



Minutes

Meeting of the KID Board of Directors
 Carl W. Petersen Board Room
 Tuesday, March 19, 2013, 9:00 a.m.

President Huffman called the meeting to order at 9:02 a.m. and Mr. Freeman called roll.

Directors Present:

Gene Huffman, President
 Patrick McGuire, Vice President
 Penny Hermanson
 Kirk Rathbun
 David McKenzie

Staff Present:

Chuck Freeman, District Manager
 Colleen Storms, District Treasurer
 Scott Revell, Planning Manager
 Seth Defoe, GIS Specialist
 Beth Smith, Asst Operations/Maintenance Manager
 Judy Smith, Real Property Manager
 Doris Rakowski, Executive Assistant

Other Persons Present:

Michael A. Rohlfling, Petitioner
 Brian Iller, Legal Counsel
 Darryll Olsen, Consultant, Pacific Northwest Project

APPROVAL OF AGENDA: Vice President McGuire moved to approve the agenda. Director Rathbun seconded the motion and it carried unanimously.

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

Items on the consent agenda were:

1. Minutes, KID Board Special Meeting, January 28, 2013
2. Minutes, KID Board Special Meeting, February 5, 2013
3. Minutes, KID Board Special Meeting, February 11, 2013
4. Approve Water on Letter to USBR
5. Approve Policy 2.4 District Credit Card Use, Rev. 2
6. Approve Binding Site Plan 12-04 Hildebrand
7. KID O&M Vouchers

Accounts Payable

Numbers:	65978 through	65978	\$	150.00	
	65979 through	65999		96,665.28	
	66000 through	66050		312,930.16	
	6598401 through	6598401		4.00	
Total Accounts Payable					409,749.44

Payroll

Numbers:	32481 through	32487	\$	6,253.69	
	Direct Deposit	3/7/2013		71,410.84	
Total Payroll					77,664.53
Total Disbursements					\$ 487,413.97

Voided Checks: None

PUBLIC COMMENTS:

James Wade, 1813 S. Rainier Place, suggested the District mail out absentee ballot request forms with the assessments. Regarding the Canal Rehabilitation fee, now called the Capital Project Assessment, Mr. Wade asked how an upper floor condo got the same benefit as someone with 100 acres, and noted the charge was the same for both.

Mr. Freeman offered to provide Mr. Wade a copy of Policy 2.26, Capital Upgrade and Improvement Fund. Regarding the ballots, Mr. Freeman said that because the District used a third party company for assessments to save the District money and that adding materials to the mailing would cost the District more money. He said the District met all the legal requirements regarding elections and providing notice.

Mr. Wade said he understood that but asked why he didn't want to benefit all the voters. Mr. Freeman said he believed KID was benefitting all the voters.

Mr. Wade clarified to President Huffman that he suggested voters request ballots early, not that ballots be mailed early.

PRESENTATIONS:

Financial Reports through February 2013: Ms. Storms reviewed highlights of the February 2013 financial reports. Pages reviewed included:

- Balance Sheet as of February 28, 2013
- Statement of Revenue & Expenditures – Budget to Actual – Summary
- Statement of Revenue & Expenditures – Budget to Actual – Comparative
- Grant & Matching Funds Schedule
- Red Mountain Revenue to Expenses
- Cash Investment Report by Investment Maturity Date

President Huffman requested that the pages displayed in meetings be numbered to match page numbers in the board packet.

PUBLIC HEARING:

Petition for Exclusion from District Boundaries - Michael A. Rohlifing: Director Rathbun moved to open the Public Hearing. Vice President McGuire seconded the motion and it carried unanimously.

Mr. Defoe announced that the purpose of the hearing was to receive testimony from the public regarding the exclusion of a certain parcel of land from the District boundaries and that a petition had been filed with the District to modify the service boundaries of the District to exclude a parcel owned by Michael A. Rohlifing, the Petitioner.

He reported that the parcel of land owned by Michael A. Rohlifing that had been petitioned to be excluded from the boundaries of the District was described as follows: That portion of the East 1/2 of the SW 1/4 of the NW 1/4 of Section 27, Township 8 North, Range 30 East of the Willamette Meridian, Benton County, Washington, lying south of the Columbia Irrigation District Canal right-of-way.

Mr. Rohlifing identified himself as present at the hearing.

In adhering to the appearance of fairness doctrine, Mr. Defoe asked if any member of the Board had any interest in the property or the application, or own property in the vicinity of the property

subject to the petition? Director McKenzie declared that he owned property in the vicinity, though not adjacent to the subject property, and that he did not know the petitioner.

Mr. Defoe asked if any member of the Board stood to gain or lose any financial benefit as a result of the outcome of the hearing. No Director so declared.

Mr. Defoe asked Director McKenzie if he could hear and consider the application in a fair and objective manner. Director McKenzie said that he could do so.

Mr. Defoe asked if any members of the audience wished to challenge on appearance of fairness grounds the participation in the matter by any member of the Board. No person did so. Mr. Rohlving said he had no objection to Director McKenzie hearing the matter and no other person voiced any objection to Director McKenzie hearing the matter.

Mr. Defoe displayed a map of the property. He provided background on the petition. He reported that Mr. Rohlving had requested to be excluded from the KID as he wished to receive water from the CID.

Mr. Rohlving, residing at 3105 S Elm Ct., said that he owned the property which was next to the CID canal and only planned his own residence and possibly grapes in the future. He said that the KID had excavated a 30 foot deep pit which extended onto his property. He said it was a safety concern for his young children and asked if KID would fill it. Alternately, Mr. Rohlving asked if KID would object to him filling it from his property as the fill would likely extend to KID's property. Mr. Freeman replied that staff had seen the hole and had no objection at this time but had not had opportunity to do so yet.

In response to a question from Director Hermanson, Mr. Rohlving confirmed he had assurance from CID that they would provide him water. Mr. Rohlving said he understood that if he were excluded from KID he might not be able to get back into the KID if he were denied water by CID. Mr. Rohlving said KID's canal was three-quarters of a mile away and it would be too costly to get KID water to his site, while the CID canal was adjacent to his property.

Mr. Defoe asked if there was any person interested in the petition that would like to give testimony in support of the petition or in opposition of the petition. No one spoke. Mr. Rohlving thanked the Board and declined to give any further closing statement.

Mr. Defoe asked if staff had anything to add. Mr. Revell said KID not had a petition for annexation or de-annexation since 2007 and advised the matter be referred to the Planning Committee for a recommendation.

Mr. Defoe asked if any of the Board members had any questions.

Director McKenzie asked if KID could de-annex the property simultaneously with CID annexing it. Mr. Iller noted that CID did not have to go through USBR approval. Mr. Revell said KID's de-annexation process involved an election followed by USBR approval. Mr. Rohlving said that even if CID did not let him into that district, it would do no good to get back into the KID, as obtaining water through KID was not an option. Mr. Defoe suggested CID carriage of KID water might be an option. Mr. Rohlving said he had been advised by a CID engineer on the steps to obtain CID water and restated his preference that his property be de-annexed by KID.

In response to a question from Vice President McGuire, Mr. Revell confirmed that the de-annexation would be taken to the voters in December then submitted to the USBR to process, which would likely take at least 120 to 150 days.

Mr. Revell clarified to Mr. Rohlfing that de-annexation was a different process than relegation, as relegation of a water allotment does not remove the property from the District.

In response to a question from President Huffman, Mr. Freeman said the Board's 2010 determined plan of development included bringing water to KID's Finley properties. He said the KID properties' nearest point to KID water was one half mile and said it might be a number of years before it was addressed.

Director Rathbun moved to close the Public Hearing and refer the petition to the Planning Committee of the Kennewick Irrigation District for further consideration. Director McKenzie seconded the motion and it carried unanimously.

BOARD REPORTS: None

ACTION ITEMS:

Approve Preliminary Plat 11-05 Conditions for Sage Crest Phases 3 and 4: Mr. McShane displayed a map and provided background information regarding the preliminary plat which was an extension of a prior plat. He noted that canal lining was not required because the adjacent canal had not been utilized in about 18 years. Mr. McShane said current stages of the Sage Crest development were served by the booster pump station off the siphon line and KID anticipated that the developer would continue use the same facilities to serve these properties, though provisions were provided in the letter to allow the alternative of entering into a voluntary mitigation agreement with the District. Mr. McShane reported that no additional staff was expected to be necessary to serve the proposed 68 lots.

In response to questions from President Huffman, Mr. McShane went into further detail regarding installation of a pond or mitigation options. Discussion ensued.

Director McKenzie moved to approve the comment letter for Sage Crest Phases 3 and 4. Director Rathbun seconded the motion and it carried unanimously.

Approve Helping Hands Assistance Agreement: Ms. Storms reviewed the proposed changes for how KID and Community Action Connections (CAC) handle processing of KID Helping Hands requests. She said the CAC services were at no cost to KID.

In response to a question from President Huffman, Ms. Storms said the CAC would also consider applicants' qualifications for other services not related to KID, so KID staff would refer applicants to the CAC even if they were not qualified for KID's Helping Hands program.

In response to a question from Director McKenzie, Ms. Storms said the program was in place in at the time of the last state audit of KID. She discussed the limitations on government agencies for assisting the poor and infirm without crossing the line into gifting of public funds.

Director Rathbun moved to authorize the District Manager to execute a new Helping Hands Assistance Agreement with the Benton Franklin Community Action Committee. Vice President McGuire seconded the motion and it carried unanimously.

Approve Amendment No. 7 for the KID Red Mountain South LID Project: Mr. McShane presented the amendment for the final design and permitting for the project and services during construction for Phase 1 of the Kiona Intake and Pump Station. He briefly reviewed the project plan for amendments at each project phase then went over highlights of items included in the amendment.

Mr. Freeman confirmed to Director Hermanson that the move of the 810 reservoir to elevation 838 was due to availability of land for the reservoir and was the only change regarding that reservoir. He said aesthetic concerns raised by a few people in the area were not included, but that a meeting was being scheduled for April 1 with Col Solare and AVA members to discuss these concerns. Mr. Freeman said the District had until about June to resolve that issue.

In response to a question from Director Rathbun, Mr. McShane said this amendment was expected to complete the engineering portion of the project to 100%, and the construction services and permitting for just Phase 1. He referred to page 10, which listed the pieces of work included in the amendment.

In response to a question from Vice President McGuire, Mr. Freeman said that the engineering work to move the reservoir from elevation 810 to 838 was done prior to the District being informed of Col Solare's aesthetic concerns.

Director Rathbun moved to approve Contract Amendment Number 7 between Kennewick Irrigation District and RH2 Engineering for the Final Engineering Design for the Red Mountain South LID Irrigation Project. Vice President McGuire seconded the motion and it carried unanimously.

Authorize Position - Temporary Carpenter: Mr. Freeman discussed the District's needs for remodeling work in the Administrative Building. He noted that use of the small works roster to complete this work was very expensive. He said that the Finance Committee had reviewed the proposed work and the proposal for hiring a temporary employee to build an archive room and other spaces in the basement, as well as convert an unused laboratory into a small conference room. Mr. Freeman anticipated the expenditure of about \$23,000 in wages and \$10,000 for materials.

Mr. Freeman discussed the needs for improvement to the records management system said that it would be a multi-year project.

Director McKenzie moved to approve the creation of a Temporary Carpenter position, which would be full time for up to three month of work. This position would be added to the Authorized Positions and Salary Scale Schedule that was approved with the 2013 Budget. Director Rathbun seconded the motion and it carried unanimously.

Resolutions: None

Staff Reports:

Finance Manager: Ms. Storms reported:

- Assessments would be mailed this week. Ms. Storms discussed bill format and KID's experience addressing duplicate payments.
- Water Master training went well last night. Ms. Storms said she appreciated the work of Dana Auckland, Teresa Horrocks, Terry Clark and Jason McShane on the training.

Engineering/Operations Manager: Mr. McShane reported:

- About 50 Water Masters attended the training and shared successful methods with each other. Mr. McShane noted that Terry Clark was the employee of the quarter.
- Water On preparations were being completed in anticipation of the rolling start to the water season after the Chandler Pump testing that would begin March 29th.
- Notice to proceed for Red Mountain South LID construction was tentatively scheduled for April 8th, pending approval of the permit for work in the river.
- Two new field employees had been hired and one more field employee and a staff engineer remained to be hired.

Planning Manager: Mr. Revell reported:

- Director Hermanson and Vice President McGuire attended the quarterly Yakima River Basin Water Enhancement Project (YRBWEP) Work Group meeting.
- Mr. Defoe and Mr. Revell attended a City of Richland Shoreline Management workshop. Mr. Revell said the Amon Wasteway was not listed as being under their jurisdiction at this time.
- Mr. Revell and Mike Livingston, Washington Department of Fish & Wildlife Regional Director, would be making a presentation on the Integrated Plan to the Richland Rod and Gun Club tonight. Mr. Livingston would also be issuing the memorandum of understanding for permitting issues.
- Mr. Defoe attended training on the food safety modernization act and would write a report including implications for irrigation districts and water quality.
- Carron Helberg would give a status report on the Red Mountain inclusion tomorrow.
- Mr. McShane and Mr. Revell met with City of Richland staff on the Beer Falls area development. Mr. Revell said it was possible they would request to narrow the Amon Wasteway right of way.

District Manager: Mr. Freeman reported:

- Director Hermanson and Vice President McGuire would attend the WSWRA (Washington State Water Resources Association) meeting tomorrow.
- The Policy 9.5 lists of Red Mountain allocations were discussed in committee yesterday. People on the lists would be mailed a notification of the date at which the Board would discuss the list and invited to attend.
- Staff was working with the Department of Ecology on the second \$5 million for Red Mountain South LID project and Derek Sandison was seeing no issues with it.
- The Water On Schedule would be posted on the website and advertized in the papers.
- The Water On training meeting would be held March 28th.
- Vice President McGuire and President Huffman would attend a settlement conference on Rupert matter with Mr. Freeman and Mr. Iller on March 28th.
- Director McKenzie suggested staff bring Water On handouts to the March 23rd community event at the Kennewick Home Depot, which was being put on by volunteers from the KID club.
- Mr. Revell said he had requested the Tri-City Herald to correct the incorrect information in the article on KID irrigation start up dates.

WORKSHOP: None

EXECUTIVE SESSION: At 10:29 a.m., on behalf of the presiding officer, Mr. Iller announced that, following a five minute break, the Board would go into executive session for an estimated 45 minutes to discuss with legal counsel pending litigation regarding Acquavella and other water

rights pursuant to RCW 42.30.110(1)(i). He said the discussion would include Darryll Olsen of Pacific Northwest Project who had long been a consultant to KID.

At 11:21 a.m., the meeting returned to open session. Mr. Iller reported that executive session would be extended for 25 minutes or until about 11:45 a.m.

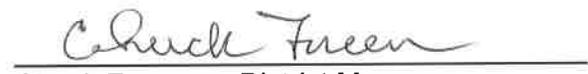
At 11:49 a.m., executive session ended and the meeting returned to open session.

Director Rathbun moved to adjourn the meeting at 11:49 a.m. and Vice President McGuire seconded the motion. It carried unanimously.

Attest:

Witness:


Gene Huffman, Board President
Approved April 16, 2013


Chuck Freeman, District Manager

Prepared by Doris Rakowski