



Minutes

Meeting of the KID Board of Directors
Carl W. Petersen Board Room
Tuesday, April 17, 2012, 9:00 a.m.

President Huffman called the meeting to order at 9:03 a.m. Mr. Freeman called roll.

Directors Present:

Gene Huffman, President
Patrick McGuire, Vice President
John Jaksch
David McKenzie
Kirk Rathbun

Staff Present:

Charles Freeman, District Manager
Jason McShane, Staff Engineer
Ed Everaert, Engineering/Operations Manager
Scott Revell, Planning Manager
Colleen Storms, District Treasurer
Doris Rakowski, Executive Assistant

Other Persons Present:

Brian Iller, Legal Counsel

APPROVAL OF AGENDA: President Huffman noted that items needed to be added to the executive session. Mr. Iller requested to add executive session to discuss with legal counsel pending litigation pursuant to RCW 42.30.110 (1)(i) relating to Chavallo and Citadel litigation, to discuss with legal counsel potential litigation in the form of litigation that had been specifically threatened related to an assessment issue pursuant to RCW 42.30.110 (1)(i)(i), and to discuss with legal counsel of potential litigation in form of legal risks of a proposed action or current pursuant to RCW 42.30.110 (1)(i)(iii) relating to recalibration. At the request of Director Jaksch, Mr. Iller also requested to add and executive session to discuss with legal counsel pending litigation pursuant to RCW 42.30.110 (1)(i) relating to Wellenbrock.

Director Jaksch moved to approve the agenda as amended. Director Rathbun seconded the motion and it carried unanimously.

EXECUTIVE SESSION: President Huffman said that scheduling requirements of participants necessitated holding the executive session at the beginning of the meeting.

At 9:07 a.m., on behalf of presiding officer, Mr. Iller announced that the Board would go into executive session for approximately one hour to consider the selection of a site or the acquisition of real estate by lease or purchase pursuant to RCW 42.30.110(1)(b), and to discuss with legal counsel potential litigation in the form of the risks of a proposed action or current practice pursuant to RCW 42.30.110(1)(i)(iii) relating to recalibration, to discuss with legal counsel pending litigation pursuant to RCW 42.30.110 (1)(i) relating to Chavallo and Citadel and Wellenbrock litigation, to discuss with legal counsel potential litigation in the form of specifically threatened litigation related to an assessment issue pursuant to RCW 42.30.110 (1)(i)(i).

At 10:06 a.m., Mr. Iller announced on behalf of the presiding officer that the door had been opened to extend the executive session for approximately ten minutes and that Mr. Revell told the people waiting in the lobby about the extension.

OPEN SESSION: At 10:16 a.m., President Huffman announced that the Board was out of executive session and would take a five minute break. The meeting returned to open session at 10:23 a.m.

CONSENT AGENDA: Director Jaksch moved to approve the consent agenda. Director McKenzie seconded the motion and it carried unanimously.

Items approved by consent agenda were:

1. Minutes, KID Board Meeting, April 3, 2012
2. Approval of Revised Organizational Chart
3. Approve Final Plat - Badger Den - Phase 2
4. KID O&M Vouchers

Accounts Payable

Numbers: 63983 through	64015	\$	52,411.94	
64016 through	64017		4,322.76	
64018 through	64045		<u>198,441.96</u>	
			255,176.66	
Total Accounts Payable				255,176.66

Payroll

Numbers: 32246 through	32252	\$	7,554.26	
			-	
Direct Deposit	4/5/2012		79,053.31	
			<u>-</u>	
Total Payroll				<u>86,607.57</u>
Total Disbursements				<u>\$ 341,784.23</u>

Voided Checks:

Check number #63881: Duplicate request for recording fees; had already been recorded at the County
Check number #63783: Void and reissue; check made out to the wrong vender

PRESENTATIONS: None

PUBLIC HEARING: None

BOARD REPORTS: None

ACTION ITEMS:

Approve Five-Year Capital Plan (2012-2016): Mr. McShane distributed an updated spreadsheet (on file) which included proposed budgets and previous year expenditures where applicable. He explained that this was a funding year based program, meaning that projects were shown in the year in which they would be started. Mr. McShane went over projected revenue sources for the 2012 capital projects. He briefly reviewed the list of 2012 projects.

In a response to a question from Vice President McGuire, Mr. McShane discussed cost allocation of the two projects to separate irrigation system facilities from potable water facilities.

Mr. McShane said that SIP Projects (System Improvement Projects) was a category not a specific project, and would include Board-approved projects to address deficiencies and inefficiencies.

In response to a question from President Huffman, Mr. McShane said the Olympia Street piping was scheduled to start in July.

Mr. McShane noted the budgeted amount of \$150,000 for contingencies. He explained the projected carryforward funds then briefly reviewed the projects scheduled for 2013 to 2016.

In response to a question from Vice President McGuire, Mr. McShane said that under any of the options to considered date for bringing in a potential additional 82 cfs up Edison Street, the newly installed lining would still be in use.

Mr. McShane told Vice President McGuire that the first phase of the comprehensive plan would include the six year capital improvement plan.

Director Jaksch moved to adopt the 2012 to 20916 Capital Improvement Plan as presented today. Director Rathbun seconded the motion and it carried unanimously.

Mr. Freeman and Mr. McShane were excused from the remainder of the meeting.

Award Contract for Environmental Services: Mr. Everaert discussed the programmatic cultural, historical and environmental review project and the importance completing a system-wide review in advance of capital projects or unanticipated work anywhere in the system. He went over the process of selecting a professional firm to conduct the review.

Mr. Everaert discussed the scope of work for Phase 1 of the project and noted that the construction year would not match the fiscal and calendar year. Mr. Everaert reported that the USBR Yakima office confirmed via email that the selected firm, RH2, and their subcontractor, Cascadia, were acceptable. He discussed the USBR's role and said that they would be keep informed of progress on the project.

Mr. Everaert confirmed to President Huffman that there would be daily oversight of the project.

In response to a question from Director Jaksch, Mr. Everaert said he though there to be two phases to the project. He said he did not know the cost of the second phase, but there would be economies of scale and that the template would already be in place. He said Phase 1 should be done by July 2012.

Discussion ensued regarding cultural, historical and environmental review requirements and the length of time for which the reviews would be valid.

In response to a question from Vice President McGuire, Ms. Storms said the funding was included in the new WaterSMART grant and within the Capital Improvement Program.

Director Rathbun moved to approve KID/RH2 Environmental Services Contract for Profession Service for the Phase 1 Environmental Services for the 2012 - 2014 KID Capital Upgrade and Improvement Projects for the amount not to exceed \$54,987. Director Jaksch seconded the motion and it carried unanimously.

Red Mountain South LID 30 Percent Design Memos 4, 5, and 10: Mr. Everaert listed the design memos to be approved and the dates on which they were reviewed in committees. He discussed the use of the memos in preparing the 30% design report.

Director McKenzie moved to approve Design Memo 4 (Reservoir Sizing Analysis), Design Memo 5 (Selection of Proposed System Configuration), and Design Memo 10 (Pipe Alignment and Selection Technical Analysis) from RH2 Engineering for the 30 percent Preliminary Engineering Design for the Red Mountain South LID Irrigation Project. Director Jaksch seconded the motion and it carried unanimously.

Approve Policy 3.2-2, Water Allotment, Rev. 5: Mr. Revell discussed staff review of the policy and briefly went over the revisions which would address condominium properties. He reported that, while further revisions may be needed in the future, this addressed the issues known at this time.

Director Rathbun moved to approve revised Policy 3.2-2 entitled Water Allotment. Director Jaksch seconded the motion and it carried unanimously.

Resolutions: None

PUBLIC COMMENTS:

James Wade, 1813 S. Rainier Place, Kennewick, Washington. Mr. Wade asked if resolutions went into effect on the signing date. Discussion ensued. President Huffman noted that there were also instances of delayed implementation which were stated in the given resolutions.

Mr. Wade asked that the Canal Rehab charge be addressed in anything relating to tariffs so there was no mistake on what the total rates were.

Mr. Wade said some people were retired and had fixed incomes. He said municipal, city, state, county, federal, irrigation district, and other governmental bodies did not consider that taxes pay for all of them. He said wages and spending kept going up and said the various governmental entities would soon own everybody's property. He added that he did not see as much transparency at KID as he felt there should be.

Mr. Wade said a leak on 37th was reported by a customer who told Mr. Wade that KID employees came by but did not stop. Mr. Wade said if water was being wasted the leak should be taken care of right away, not in a couple of days.

Mr. Everaert said crews were addressing all leaks in a prudent manner. He said Washington law and codes must be followed. Mr. Everaert discussed a case requiring removal of pavement for the repair. He said the paving contractor must be scheduled before pavement was cut.

President Huffman said that other than the canal charge, assessments had stayed pretty much the same for three years and that spending had been cut in the same time. He said this showed in the District's financial reports.

STAFF REPORTS:

Finance Manager: Ms. Storms reported:

- Call volume this week was very high at about 500 calls per day. She discussed hold time and said Finance staff was assisting customer service when calls began to back up.
- Leaks were being prioritized, and those which might cause property or system damaged were being addressed first. She said extra people were on swing shift crews and there was also a person on graveyard to provide better around the clock coverage. She encouraged anyone to provide feedback.
- In response to a question from Director Jaksch, Mr. Everaert said delaying startup of problematic PSAs appeared to have worked well, but staff was still evaluating. Ms. Storms noted that breaks in private line areas which the homeowners needed to do repairs were sometimes a problem.
- Payments methods available now were working well.
- Ms. Storms responded to a question from President Huffman that TruePoint would provide more information about calls when the outage board was connected to maps next year.

- In response to a question from Director Rathbun, Mr. Everaert said the \$2,270 voucher item to Benton Rural Electric for an electric line right of way easement was for power to a hydroscreen and included the line, pole, conduit and right of way. An advertisement was placed for an electrical contractor but the work had not yet been awarded.

Engineering/Operations Manager: Mr. Everaert reported:

- Main Canal would go from 140 cfs to 167 cfs this morning and KID was at the halfway point for the monthly allocation, operating as if Kiona pump station were operating.
- Mr. Everaert visited several sites with crews in last few weeks. Completed capital improvement work was performing well.
- Electronic reading of pond levels was a planned project.
- TruePoint was working well and there was good acceptance from the crew.
- Three seasonal employees were being hired this month.
- Staff was working with a corrugated metal company to get an arch culvert to repair settlement in a culvert under Arena Road near Badger East 15.0. He described other actions being taken in the area.
- Reservoir storage was at 117.1% of average in the Yakima Basin. Inflow to the reservoirs was 84% of average. The Upper Basin snow pack was 122% of average and the Lower Basin snow pack was 144% of average. The releases from the five reservoirs were 161% of average.
- Water was flowing at the two hydroscreens on the AP Canal, but the screens were not hooked up to power yet.
- The gravel packs were working well, though algae season would be the true test. In response to a question from President Huffman, Mr. Everaert said the concrete trench anchors appeared to be functioning similarly to the gravel ballast.

Planning Manager: Mr. Revell reported:

- The Washington Department of Fish and Wildlife notified Mr. Revell that the correct Shrub Steppe Mitigation Agreement had been signed and was in the mail.
- A conference call was being set up with the USBR on the draft directives and standards.
- The Planning Committee met yesterday and heard briefings on the Red Mountain South LID, the assessment of townhomes and condominiums and the relegation process. SA tour would be arranged for the June meeting. The May meeting would center on private line area policy. Discussion ensued regarding the proposed tour.

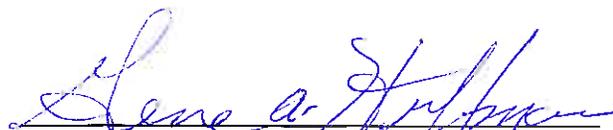
District Manager: None

Workshop: None

Director Jaksch moved to adjourn at 11:29 a.m. and Director Rathbun seconded the motion. The motion carried unanimously.

Attest:

Witness:


 Gene Huffman, Board President
 Approved May 1, 2012


 Chuck Freeman, District Manager

Prepared by Doris Rakowski