

Cascade Orchards Irrigation Company | 2017
Icicle Cr Flow Restoration – Shareholder Advisory Group

Agenda – January 16, 2018

Kristall's Restaurant - Leavenworth, WA

- 5:30 Introductions; Review 11/15/17 meeting notes and meeting purpose; set agenda
- 5:45 Updates – Funding received, work completed, Contracts Signed
- 6:00 Action Items from 11/15 Meeting
 - Update on Water Rights acreage review
 - Progress report on cultural resources, permitting, and engineering
 - Communications system
- 7:15 Questions, Discussion and Comment. Set next meeting
- 7:30 Adjourn

Meeting Notes – November 15, 2017

Krystall's Restaurant - Leavenworth, WA

PRESENT

Members, Tim Walsh and Jerry Schneider, Co-Chairs, Dan Wilkinson – COIC President, Tim Walsh, Adam Miller, Norm Stoddard, Jackie Camp, Mary Schiebler,

Support - Greg McLaughlin and Arden Thomas – Washington Water Trust, Mike Cushman, Cascadia Conservation District, Steve Dampf, Historical Resources Associates.

Other team Members/Support not present – Robert Granger, WDFW. Dave Rice, Anchor QEA, James Walker, SAG member.

GOALS OF MEETING

- Provide updates on project work and new funding opportunities
- Finalize purpose of Group and Shareholder participants
- Water Rights review and presentation

Meeting Notes

Attendees: Greg McLaughlin (WWT), Arden Thomas (WWT), Mike Cushman (CCD). SAG Co-Chairs: Jerry Schneider, and Tim Walsh. SAG members: Norm Stoddard; Dan Wilkerson, Adam Miller, Jackie Camp, Mary Schiebler

Guest: Steve Dampf of Historical Resources Associates

Announcement: Jerry Schneider and Tim Walsh have accepted the roles of Co-Chairs of SAG

Cultural Review Update. Field work for the cultural review is underway. Currently, the consultant is conducting shovel test probes within the Area of Potential Effect. Within the project area, there is increasing probability of finding a site as you move closer to the river. If a potentially culturally sensitive area is found, the shareholder advisory group will be notified.

Question: Would a find mean that the project would be done? A: Discovering a site would initiate a process of working with the parties to come to an agreement. Preference is always for avoidance.

Q: Is there a lower risk because much of our project is in acres with previously disturbed soils?

A: Yes, the ditch and laterals are generally less likely to contain sites. The pump-station site would be the most likely (due to its proximity to river and undisturbed location) to contain a site.

Q: Are soil probes conducted within the road right of way? A: Probes have been within 10 feet of road prism, within county road right of way. Area of potential effects: 10 feet centerline of mapped infrastructure. The shovel test probes are implemented in a “leave no trace” approach (ie., sod is lifted and placed back as found).

It was noted that the COIC system is itself over 50-years old, but may not be eligible for the historic registry.

A report is anticipated in December. If there were any recorded sites, there would be confidentiality considerations. The COIC Website links to WWT site with project information. Documents are password protected, unless it is a public document.

Funding: \$1.5 M of BPA targeted solicitation funding has been secured. The first contract for a component of this amount is underway, and will support cultural resources review and environmental permitting. The remainder of the BPA funding will be applied towards project implementation.

Funding from the Priest Rapids Coordinating Committee has been secured for the completion of design work (to be completed by Anchor QEA, with a subcontract to Aspect for geotechnical work).

This project has scored well enough to receive Salmon Recovery Funding Board (SRFB) funds. The project was well received, ranking #1 out of 18 project considered. Project implementation funding through the Irrigation Efficiency Grant Program (IEGP) is also being explored.

Q: Will there be survey work? When? A: Survey work will be conducted as part of preliminary design work (30%). Surveys will start in November/December.

Q: Given the pump site location at the Wenatchee River site, what is the risk that the river migrates and leaves the pump station: high and dry, or eroded. A: Design work to date included analysis of historic river location: site selection for least amount of instability. When preliminary design review is done, Dave Rice will give a presentation that addresses how channel migration informed site selection and design

Q: Could we obtain flood insurance? COIC has liability insurance, but no others. A: Could look into flood insurance. Water payments could go towards flood insurance or essentially self-insurance. Tim: it is important when looking at their financial plan to consider maintenance and potential flood costs.

Shareholder Advisory Group Outreach: This group is an advisory and outreach group. Dan shared an shareholder letter that is proposed to be sent out to COIC shareholders, providing an update on this project.

Environmental Permitting Update: Work is underway to identify and engage with each agency that will have a permitting role. This role may be related to specific responsibilities associated with a government agencies, a permit they award, or associated with the providing funding. Since BPA has awarded implementation funding, we are coordinating closely with BPA, and are

able to take advantage of the Habitat Improvement Program (HIP) 3, programmatic consultation for the Endangered Species Act.

Our goal is to have early and coordinated communication, so that permitting requirements are integrated into the design during the design process, and reflected in bid solicitation. **To do: consider permit needs for ongoing maintenance.**

Irrigation Efficiency Grant Program (IEGP) Funding. IEGP is a Washington Conservation Commission grant program, with funding allocated through the local Conservation District. Potentially IEGP could contribute about \$1.5M for implementation funds. IEGP conducts an extent and validity review before entering into a contract. A preliminary, tentative extent and validity at this time provides COIC the opportunity to have greater certainty about ROE determination would look like, before applying for a water right change. The number of irrigated acres is key component of extent and validity.

Discussion: It is important for COIC internally to document what they have done (I think this was referencing operations). There is still uncertainty at this point if an 8 vs 6 cfs system will be required to meet COIC's needs. Q: What do we want to happen with the 4 cfs currently going to the hatchery? A: The agreement ends both the water delivery and the maintenance agreements and would result in 12 cfs left in stream.

Additional Discussion: Some SAG members have remaining questions about what will happen with COIC water rights. While WWT provided additional information on the way the water rights would work under this project, these issues are complicated, and each person's understanding evolves and the process continues. It was decided to allow more time to review COIC's existing water use and give the SAG a chance to get on the same page about water rights expectations going forward. SAG members said that COIC needs to understand how much cfs to is needed and how much do we get with the project. The COIC SAG also expressed a desire to communicate this part of the project clearly to shareholders and the board needs to decide if this is the best approach.

Proposal to evaluate COIC use and gather additional information. Communication brainstorming included: electronic tools (Mail chimp, constant contact) in addition to a survey sent electronically, post-cards, phone-call party, efforts to update contact info, and dividing the service area into neighborhood groups and designating a street captain. The COIC by-laws requires that notice for annual meeting must be in writing. Mike Cushman offered that his staff could assist with mailings. WWT is working on a proposal for communication and will coordinate with COIC Board and Advisory Group – will likely be a Constant Contact system including emails and opt-in text messaging system, accessible by both WWT and COIC personnel.

The SAG recommended meeting monthly, with the next meeting occurring after the holidays, on Tuesday January 16th, 2018.

SUMMARY OF PROJECT WORK TO DATE AND FUTURE SCOPE

<i>Task</i>		Completion Date
Completed Task	Initiated Task	Future Task
Preliminary Project Development		
Coordinate with local partners and IWG to identify project , Meet with COIC to present project, Sign MOA with COIC to commence project work, and contract funding for Phase I		October 2013 – March 2015
Phase I: Alternatives Analysis – Contract Date 3/6/15 – 12/31/15		
RFPs, select consultants, water rights review, technical memo, stakeholder meetings, and final report		March - December, 2015
Phase 2: Site Selection and Pre-Design Evaluation – Contract Date – 2/22/16 – 10/31/16		
Hold Shareholder Meetings to Evaluate Alternatives, Convene Shareholder Advisory Group to Recommend Alternatives, Shareholder Vote on Project Alternatives, Complete site selection study, vote on final sites. Release Final Report for Phase II		February 2016 – March 2017
Phase 3-4: Conceptual Design and Funding Proposal Contract Date – 11/1/16 – 4/1/17		
Develop Spec Sheets/Submit Funding Proposals		Jan-December 2017
Conceptual Design		June 2017
Secure Water Rights Agreements and Landowner Easements		May 2018
Complete Preliminary (30%) Design		May 2018
Finalize all Funding Commitments and RFP's/Contracting		July 2018
Phase 5: Design/Build and Final Implementation – Contracts TBA		
Complete Final Design		July 2018
Secure all Permits and DNS Designations		July 2018
Ecology Issues Final Report of Examination		July 2019
Completion of Construction – Pipelines		March, 2019
Completion of Construction – Pump Station		September 2019
Final Project Payment		September 2019
Final Project Report and Certification of Completion		March 2020