



## Minutes

Regular Meeting of the KID Board of Directors  
 Carl W. Petersen Board Room  
 Tuesday, September 7, 2010, 9:00 a.m.

President Jaksch called the meeting to order at 9:00 a.m. District Manager Freeman called roll.

**Directors Present:**

John Jaksch, President  
 Gene Huffman, Vice President  
 David McKenzie  
 John Pringle  
 Patrick McGuire

**Staff Present:**

Charles Freeman, District Manager  
 Ed Everaert, Engineering Manager  
 Scott Revell, Planning Manager  
 Brian Iller, Legal Counsel  
 Judy Smith, Administrative Contracts Specialist  
 Beth Smith, Assistant Operations/Maintenance Manager  
 Ben Woodard, Staff Engineer  
 Jason McShane, Staff Engineer  
 Mike Pearce, Maintenance Patrol/Pumps  
 Lynda Rosenbaum, Assistant Planner  
 Doris Fiske, Executive Assistant

**APPROVAL OF AGENDA:** President Jaksch moved FCS Group Contract Amendment from the consent agenda to be discussed under Resolutions, and tabled adoption of Policy 2.26 Canal Rehabilitation Program until September 21<sup>st</sup> Board meeting after review by the Finance Committee on September 16<sup>th</sup>. **Director McGuire moved to approve the agenda as amended. Vice President Huffman seconded the motion and it carried unanimously.**

**CONSENT AGENDA:** **Director Pringle moved to approve the consent agenda as amended. Director McKenzie seconded the motion and it carried unanimously.**

Items on the consent agenda were:

1. Minutes, KID Board Meeting, August 17, 2010
2. Reclamation Reform Act Seminar Travel Requests for Horrocks, Rosenbaum and Rourk
3. Approve Short Plat 10-07/PLN-2010-03131
4. Approve Short Plat 10-09/PLN-2010-03463
5. Approve Short Plat 10-15
6. KID O&M Vouchers

**Accounts Payable**

Numbers:	60586 through 60624	\$	131,597.08
	60625 through 60686		102,804.14
	60687 through 60738		37,356.96
<b>Total Accounts Payable</b>			271,758.18

**Payroll**

Numbers:	31536 through 31542	\$	7,626.92
	31543 through 31549		7,684.55
	Direct Deposit		62,854.90
	Direct Deposit		63,062.38
<b>Total Payroll</b>			141,228.75
<b>Total Disbursements</b>			\$ 412,986.93

**PRESENTATIONS:** None

**PUBLIC HEARING:** None

**BOARD REPORTS:**

**Operations & Engineering Committee Report:** Director McKenzie reported that the committee:

- Resolved a short plat issue regarding a communication breakdown in line requirements.
- Discussed the Chavallo short plat which was just approved by consent agenda.
- Discussed the proposed Bretz road LID which is on this Board meeting agenda.
- Added items for consideration to the 5-year Capital Improvement Plan including addressing restriction of water flows during the water-off season.
- Discussed the fund being created and how to determine where the monies may be spent in advance. This item (Policy 2.29 Canal Rehabilitation Program) was just tabled.
- Discussed streamlining the plat approval process and vacation of easements.
- Determined that KID does have the ability to turn off water to delinquent accounts and that a policy to authorize this action will probably be needed.
- SCADA will be discussed today.
- Continued work on right-of-way encroachments including the Amon encroachment issue which appears to be resolved.
- Received an update on algae control.

President Jaksch asked Director McKenzie to check what was said on Realty funds and reserves and clarify what is in the minutes on page three.

**Water Rate Advisory Committee (WRAC) Report:** Mr. Revell said the next WRAC meeting will be Monday, September 13<sup>th</sup>, at which time the committee will work on a series of initial recommendations related to Columbia Irrigation District serviced pressurized services areas (PSA) and a number of PSAs which are not connected to the canal system. Those recommendations are intended to effect the 2011 assessment. The WRAC Committee is scheduled to meet with the Board in October but will probably include information about the initial recommendations in the September 21<sup>st</sup> Board packet.

**ACTION ITEMS:**

**Adopt Policy 2.18 Carry Forward:** Mr. Freeman presented the draft policy. He noted that the appropriate levels for fund balances were determined based on USBR guidelines. Law requires the KID have a balanced budget, but does not require a specific carry forward balance. Mr. Freeman clarified that the phrase in the policy "if reserves and/or fund balances fall below required levels" refers to the USBR requirement for a set operational budget on the canal rehabilitation component of it. The other fund balances would be set by current policy, though the Realty Reserves currently have no floor.

**Director McGuire moved to approve Policy 2.18 (Carry Forward Balances). Director Pringle seconded the motion and it carried unanimously.**

**Approve 5-Year Capital Improvement Plan:** Mr. Freeman presented the draft 5-year Capital Improvement Plan and said it will change annually as the last year drops off and projects for a new year are added. He noted that items added to the 2011 project list since the last report were Division 4 crossing inspections and siphon inspections, and reviewed the other items on the 2011 list.

In addition to the Canal Rehab Fund (Fund 8000), there will be a new general fund, Capital Improvement Projects Fund 8010. Anticipated expenditure for 2011 projects is \$1,105,000 from the Canal Rehab Fund and \$40,000 from the General Fund for a total of \$1,145,000. The budget is based, year one, on not having the Realty backfill the fund to the \$60.00 per account level from the anticipated \$43.59 per account. Staff plans to under-expend that budget by \$37,071. The premise is that if you create a revolving fund, the under-spent years allow overspending the annual allotment in other years. The plan anticipates that the program started in 2006 continues and caps at \$60.00 per account with inflation built in.

Discussion ensued regarding projects. Mr. Freeman reported that the Badger East shotcrete project includes a liner and will address the highest risk areas. He said he would call the Bureau to ask if KID will be allowed the maximum diversion after the Chandler Pump rebuild.

Mr. Freeman explained to Director McGuire that the program was set up to be frontloaded by the Endowment, as each year the projects are done before the charge is collected, making the program always one year behind. Mr. Freeman will not ask the Realty Endowment to frontload any amount higher than where the levy is in the matrix approved in 2006. He explained that, following the collection of the charge in 2011, the \$37,000 carryover will be left after the Realty Endowment has been repaid the frontloaded amount. He said tracking the carryover amount will be done in the budgeting process.

Director McGuire expressed concern that enough money be left in the Endowment to cover matching funds and other needs. Mr. Freeman said it takes four votes from the Board to touch the Endowment Fund, so the only Endowment money to be spent is that granted by this plan. By creating the Canal Rehab Fund 8000, any under-expended amount would stay in the Canal Rehab Fund and the amount would be known every year. Discussion continued.

Mr. Freeman explained that, once the plan is approved, engineering staff will create a project prospectus for each project, including a budget and timeline. This will be brought back to the Board for each project for the actual expenditure of the funds, to allow the Board to control and comment on the specifics of the projects.

Discussion ensued regarding the Division 4 crossing inspections. Mr. Freeman confirmed that money is built into the budget to address issues discovered in the inspections which are outside staff expertise. If necessary, other projects may need to be dropped or delayed for a year. President Jaksch stressed to the board that, from Engineering's standpoint, the project list is not locked; it needs to be able to flex with circumstances within budgeted amounts. Discussion continued regarding excess water use and the need for measurement study data in Division 4.

**Director McKenzie moved to approve the 2011-2015 Capital Improvement Fund and direct staff to develop a project prospectus for each non-Bureau project listed in the 2011 improvement year and obtain Board approval prior to commencement of improvement activities. Director Pringle seconded the motion and it carried unanimously.**

**Approve Safety Manual:** Ms. Beth Smith presented the proposed draft manual. She reported that it was reviewed by the Washington Farm Bureau and is being reviewed by the Operations Safety Committee. She said this will be a "living document" that will be updated continually.

Ms. Smith confirmed that this manual will be available to all staff. She reported that some Labor and Industries material were used in creating the manual, as were materials from a 30-hour class on OSHA. She stated that the manual meets OSHA and WISHA requirements, and that

additional categories will be added later and changes will be made as regulations change. She said that, in the Operations Department, the morning meeting will be extended 15 minute daily to go through the manual page by page.

Ms. Smith said that items the manual requires to be reviewed on an annual basis will be tracked on the computer using the calendar and tasks. Vice President Huffman asked that changes be forwarded to the Board in a timely fashion.

**Vice President Huffman moved to approve the Operations Safety Manual. Director McKenzie seconded the motion and it carried unanimously.**

#### **RESOLUTIONS:**

##### **Resolution 2010-18 Set Public Hearing Date for Proposed Bretz Road Irrigation System**

**LID:** Mr. Woodard presented the history of the LID petition which was brought by nine residents. The proposed LID was reviewed by the Operations & Engineering Committee on February 25<sup>th</sup>, and the Finance Committee and the Realty Committee on March 11<sup>th</sup>. Board accepted surety and authorized a feasibility investigation through Resolution 2010-09 on April 6<sup>th</sup>.

Mr. Woodard reported that, though the feasibility investigation and meetings with residents, staff has formed two alternate recommendations. Alternative 1 recommends inclusion of 26 lots including six lots, the owners of which have requested to not be included. Justifications for this recommendation is that a pressurized mainline fronts the six lots, their inclusion will allow elimination of three turnout gates, and the cost per parcel will be reduced if there are more participants. He said the elimination of the turnout gates would allow better automation control on the Badger East Canal. Additionally, it would avoid problems if subsequent owners wish to be connected to the LID later. Alternative 2 would allow the LID to be formed with only the 20 residents who are interested in participation.

Discussion ensued. Mr. Woodard said the Board would determine whether price will be by parcel or acreage. Mr. Iller said the Board could use Alternate 1, have the homeowners come in to explain why it would not be fair or reasonable to include them, then decide after the hearing whether or not to include them. The possibility of including a latecomers' fee in the LID formation resolution was discussed.

Discussion continued regarding determination of the LID's boundaries. Mr. Iller said, if the Board uses Alternative 2, RCW 98.03.485 allows a landowner whose land can be served or will be benefitted by the proposed improvement to make application at the hearing to include their land. He cautioned that Alternate 2 takes away the Board's option to include those lots unless the owners change their mind and petition for inclusion at or before the hearing. Discussion continued and physical details of lots in the proposed LID were reviewed.

Mr. Paul Christenson, a member of the public, accused the Board of holding the public hearing when they should only be setting a hearing date. Mr. Iller said the Board, under RCW 87.03.480, was discussing the feasibility of the LID and deciding what public hearing to set.

The possibility of tabling the Resolution until the per-acre charge could be calculated. Discussion of the options continued. Mr. Iller said RCW 87.03.485 would allow the Board, at the hearing, to exclude any lands which were included in the hearing notice if their inclusion is judged by the Board to be not practicable. Also, he said it would be reasonable for the Board to decide not to include them if they do not want to be included and already receive KID water.

The Board may establish charges, conditions and terms in the formation resolution at that time. He said the latecomers' fee could be included in the resolution today as well as in the formation resolution.

Mr. McGuire asked how KID benefits by making this a pressurized system and if KID would save money, and addressed whether KID would finance the LID. Discussion ensued regarding KID's level of commitment to the LID and or its funding. The benefit to the District of forming LIDs was discussed in general terms, as well as the specific benefits from gate removal, interest income and assessment increases.

Discussion continued. Mr. Woodard noted that petitioners are incurring costs due to the adoption of Resolution 2010-09.

**President Jaksch moved to approve Resolution 2010-18 Set Public Hearing Date for Proposed Bretz Road Irrigation System LID as described in Alternative 1 above with the addition of a late comers fee and the option for the six properties not wanting to be in the LID to opt out. Vice President Huffman seconded the motion.** Director Pringle said he preferred to have something in writing from landowners indicating their preference for opting in or out rather than following the assumption under the law that lack of participation in the hearing indicates agreement with the proposal. **The motion carried unanimously.**

**Resolution 2010-19 Sole Source - Hydroscreen:** Mr. Everaert presented the resolution to allow the purchase of six hydro screens from a sole source manufacturer. Research showed that Hydroscreen is the only manufacturer that can provide this technology at a reasonable price; one other manufacturer in California sells a screen starting at \$50,000 more per screen.

**Director McKenzie moved to approve Resolution 2010-19, waiving competitive bidding and authorizing the use of a sole source contractor, Hydroscreen, for six mechanical weed screens in an amount not to exceed \$24,589.35. Vice President Huffman seconded the motion and it carried unanimously.**

**Resolution 2010-20 Sole Source - Sutron:** Mr. Everaert discussed July 6<sup>th</sup> presentation by John Humphries of Sutron and the current state of KID's SCADA equipment. Efforts to make the equipment operational with HydroScientific West have been unsuccessful and during investigation of alternatives, the only response was from Sutron. Sole source justification is the equipment's compatibility with the USBR Yakima Project Hydromet Program which also uses Sutron. Mr. Everaert discussed details of the proposal and staff's recommendation to approve the resolution.

**Director Pringle moved to approve Resolution 2010-20, waiving the competitive bidding process, authorizing the award of a sole source contract, approving awarding Contract PS1002 for 12 Sutron 9210 data collection platforms to Sutron at a total installed cost not to exceed \$29,406.00 and authorizing the KID District Manager to sign and execute the contract with Sutron. Director McGuire seconded the motion and it carried unanimously.**

**Resolution 2010-21 Declare Surplus Real Property:** Ms. Judy Smith presented background on the property suggested to be declared surplus and described the process that would be followed if the resolution is adopted. She noted that adjacent landowners would be provided the first opportunity to purchase the property and that there are two interested parties. The property would be sold at the minimum value set by the county assessor. Discussion ensued regarding whether the property proposed to be sold as surplus is land or an easement. Ms. Smith

explained that it is a vacated right-of-way and KID hold title to the land. As there is a pipeline through the property, it would be sold with an easement to be prepared by the engineering department. After further discussion, President Jaksch referred the issue back to the Realty Committee.

**Resolution 2010-22 Sole Source - Norstar:** Mr. Pearce presented the request. Norstar was the original manufacturer of the spray truck. Mr. Pearce reported that, previously, modifications by a third party made the spray truck unusable and necessitated restoration to the original design by Norstar. On September 2<sup>nd</sup> a quote for \$17,905.00 was received from Norstar for modification and upgrade of the truck. Discussion ensued regarding the condition of the truck, the work needed, and the uses of the equipment. Mr. Pearce said he believes the equipment could be transferred to another chassis if it became necessary. Calibration was discussed. He estimated a new spray truck might cost about \$120,000.00 and noted that due to savings from the Sepro contract the proposed work would not be a strain on the weed control budget.

**Vice President Huffman moved to approve Resolution 2010-22, waiving competitive bidding and authorize the use of a sole source contractor, Norstar, for overhaul and modification work on the 2001 chemical spray truck. Director Pringle seconded the motion and it carried unanimously.**

**FCS Group Contract Amendment:** Mr. Freeman discussed the request from the rate consultant for increase of fee due to unforeseen challenges with the District's data resulting in additional time/costs. Mr. Freeman referred to a letter distributed to the Board before the meeting and reported that, after discussions Friday afternoon, Mr. Wilson increased the additional time needed to 48 hours and at a cost of \$7,900.00.

**President Jaksch moved to amend the contract with FCS Group and increase the fee from \$36,900.00 to \$44,800.00. Director McGuire seconded the motion and it carried unanimously.**

President Jaksch called a break at 10:45 a.m., and the meeting reconvened at 11:00 a.m.

**PUBLIC COMMENT:** Dale Walter and James Wade indicated on the sign-in sheet that they wished to address the Board, but left the meeting prior to the public comment period.

**Resolution 2010-23 Water Conservation Field Services Program Grant Application Approval:** Ms. Rosenbaum brought a resolution to the Board and requested approval to apply for Water Conservation Field Services Program grants for two projects by the 16<sup>th</sup> of September. She reported that the USBR recommended that the KID apply for the full amount and apply for both sealing and lining projects this year. Discussion ensued regarding the locations of the proposed projects.

**President Jaksch moved to approve Resolution 2010-23, Board approval for KID to submit an application for the 2011 Water Conservation Field Services Program Grant and authorization of Charles Freeman, District Manager, as representative and signature authority on said grant application. Director Pringle seconded the motion and it carried unanimously.**

#### **STAFF REPORTS:**

**Finance Manager:** Mr. Freeman reported that 157 foreclosure letters went out last week. Director McGuire asked about development of a policy and procedure regarding turning off

water to delinquent accounts. Mr. Freeman reported that he is researching the practices of other irrigation districts and expects to report to the Finance Committee on October 14<sup>th</sup>.

**Engineering/Operations Manager:** Mr. Everaert discussed locations for the six hydroscreens which were delivered and said that the PUD will do the power drop for free if the screen is located by an existing transformer. He said the gentleman who delivered the screens and spare parts gave a good demonstration to Operations staff.

Mr. Everaert will contact John Humphries from Sutron to come down and make at least one unit operational right away. Mr. Humphries will work with Brad Crawford.

The water duty flow analysis work is underway. Mr. Everaert discussed the analysis and said KID needs to get away from trying to operate a static system for dynamic use. He suggested putting together laminated spreadsheets for the ditch riders over the winter for use when the water is flowing. This work will affect sizing based on peaks and low points. The allotment will remain 3.5 CFS but be variable on a daily and monthly basis.

Discussion ensued regarding the restricted flow the Chandler pumps. Director McGuire asked if there is a plan to monitor Chandler pump capability to ensure KID can get the maximum flow when needed and verify that seven years is a reasonable rehabilitation schedule. Mr. Everaert will discuss the issue with the pump plant manager. He said that at other Reclamation systems with which he has been involved there has not been a problem meeting peak demand.

**Planning Manager:** Mr. Revell reported that Entrix and Pacific NW Project responded to the economic analysis RFQ. Staff recommendations will be presented at the next Board meeting.

He reported that at KID's request, the Columbia Snake River Irrigators Association donated \$250.00 to the WSU Master Gardens for soil moisture sensors for their Grange Park turf experiment. The donation was matched by Darryll Olson and his company, Pacific NW Project.

Mr. Revell reported that comments at fair booth were positive during the time he was there. He said staff was working on an after action report and is considering a double-sized booth for the next fair.

**District Manager:** Mr. Freeman reported that he terminated KID's relationship with Conover Insurance. An in-house risk management committee including Darrell Stewart or Colleen Storms, Beth Smith, Ed Everaert and Mr. Freeman has been formed. The committee will meet monthly, review claims and work with Canfield, the administrators for CIAW. The committee will prepare RFQ documents to put insurance out to bid after cleaning up the current coverage.

The Finance Committee will have a first look at the new format budget at the next meeting.

The Amon house is being advertised by the USBR for recycling during demolition.

Mr. Freeman reported that the fair booth went well and feedback was positive. KID has been invited to participate in the Home Builder Association's Lifestyle Show in October, but it was not budgeted. Participation in the Ag Show in January and the Home Show in February is planned.

Mr. Freeman confirmed that KID is researching the insurance held by other irrigation districts. He noted that it was disconcerting that the KEPR News report contradicted what was spoken into the record by the Canfield representative during their presentation that KID's rates

increased in part due to their legal issues. The anchor, Terry Chick, called someone at Canfield who denied that and there was more of a negative slant on KID to the story. KEPR interviewed Mr. Freeman, but regarding the rebuttal, no contact was made.

#### **WORKSHOP:**

**Project Tracking Update:** Mr. Freeman reviewed changes to the tracked projects spreadsheet.

- **Red Mountain:** President Jaksch noted that the MOU is complete and asked that this be noted relative to subsequent steps in the next report. Topics discussed were the Settlement Agreement, Inclusion/Annex, Cultural Resource Survey, and UGA Expansion. Regarding pre-design, Mr. Everaert will come to the Realty Committee meeting to discuss Engineering support for Realty projects. Mr. Revell reported that he has heard nothing from the USBR on the draft permit application.
- **Strategic Planning:** The Comprehensive Plan and Feasibility Study are underway. Mr. Freeman will meet tomorrow with the Port's Vista Field Committee. Southridge LID planning is beginning. Discussion ensued regarding inclusion and annexation of some of that development. President Jaksch referred discussion of the feasibility of serving Southridge to the Operations and Engineering Committee meeting.
- **Operations:** Canal Inspection and Siphon Inspection plans are being developed, as is the Disaster Plan.
- **Finance:** Special Audit implementation is underway and Springbrook issues are being refined. Internal control manuals are under review at the department level.
- **Engineering:** Sub-division Standards and the Water Budget are being drafted. The September 1<sup>st</sup> deadline was met for the Small Water Systems plans which are under review and will come to the Board for review soon.
- **Realty:** For Stoneridge, the Kennedy Road LID and Lethbridge Road are ongoing. Mr. Revell will take the lead on the binding site plan modifications. The certificate of need was denied for CV Development. The City View survey was ordered and the short plat is to be completed. Letters were sent to encroaching parties in the Red Mountain area. Staff reports on the Finley properties will go the Realty Committee next time. The Realty websites are being folded in to the KID site. The Realty Committee will review the budget today.
- **Administrative:** The Communication Plan is being reviewed. Budgeting is going well. Contractors are being contacted about the Cost/Benefit Analysis and the Salary Survey. Director McGuire asked to have an Insurance update added under Administrative.

**YRBWEP Planning Update:** Mr. Revell discussed the planning process. He reported that Seth Defoe attended the July meeting and co-authored the report. The Work Group is dealing with issues of scarce resources and this year the group is crafting the plan for the work. Mr. Revell addressed the K-to-K pipeline, the Lake Kachess Inactive Storage project, the Wymer project and the Bumping Reservoir Enlargement project.

Mr. Revell noted that since KID uses return flows, primarily during the peak irrigation season. He stated that KID's agricultural water needs were not included in the discussion. Mr. Revell is in contact with the consultants who have assured him that KID's agricultural needs are included in the model. He will report back on this issue at the next meeting. President Jaksch asked that this concern be added to project tracking. Mr. Revell reported that the Yakama Nation is opposed to inter-basin transfers and the Roza Irrigation and Kittitias Reclamation District representatives have made statements that their Boards of Director are not in support of Columbia River inter-basin transfers.

President Jaksch called a break at 11:35 a.m.

At 10:40 a.m., the meeting reconvened in executive session for one hour to discuss with legal counsel litigation regarding Acquavella and to review the performance of a public employee.

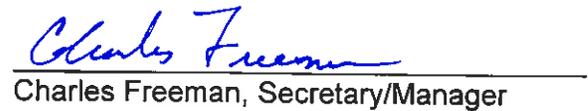
The meeting returned to open session at 12:35 a.m.

**Director McKenzie moved to adjourn the meeting. Director Pringle seconded the motion and it carried unanimously.**

Attest:

Witness:

  
\_\_\_\_\_  
John Jaksch, Board President

  
\_\_\_\_\_  
Charles Freeman, Secretary/Manager

Prepared by Doris Fiske