



Minutes

Meeting of the KID Board of Directors
 Carl W. Petersen Board Room
 Tuesday, August 5, 2014, 9:00 a.m.

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

Directors Present:

Kirk Rathbun, President, via telephone
 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
 Jaime Britton, Senior Accountant
 Doris Rakowski, Executive Assistant

Other Persons Present:

Brian Iller, Legal Counsel

APPROVAL OF AGENDA: Director Dennis moved to approve agenda. Director McKenzie seconded the motion and it carried unanimously.

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

Items on the consent agenda were:

1. Minutes, KID Board Meeting, July 15, 2014
2. Vouchers/Warrant Approval

Accounts Payable

Numbers:	68619 through	68634	\$	48,909.70
	68635 through	68691		36,224.87
	68692 through	68692		169,561.70
	68693 through	68726		<u>687,770.40</u>

Total Accounts Payable

942,466.67

Payroll

Numbers:	32813 through	32821	\$	10,786.72
	32822 through	32831		10,429.71
	32832 through	32832		187.72

Direct Deposit	7/10/2014	83,486.07
Direct Deposit	7/24/2014	<u>79,028.11</u>

Total Payroll

183,918.33

Total Disbursements

\$ 1,126,385.00

Voided Checks: None

PUBLIC COMMENTS:

Evan Meacham, reported a concern that there was no tracking number for non-emergency service tickets submitted online. He said no one had a record of his ticket when he called to follow up and he was not called back until he asked to be on the Board agenda. Mr. Meacham added that he had dealt with several field and office employees and they had been helpful.

PRESENTATIONS:

Financial Report for June 2014: Ms. Storms displayed the midyear financial reports and reviewed highlights. Pages reviewed included:

- Balance Sheet as of June 30, 2014 - Final
- Statement of Revenue & Expenditures – Budget to Actual - Summary
- Statement of Revenue & Expenditures – Budget to Actual - Comparative
- Grant and Matching Funds Schedule
- Red Mountain Revenue to Expenses – LID Formation through June 2014. In response to a question from Director McGuire, Ms. Storms said use of a bond reserve fund would be legally defined in the LID documents, but the Board could opt to adopt a policy additionally.
- Fund Balance Change through June 30, 2014

In response to a question from Director McGuire, Ms. Storms said helping hands money was in the irrigation fund and was tracked “off the books.” She discussed potential growth of the program and its purpose. At the request of Mr. Freeman, Ms. Storms explained that “off the books” meant it was tracked on a spreadsheet and was not at the level of a separate fund on the general ledger, though it was not off the cash grid of the District.

Director McGuire moved to accept the financial report as presented. Director McKenzie seconded the motion and it carried unanimously.

PUBLIC HEARING: None

BOARD REPORTS: None

RESOLUTIONS:

Resolution 2014-16 Confirmation of Proclamation of Emergency and Authorization to Waive Competitive Bidding Process – July 28, 2014 PSA 178 Source Well Pump: Mr. Freeman said he was in communication with Ms. Storms during his absence when she took action on his behalf to declare an emergency because the PSA 178 source well pump broke during a time with temperatures over 100 degrees. He asked the Board to confirm the Emergency Proclamation and waive competitive bidding rules, as any delay may have resulted in further damage.

Director Dennis moved to approve Resolution 2014-16, Confirmation of Proclamation of Emergency and Authorization to Waive Competitive Bidding Process. Director McKenzie seconded the motion and it carried unanimously.

Resolution 2014-17 Sage Crest Voluntary Mitigation Agreement: Mr. McShane described the location of the Sage Crest project. He reported that installation of pond and pump facilities remained to be completed by the developer as part of KID standards for plat approval, and that the developer previously built a long-term temporary pump station at Southridge on Ridgeline Drive.

The proposed voluntary mitigation agreement with lien provisions would allow the developer to contribute funds, equal to mutually agreed costs of constructing a pond/pump pump station, towards a planned regional system in lieu of that construction. Mr. McShane said a contribution of \$1,033.41 would be paid to KID for the Southridge Project as each lot was sold until the \$70,272.16 total was paid. He noted that this was similar to the voluntary mitigation agreement made for Southridge Terrace, but the amount was lower due to work the developer completed previously.

Mr. McShane said terms for approval of the Final Plat of Sage Crest Phase 3 depended on the decision on this voluntary mitigation agreement and that KID staff and the developer agreed this was the best choice.

Ms. Storms confirmed to Director McGuire that an internal fund had been established to track money for this purpose, probably by regional system.

Mr. McShane said changes to the indemnification language were specific to this project and had been reviewed by counsel. Also, since the developer did not hold this property without first lien, collateral would be an alternate property valued at \$664,000 by the County.

Mr. McShane noted that a clerical error in the resolution would be corrected before signing.

Director McKenzie moved to approve Resolution 2014-17, Approving Sage Crest Voluntary Mitigation Agreement with Lien Provisions. President Rathbun seconded the motion and it carried unanimously.

ACTION ITEMS:

Final Plat of Sage Crest Phase 3: Mr. McShane said staff recommended a conditional approval of the final plat, conditioned on completion of two minor punch list items or bonding for completion of those items through a facilities installation agreement.

Vice President noted a clerical error on the budget impact section of the memo.

Director Dennis moved to conditionally approve the Final Plat of Sage Crest Phase 3, conditioned upon the installation of completed irrigation distribution facilities or entering into an installation agreement. Director McKenzie seconded the motion and it carried unanimously.

STAFF REPORTS:

Finance Manager: Ms. Storms reported that the Accounting Technician position had been awarded to KID Customer Service Specialist, Perla Gleed, and said a Customer Service Specialist opening would be posted.

Engineering/Operations Manager: Mr. McShane reported:

- At the Red Mountain South LID project, power issues at the intake structure were resolved. A pump damaged before installation would be replaced under the manufacturer warranty, and temporary pumps were allowing leak testing of the 1070 reservoir. 810 reservoir pumps were expected late August or early September. The contractor would be held responsible for that delay. SCADA communications remained to be finished.
- The new Instrumentation Technician started Monday and the Executive Assistant for Engineering and Operations would start Thursday. The shop Administrative Assistant position would be filled shortly.

- Dale Cram announced his retirement after about 30 years with the District, so the Operations Lead-Canal & Vegetation Control position would be posted.
- Up to five employees, or about 20% of the Operations team, have been out due to medical or other issues, but staff was working to keep things running and complete capital work.

Discussion ensued about the damaged 1070 reservoir pump.

Planning Manager: Mr. Defoe reported:

- A report on the use of the shrub steppe mitigation funds was expected soon from Washington Department of Fish and Wildlife Regional Director Mike Livingston.
- Mike Frey coordinated with staff on needs for True GIS integration into the TruePoint system. The project would be taken to TruePoint to be built.
- The Water Use Subcommittee for the Integrated Plan would meet Monday.
- The National Water Resources Association Western Water Seminar was held last week. Individual districts were encouraged to comment on proposed Forest Service, Environmental Protection Agency, and Endangered Species Act rules.

District Manager: See project tracking.

Workshop:

Project Tracking: Mr. Freeman briefly updated progress on projects including:

Red Mountain

- Inclusion (annex)
- Construction
- System Testing
- LID Confirmation Hearing

Water Right Management

- Recalibration
- Measurement Plan
- Edison Point of Diversion Change
- Columbia River
- New Directives and Standards regarding non-project storm water
- Yakima Basin Integrated Plan
- Lamprey

Strategic Planning and Special Projects

- Comprehensive Plan
- Chandler Electrification
- Private Line Area Task Force/Planning Committee
- Endangered Species Act Risk Assessment
- South Ridge Master Plan
- All Drains and Wasteways Plan
- Phase 2 Amon Aquatic Habitat Study

Finance

- Replacement of remaining components of Springbrook
- Revision of FMLA policy to meet current standards
- Banking Request for Proposals
- Information Technology Master Plan
- Capital Improvement Plan

- Establish Red Mountain Conservation Fund
- Red Mountain Gap Financing Proceeds
- Red Mountain Assessment Methodology Policy

Engineering/Operations

- Re-regulation Reservoir
- Cherry Creek Reservoir
- Winter Work Plan
- Clodfelter Master Plan

Realty

- City View Properties

Administrative

- Elliott Lake Potable Water System
- Shore Lines
- Integrated Plan vs. Columbia River vs. Chandler Electrification
- Community Outreach
- Hydraulic Code Legislative Changes
- Clean Water Act Definitions
- Forest Service Groundwater Directive
- Endangered Species Act Critical Areas

Also, Mr. Freeman reported that the Union contracts were due for negotiation.

Discussion ensued regarding the possibility of KID temporarily collecting local share of sales tax on properties sold by the District. Mr. Iller said he would research the question and report to Board.

EXECUTIVE SESSION: At 10:04 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 20 minutes to discuss with legal counsel pending litigation pursuant to RCW 42.30.110(1)(i) regarding Rocha, Rupert and Acquavella and to discuss with legal counsel potential litigation in the form of the legal risk of a proposed action or current practice pursuant to RCW 42.30.110(1)(i)(iii) regarding KID water rights and potential impact to other development plans in the Basin.

The Board returned to open session at 10:36 a.m.

Director Dennis moved to adjourn the meeting at 10:36 a.m. and Director Rathbun seconded the motion, which carried unanimously.

Attest:

Witness:



 Kirk Rathbun, Board President
 Approved August 19, 2014



 Chuck Freeman, District Manager

Prepared by Doris Rakowski