.

Item #15



To: Board of Directors
From: Scott Revell, District Manager *Scott*
Date: January 9, 2024
Re: Appointment of Secretary/Manager for 2024

Background

Article 5 of the District's Bylaws require that each year the Board appoint a Secretary/Manager/Treasurer as noted below.

Article 5 - The Directors of the District shall organize as a Board and shall elect a President and Vice President from their number, appoint District Manager/Secretary/Treasurer and adopt by-laws each year. A majority of the Directors shall constitute a quorum for the transaction of business, and in all matters requiring action by the Board there shall be concurrence of at least a majority of the Directors present. The Board shall have the power and it shall be its duty to adopt a seal of the District.

Recommended Motion

I move that Scott Revell be appointed Secretary/Treasurer and be hired as District Manager for 2024.

Item #16
