



Minutes

Meeting of the KID Board of Directors
 Carl W. Petersen Board Room
 Tuesday, July 15, 2014, 9:00 a.m.

President Rathbun called the meeting to order at 9:01 a.m. and Mr. Freeman called roll.

Directors Present:

Kirk Rathbun, President
 Gene Huffman, Vice President
 Patrick McGuire, Director
 David McKenzie, Director
 Dean Dennis, Director

Staff Present:

Chuck Freeman, District Manager
 Colleen Storms, District Treasurer
 Seth Defoe, Planning Manager
 Jason McShane, Engineering/Operations Manager
 Judy Smith, Real Property Manager
 Lynda Rosenbaum, Administrative Assistant
 Doris Rakowski, Executive Assistant

Other Persons Present:

Brian Iller, Legal Counsel

APPROVAL OF AGENDA: Mr. Freeman asked that a letter of support for House Bill 5078 regarding the "Waters of the United States Regulatory Overreach Protection Act of 2014" be added to the agenda. **Director McKenzie moved to approve agenda as amended. Vice President Huffman seconded the motion. All present voted in favor. The motion carried.**

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

Items on the consent agenda were:

1. Minutes, KID Board Meeting, June 17, 2014
2. Minutes, KID Board Meeting, July 1, 2014
3. Comment Letter regarding the Forest Service Proposed Groundwater Directive
4. Abandonment of Highland Feeder 0.9 Lateral Right of Way
5. Confirm Job Description Updates
6. Vouchers/Warrant Approval

Accounts Payable

Numbers:	68544 through	68562	\$	106,067.37
	68563 through	68618		133,868.00

Total Accounts Payable

239,935.37

Payroll

Numbers:	32804 through	32812	\$	8,456.11
----------	---------------	-------	----	----------

Direct Deposit	6/26/2014	78,003.98	
----------------	-----------	-----------	--

Total Payroll

86,460.09

Total Disbursements

\$ 326,395.46

Voided Checks: None

Public Comments: None

Presentations: None

Public Hearing: None

Board Reports: None

Director Dennis joined the meeting in progress.

Action Items:

Professional Service Contract for Preliminary Geotechnical Engineering Study: Mr. McShane discussed the proposed project and contract for the preliminary geotechnical engineering study for the Amon re-regulation reservoir.

In response to a question from Vice President Huffman, Mr. McShane discussed basic design of the reservoir, including underlayment for the lining and embankment that would follow the Washington State Department of Dam Safety. He said the engineering firm responsible for design would also be responsible for following those guidelines to prevent embankment failure in the event of lining failure.

In response to a question from President Rathbun, Mr. McShane went over the steps that would follow the study if the study showed the site was suitable for the reservoir. He described the site.

At the request of Mr. Freeman, Mr. McShane said Shannon & Wilson, Inc. was selected from the professional services roster. He briefly reviewed the selection process.

At the request of Director McGuire, Mr. McShane described the potential benefits to the District of a re-regulation reservoir. He spoke about managing the flow of water in the canals, including challenges of serving residential customers, who required most water to be available at peak usage times. He confirmed to Director McGuire that technology for the reservoir was included in the project budget.

Director McGuire expressed concerned about obtaining a fair price for purchase of the property if the study showed the site to be suitable. Mr. McShane said it would be difficult to determine the amount of land needed before the survey. Mr. Iller said that if all else failed the property could be condemned and the courts could determine the fair market value of the property. Mr. McShane discussed alternate sites.

Mr. McShane identified to Director McKenzie which of the six test areas was preferred for the reservoir. He spoke about size of the reservoir and economies of scale.

In response to a question from Vice President Huffman, Mr. McShane recommended fencing the reservoir. He said the reservoir might have water in it over the winter.

President Rathbun, Mr. McShane said the reservoir would be sized with consideration to accommodating both residential peak demand and the changing needs of agricultural customers over growing cycles, but noted that there were volume limitations. He spoke further about storage and automation.

Director McGuire, Mr. McShane spoke about how the reservoir might work with possible additional water from other intake locations, and said he believed this was a good investment for the District.

President Rathbun Mr. McShane spoke about canal management and said both downstream and upstream flow would be affected.

President Rathbun Mr. McShane discussed whether two smaller reservoirs could be built. Mr. McShane spoke about economies of scale and cost effective management of reservoirs.

Vice President Huffman Mr. McShane discussed drought management and described benefits of the reservoir storage, but said it was not enough to carry the District through a drought. He said the purpose was for balancing the canal and deliveries during normal conditions. He concluded that it would not be possible for the District to build a large enough reservoir for drought years.

Directors Rathbun and Huffman expressed support for the plan.

Vice President Huffman move to approve Professional Service Contract 2014-03 with Shannon & Wilson, Inc. for the preliminary geotechnical engineering study of the Amon Re-Regulation Reservoir. Director Dennis seconded the motion and it carried unanimously.

Letter of Support for HR 5078, the “Waters of the United States Regulatory Overreach Protection Act of 2014”: Mr. Defoe reported that on Friday, Mark Limbaugh reported to the Yakima Basin Joint Board that a bi-partisan bill was introduced to the house. He said the bill was in response to the proposed definitions of the Waters of the United States under the Clean Water Act. Mr. Defoe said staff believed that previously exempt waters would be included in the jurisdiction of those agencies if the rules were adopted as written. He briefly reviewed the contents of the letter of support for the bill stating that the letter had been written by Mr. Limbaugh and had been edited to include information about KID.

Mr. Defoe confirmed to Director McKenzie that the other letter passed on the consent agenda addressed the proposed forest service rules regarding water on forest service land.

Director McGuire moved to approve the letter of support for HR 5078, the “Waters of the United States Regulatory Overreach Protection Act of 2014.” Vice President Huffman seconded the motion and it carried unanimously.

RESOLUTIONS:

Resolution 2014-14 Approve Sole Source – Mahaffey Surplus Rock: At the request of Mr. Freeman, President Rathbun tabled the item.

STAFF REPORTS:

Finance Manager: Ms. Storms said second quarter financial reports would be presented at the next Board meeting.

Engineering/Operations Manager: Mr. McShane reported:

- There was a delay in the supply of pumps for the Red Mountain South LID 810 reservoir and expected delivery was by mid-September. He said it was the contractor’s responsibility to not impact other contractors with this delay. In general, the project was on schedule.
- The recent weed treatment was very effective.
- Staff was preparing for off season work.

- The field was currently short-staffed, but crews were responding well to the demands.

Director McGuire reported that he had a positive interaction with a ditch rider and complimented him on his professionalism and timeliness. Vice President Huffman reported that Bryson was courteous and quick in responding to his call.

Mr. McShane described a call from a customer who reported good service following a project a couple years ago on the Badger East canal. Discussion ensued regarding canal filtration, including gravel packs and other options.

Director McKenzie asked for a status report from Mr. McShane stating that most repairs were complete from the canal break and the insurance company was addressing any property damage claims.

Planning Manager: Mr. Defoe reported:

- Electro-fishing was scheduled for the East Badger Drain Study, to gather data for the West Fork of Amon Wasteway study.
- KID volunteered to sit on a sub-group of the water usage sub-committee of the Integrated Plan. KID had one project proposed.
- A couple weeks ago, an accountant from the Washington Department of Fish and Wildlife called to say a deal would close in August using the million dollars (half from KID and half from the Department of Ecology) to mitigation conversion of shrub steppe at Red Mountain to agricultural land. A report on how the mitigation money was spent would be due to KID 90 days after the money was spent.

Mr. Defoe confirmed to Director McGuire that electro-fishing stunned fish, but they recovered and were released in the same location. He briefly discussed permitting for electro-fishing.

District Manager: Mr. Freeman reported:

- A new Instrumentation Technician was hired and would start soon.
- Executive Assistant interviews would be held Thursday.
- Accounting Technician applicants would be reviewed next week.
- An accounting software option would be demonstrated on Friday.

Workshop: None

EXECUTIVE SESSION: At 10:03 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 30 minutes to discuss with legal counsel potential litigation in the form of the legal risks of a proposed action and/or current practice, regarding water allocation transfers, pursuant to RCW 42.30.110(i)(iii).

Executive session began at 10:10 a.m.

At 10:40 a.m., executive session was extended for 15 minutes.

At 10:55 a.m., executive session was extended for 10 minutes.

At 11:05 a.m., executive session was extended for 15 minutes.

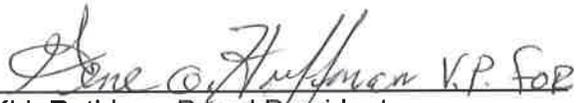
At 11:20 a.m., executive session was extended for 10 minutes.

The Board returned to open session at 11:30 a.m.

Vice President Huffman moved to adjourn the meeting at 11:30 a.m. Director Dennis seconded the motion. All present voted in favor and the motion carried.

Attest:

Witness:


Kirk Rathbun, Board President
Approved August 5, 2014


Chuck Freeman, District Manager

Prepared by Doris Rakowski