



## Minutes

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

President Huffman called the meeting to order at 9:00 a.m. and Mr. Freeman called roll. President Huffman noted that Director Rathbun would be about five minutes late.

**Directors Present:**

Gene Huffman, President  
 Patrick McGuire, Vice President  
 Penny Hermanson, Director  
 David McKenzie, Director  
 Kirk Rathbun, Director, joined the meeting in progress.

**Staff Present:**

Chuck Freeman, District Manager  
 Colleen Storms, District Treasurer  
 Seth Defoe, Planning Manager  
 Jason McShane, Engineering/Operations Manager  
 Lynda Rosenbaum, Administrative Assistant  
 Dana Hernandez, Customer Accounts Supervisor  
 Doris Rakowski, Executive Assistant

**Other Persons Present:**

Urban Eberhart, Kittitas Reclamation District Director representing the Yakima Basin Joint Board  
 Brian Iller, Legal Counsel

**APPROVAL OF AGENDA:** An action item was added to call special meetings.

**Director McKenzie moved to approve the revised agenda. Vice President McGuire seconded the motion. All present voted in favor. The motion carried.**

**CONSENT AGENDA: Vice President McGuire moved to approve the consent agenda. Director McKenzie seconded the motion. All present voted in favor. The motion carried.**

Items included on the consent agenda were:

1. Minutes, KID Board Meeting, November 5, 2013
2. Vouchers/Warrant Approval

**Accounts Payable**

Numbers:	67164 through	67184	\$	16,221.78
	67185 through	67200		64,249.77
	67201 through	67212		422,222.17

**Total Accounts Payable** 502,693.72

**Payroll**

Numbers:	32637 through	32637	\$	8,886.24
	32638 through	32644		7,343.10
Direct Deposit		11/14/2013		67,597.22

**Total Payroll** 83,826.56

**Total Disbursements** \$ 586,520.28

**Voided Checks: Ck# 67158; lost in mail**

**PUBLIC COMENTS:** None

Director Rathbun joined the meeting at 9:03 a.m.

**PRESENTATIONS:**

**Yakima Basin Integrated Plan Update - Urban Eberhart, Kittitas Reclamation District Board Member, Representing the Yakima Basin Joint Board:** Mr. Eberhart spoke about his professional history and involvement with the Yakima River Basin Water Enhancement Project (YRBWEP) since about 1979. Mr. Eberhart gave a brief overview of the Yakima Basin and Yakima Basin water management by the USBR over the years. He discussed droughts and declining water supply, and described how the Integrated Plan grew from the YRBWEP.

Mr. Eberhart highlighted elements of the Integrated Plan including fish passage at the reservoirs, structural and operational changes, surface and groundwater storage, conservation, and habitat enhancement and protection. Integrated Plan projects mentioned included the Teanaway land purchase, accessing Lake Kachess inactive storage, the Keechelus to Kachess connection, raising the level of Lake Cle Elum, Wymer Reservoir and Bumping Lake expansion.

Mr. Eberhart reported that the Washington State legislature included \$132 million in the capital budget for the plan and passed a policy bill saying the state would pay up to 50% of the project costs. He briefly discussed bi-partisan support from elected representatives.

Mr. Eberhart briefly discussed anticipated costs of various elements of the project.

President Huffman discussed water issues in other regions and said it was important to stay ahead of the game in dealing with future water needs.

In response to a question from Director Rathbun, Mr. Eberhart said the USBR was taking the lead on construction projects.

Director Hermanson discussed low water levels at Shasta Lake and asked if Mr. Eberhart expected similar results here. Mr. Eberhart said he expected the Keechelus to Kachess connection would prevent that happening to Lake Kachess. He said the Wymer Reservoir would be operated as a big re-reg reservoir.

Mr. Iller said University Washington research on the impact of climate change in the Cascades predicted rain instead of snow in the future, making storage critical.

In response to a questions from Mr. Freeman, Mr. Eberhart said there was not enough information to provide project costs yet, but he expected it would be available by 2015, allowing irrigation districts to determine how much to participate. Mr. Eberhart confirmed to Mr. Freeman that 70% of water in a drought year was not guaranteed until everything was done. He discussed which districts were most likely to be asked if they wanted to participate and said some irrigation districts had enough early water rights that they may not want to participate. Mr. Eberhart said whether power would be subordinated at Chandler was still to be decided between the USBR and BPA Roza.

Vice President McGuire noted that most of KID's water was from return flows and asked what was being done to insure KID's water supply as other districts became more efficient and return flows were reduced. Mr. Eberhart said KID would get water from the storage projects at Wymer, Bumping Lake and Cle Elum.

Director McGuire said measurements were taken at Parker, but KID had a controlling measure downstream at Prosser. He said he was concerned that if specific targets were to be met at

Parker if would potentially affect KID. Mr. Eberhart confirmed that as Wapato conserved, there would be less water coming down the Yakima River.

Mr. Eberhart said KID's participation was important to the overall success of the plan, from the irrigator's point of view.

Mr. Eberhart clarified to Vice President McGuire that 70% supply for pro-ratable water right holders was not a guarantee, just a goal upon project completion.

Mr. Freeman said that potential Columbia River water rights might be a more economical choice for KID. He said if KID bought into the plan and power was still subordinated at Chandler, it might not be the best choice for KID. Mr. Eberhart asked that KID keep options open and consider information and costs as they became known.

**PUBLIC HEARING:** None

**BOARD REPORTS:** None

**ACTION ITEMS:**

**Call Special Meetings - November 23 and November 25, 2013:** Mr. Freeman said staff recommended calling two special meetings.

On Saturday, November 23, 2013, an auction of KID surplus real property on Red Mountain would be held at the Musser Bros. auction facilities beginning at 2:00 p.m. Mr. Freeman briefly reviewed the expected agenda.

On Monday, November 25, 2013 at 9:00 a.m. a second special meeting would be scheduled to finalize any remaining business stemming from the auction if needed.

**Director Rathbun moved to call a special meeting of the Board of Directors to begin at 2:00 p.m. at the Musser Brothers Auction Center at 3035 Rickenbacker Drive in Pasco on Saturday, November 23, 2013 and to call a special meeting of the Board of Directors to begin at 9:00 a.m. in the KID board room on Monday, November 25, 2013. Director McKenzie seconded the motion and it carried unanimously.**

Mr. Freeman confirmed to Vice President McGuire that Resolution 2013-27 would address allowing all of the surplus Red Mountain parcels to be sold using the power parcel concept.

**Election 2013 - Appointment of Board of Election, Designation of Polling Place, and Notice of Election:** Mr. Freeman reported that the Bob Gudgel, Bette Gudgel, Karen Woofter and Joanne Bunnell had acted as poll workers in past elections, had confirmed to staff that they were available to serve for this election, and had been verified to be electors of the District.

**Director Hermanson moved to appoint Bob Gudgel as inspector, Bette Gudgel and Karen Woofter as judges, and Joanne Bunnell as clerk/alternate for the 2013 election. Director Rathbun seconded the motion and it carried unanimously.**

Mr. Freeman said staff recommended the District continue the practice of designating the KID administrative office as a polling place.

**Vice President McGuire moved to designate KID's Administrative Office as polling place for the 2013 Election. Director Rathbun seconded the motion and it carried unanimously.**

Mr. Freeman reviewed the requirements of RCW 87.03.085 for posting of the election notice. In response to a question from Vice President McGuire, a list of locations where the notices would be posted was provided.

**Director McKenzie moved to instruct the Secretary of the Board to cause notices of the time and place for the 2013 election to be posted in three public places and in the KID Administrative Office, on or before November 25, 2013. Director Hermanson seconded the motion and it carried unanimously.**

Mr. Freeman said that, while not required by RCW, staff recommended continuing the practice of publishing the Election Notice in the Tri-City Herald, issuing a press release and posting the notice on the District website.

**Director Rathbun moved to instruct the staff to issue a press release announcing the polling place and time, and to purchase space in the Tri-City Herald for the election notice to be published on December 1 and 8, 2013. Director Hermanson seconded the motion and it carried unanimously.**

Mr. Freeman noted for the Board's information that the second regular Board meeting in December was scheduled by the KID Bylaws on the Monday following the annual election to accommodate canvassing of the election in accordance with statute. He said that, as the election would be held on December 10<sup>th</sup>, absentee ballots must be received by Sunday, December 15<sup>th</sup>, and canvassed on Monday, December 16<sup>th</sup> for canvassing of the election.

At 10:05 a.m. the Board took a short break to allow copies of materials for the next agenda item to be made and distributed. Open session continued at 10:14 a.m.

**Department of Natural Resources (DNR) Easement Exchange Memorandum of Understanding (MOU):** Mr. Freeman referred a letter from Commissioner of Public Lands, Peter Goldmark. He said an MOU was proposed to describe an intended exchange of easements between the DNR and the KID. He said if the MOU were approved, the terms would be in the future easements, and that the auctioneer would be instructed to notify prospective buyers of the MOU and the exchange being pursued.

In response to a question from Director Hermanson, Mr. Freeman said the MOU was drafted such that if either party did not get what they requested, none of it would happen. He said the easements would come back to the Board for approval.

Discussion ensued regarding the locations of existing and proposed easements. Mr. Freeman confirmed to Director Rathbun that KID would pursue the easements after the auction. Mr. Freeman said no parcels could be landlocked and Mr. Defoe showed the locations of several access easements on the map.

**Vice President McGuire moved to approve action granting the Easement Exchange between KID and DNR as stated in the MOU presented. Director Rathbun seconded the motion and it carried unanimously.**

#### **RESOLUTIONS:**

**Resolution 2013-27, Confirming Parcels Created by Record Survey Previously Surplused at Red Mountain:** Ms. Rosenbaum reported that parent parcels, KID #4011 and KID #4017B, were declared surplus, then surveyed and broken into smaller parcels. She said the survey

attached to the resolution defined the new parcels. She said the resolution language confirmed that these parcels could be included in the power parcel process in the auction.

**Director Hermanson moved to approve Resolution 2017-27 confirming the legal descriptions of individual KID properties, as described on Attachment A of said resolution and formerly surplus as KID #4011 & KID #4017B parent parcels and confirm those properties as eligible to be included in the power parcel process at the auction. President Huffman said the correct Resolution number was 2013-27. Director Rathbun seconded the motion as amended and it carried unanimously.**

**Resolution 2013-28, Approval of Interlocal Agreement with Washington Department of Enterprise Services:** Ms. Storms presented the proposed resolution to continue the purchasing relationship with the State of Washington. She briefly discussed changes to the state program and said the arrangement would give the District access to good deals for certain purchases. She said the renewal would be for one year.

**Director Rathbun moved to approve Resolution 2013-28 Approval of Interlocal Agreement with Washington Department of Enterprise Services. Director Hermanson seconded the motion and it carried unanimously.**

#### **STAFF REPORTS:**

**Finance Manager:** Ms. Storms reported:

- October Financial reports would be provided at the next board meeting.
- Slightly less in cash receipts were taken in October 2013 than in 2012. She discussed payment methods being used by ratepayers, including the lock box service and web payment services.
- 80 of the 240 accounts which were three years delinquent were left on the foreclosure list. Those which were not paid by December 5<sup>th</sup> would be sent letters from KID's attorney. That approach resulted in all properties being removed from last year's foreclosure list. Ms. Storms said Deanette Warn was astute at finding the parties interested in making sure accounts were paid before foreclosure, helping reduce the number to 80 accounts.
- The auditor was still at KID. The emphasis this year was on procurement and billing third parties when appropriate. She said audits were valuable to helping KID improve.

**Engineering/Operations Manager:** Mr. McShane reported:

- Terry Clark did an excellent job in the KNDU interview last week.
- The Red Mountain South LID intake project was on schedule, pipeline projects were underway, and the two reservoirs were in final design review.
- Badger East Canal lining was on schedule to begin the first week of December. Division IV Canal lining work had begun and homeowners were supportive of the project.
- The new Assistant Operations/Maintenance Manager starts next Monday.
- The election roll was completed.

Mr. McShane agreed to take Directors to see the new lining procedure. Vice President McGuire suggested making another lining video.

**Planning Manager:** Mr. Defoe reported:

- Mr. Iller and Mr. Defoe attended annual fall biologist meeting hosted by David Child, the Yakima Basin Joint Board's biologist.
- Board and staff members attended the National Water Resource Association annual conference last week.

- Mike Frey was joining KID as the new GIS/Environmental Compliance Specialist.
- The work on the 20 acre parcels and other items at Red Mountain was done. Mr. Defoe thanked Ms. Rosenbaum for her work on this during Judy Smith's absence.
- No comments had been received yet on the South Olympia pipeline project SEPA review.
- Staff contacted city and county representative about the comment period for the draft USBR Directives and Standards for non-agricultural discharges to the canal systems.
- David Child was working in the Amon Wasteway this week and would report results to KID.

In response to a question from President Huffman, Mr. Defoe said staff drafted a comment letter to the Washington Department of Fish and Wildlife correcting labeling of the Amon Wasteway in the hydraulic code proposed revisions. The comment period was extended through December.

**District Manager:** Mr. Freeman reported:

- RSVPs were due for the December 7<sup>th</sup> 6:00 p.m. Awards Blanket. Donations were being accepted for the family adopted by the K-Club through the Salvation Army.
- Next year the K-Club would host a KID event at a hardware store and KID would host two more, rather than participating in the more expensive Home Show.
- Judy Smith planned to attend the auction on Saturday. KID managers and legal counsel would attend the reception on Friday to provide information as needed to potential bidders.
- Policies to be considered after the auction included funding the LID gap, which could produce a new revenue stream for the District.
- Tom Myrum's efforts to make the NWRRA annual meeting productive were appreciated.
- The WSWRA annual meeting would be in Spokane in early December.

Discussion ensued regarding format, agenda and arrival times for the auction special meeting and the Monday morning follow up special meeting.

Discussion ensued lining and road building work on Badger East Canal and differing homeowner responses to that and the Division IV projects. Mr. McShane confirmed to Vice President McGuire that crews were actively cleaning culverts, and a work management program was being created to track those activities.

**WORKSHOP:** None

**EXECUTIVE SESSION:** At 10:58 a.m., on behalf of the presiding officer, Mr. Iller announced that following a short break the Board would go into executive session for an estimated 15 minutes to consider the minimum price at which real estate will be offered for sale pursuant to RCW 42.30.110(c) and to review the performance of a public employee pursuant to RCW 42.30.110(1)(g). Mr. Iller said action was possible after the executive session.

At 11:32 a.m., the Board returned to open session.

**Vice President McGuire moved to adjourn the meeting at 11:32 a.m. Director Rathbun seconded the motion and it carried unanimously.**

Attest:

Witness:

  
Gene Huffman, Board President  
Approved December 16, 2013

  
Chuck Freeman, District Manager

Prepared by Doris Rakowski