



**Minutes**

Meeting of the KID Board of Directors  
 Carl W. Petersen Board Room  
 Tuesday, August 19, 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  
 Allan Bolt, Maintenance  
 Ben Woodard, Staff Engineer  
 Doris Rakowski, Executive Assistant

**Other Persons Present:**

Brian Iller, Legal Counsel  
 Annette Sommer, Consultant, Piper Jaffray & Co.  
 Stephen Di Julio, Consultant, Foster Pepper PLLC

**APPROVAL OF AGENDA: Vice President Huffman moved to approve the agenda. Director Dennis seconded the motion and it carried unanimously.**

**CONSENT AGENDA: Director McKenzie moved to approve the consent agenda. Vice President Huffman seconded the motion and it carried unanimously.**

Items on the consent agenda were:

1. Minutes, KID Board Meeting, August 5, 2014
2. Approve Short Plat 14-01 Powers
3. Approve Short Plat 2014-008 Owens
4. Approve Final Plat of Bridgewater Park Phase 3
5. Approve Boulder Ridge Final Plat Amendment
6. Vouchers/Warrant Approval

Numbers:	68727	through	68752	\$	52,147.79
	68753	through	68772		<u>119,278.87</u>

**Total Accounts Payable** 171,426.66

**Payroll**

Numbers:	32833	through	32843	\$	13,072.65
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Direct Deposit	8/7/2014	74,701.17
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**Total Payroll** 87,773.82

**Total Disbursements** \$ 259,200.48

**Voided Checks:** None

**PUBLIC COMMENTS:** Ken Uskoski, of 30010 S 959 PRSE, asked where they were in the process of getting a water allotment for five acres in Badger Canyon. Kristy Uskoski added that the water master said the area had not used the full allotment at this point last summer.

Mr. Freeman noted that the Water Allocation List was the third action item on the agenda.

**PRESENTATIONS:**

**Quality Circle:** Mr. Freeman introduced Allen Bolt who would present the Quality Circle's third project. Mr. McShane spoke about Mr. Bolt's experience in the District's Maintenance group.

Mr. Bolt spoke about the purpose of the Quality Circle and listed other Quality Circle projects.

Mr. Bolt listed issues addressed in this Quality Circle cycle, including cleaning concrete canal sections, backfilling, hauling dirt into backyards, trenching tight areas, snow removal, drilling holes, and mowing easements. He said the solution selected to address the issues was purchase of a Toro Dingo.

Mr. Bolt showed a video demonstrating a Toro Dingo and discussed benefits of the tool, including minimizing hard labor and potential injuries, increased productivity, and access to tight spots. He described the model and attachments which would be useful to the District.

Mr. Bolt discussed product life and compared yearly cost of ownership to rental costs. He noted that availability and limited attachment options were problems with rental units.

Mr. Bolt responded to questions regarding attachments. He noted that the Toro Dingo used hydraulic connections which could be disconnected quickly.

In response to questions from Director McKenzie, Mr. Bolt said the District rented this type of equipment four or five times a year, but said that number was low because availability was limited, and renting and transporting the rented units was time consuming.

In response to a question from Vice President Huffman, Mr. Bolt said he would have to check on warranty terms, but the diesel engine should last longer than other options. Mr. Bolt confirmed to Director McGuire that staff would investigate whether local Kubota dealer offered service and parts. Needs and options for transporting the Dingo and attachments were discussed.

Discussion continued regarding applications for various attachments. Mr. Bolt said the team selected the Toro Dingo over other similar products because it had more attachments options than the other products.

In response to a question from Director McGuire mowers owned by the District, Mr. Bolt described situations where mowing decks on larger pieces of equipment could not be used. He said employees currently used weed-eaters and two small brush mowers for those conditions. Mr. McShane noted that mowing ability of the Toro Dingo was a bonus, but the purchase was needed primarily for difficult repairs.

Discussion ensued regarding challenges of working in urban settings and the desirability of locating main lines in streets, not backyards. Mr. McShane noted that work in backyards was sometimes necessary to connect to existing systems.

Mr. McShane confirmed that the purchase could be made within the equipment budget because the District reduced the number of vehicles to be purchased in 2014 and 2015.

Discussion ensued regarding procurement and delivery. Mr. Bolt said the purchase would be through the state contract.

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

- Balance Sheet as of July 31, 2014 - Final
- Statement of Revenue & Expenditures – Budget to Actual - Comparative
- Red Mountain Revenue to Expenses – LID Formation through June 2014.
- Cash Investment Report by Investment Maturity Date as of July 2014

**Director McGuire moved to accept the financial report as presented. Vice President Huffman seconded the motion and it carried unanimously.**

**PUBLIC HEARING:** None

**BOARD REPORTS:** None

**ACTION ITEMS:**

**Water Allocation List pursuant to Procedure 3.3-2A Irrigation Water Allotment Allocation:**

Mr. Woodard distributed a spreadsheet and Mr. McShane briefly reviewed the contents. He highlighted areas where the master plan shows that pipe runs past properties where customers have requested allocation, but no connections have been made.

Mr. McShane reported that no allocations were available at this time. He said KID was limited to allocating water to 20,201 acres. He said KID was working steadily to make water available, and that when water became available, the Board would allocate per policy from the approved list, on a first in line basis, all other things being equal.

Mr. McShane anticipated no main plumbing infrastructure issues, but said some properties would need infrastructure constructed to bring water from the main plumbing to the property.

Mr. McShane confirmed to Director McKenzie that he expected the second phase of recalibration would be ready for Board action next month. Discussion ensued regarding process to get water on the ground after allocations were made.

In response to a question from President Rathbun, Mr. McShane said allocations made this year would be on the 2015 assessment role, and if infrastructure were in place, water could be used as of April, 2015.

Discussion ensued regarding the Uskoski property.

Mr. McShane asked the Board to approve the allocation request list.

**Vice President Huffman moved to accept the Irrigation Water Allotment Requests August 19, 2014 version. Director Dennis seconded the motion and it carried unanimously.**

**RESOLUTIONS:**

**Resolution 2014-15 Authorize waiving of competitive bidding requirements for purchasing surplus rock from contractor at excavation site:** Mr. Woodard described the availability of up to 5,000 or 6,000 tons crushed rock for purchase from a development site adjacent to a KID canal. He said that amount of rock could be use on four to five miles of canal roads in conjunction with the capital improvement plan to line canals. The negotiated price of

\$4.35 per ton was about \$3.15 lower than low end commercial pricing, offering a savings of \$19,000 to \$36,000 depending on market conditions.

In response to a question from Vice President Huffman, Mr. Woodard reported that the seller agreed to allow storage of the rock until the next water season, but said KID planned to use it almost immediately. Discussion ensued. Mr. McShane said the location was near the interstate interchange, and was convenient for Badger East Canal or Main Canal projects.

Mr. McShane reported to Director McGuire that at the time the Owen's Pit agreement with the County was signed, the County was not interested in selling rock from their other locations because the County needed the rock for their own projects. He said that it could be beneficial to the District to inquire again because the County rock was located well for KID's needs.

Mr. McShane confirmed to Director Dennis that the price for this rock was at or near the contractor's cost.

In response to a question from Director McGuire, Mr. McShane spoke about the District's experience in what works best for canal road design, given the local conditions, and how this and other rock was used.

Mr. McShane explained to Director McGuire that road building on both sides of the canal was included in the canal lining projects, and said rock would be purchased from general capital, then deducted to each project by truck ticket/load ticket. Mr. McShane said KID would pay upfront after confirming the survey of the rock piles. He said he was comfortable using standard survey calculations of rock for purchase, in lieu of weight.

Discussion ensued regarding ownership of the property where the rock was located, security of the material, and mineral rights. Mr. McShane stated that mineral rights were not needed when disposing of material, rather than mining, but that the seller owned the mineral rights.

In response to a question from Director McKenzie, Ms. Storms confirmed that this case was consistent with the auditor's requirements for sole source, and the resolution called out the citation of the authorizing statute. Mr. Iller agreed.

**Vice President Huffman moved to approve Resolution 2014-15 Authorization to waive competitive bidding and award a sole source contract to purchase surplus rock from Cegnar Company who has to remove from an excavation site; pursuant to RCW 87.03.435(3)(c). Director McKenzie seconded the motion and it carried unanimously.**

Discussion ensued regarding the completion status of rock on the road near a lining site. Mr. McShane said KID would not consider that job complete until a letter was received from the USBR in response to a question from some homeowners.

Mr. Freeman requested to cancel staff reports or move executive session ahead of the staff reports.

**Vice President Huffman moved to dispense with staff reports and move into executive session. Director Dennis seconded the motion and it carried unanimously.**

**EXECUTIVE SESSION:** At 10:10 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

one hour, from 10:15 a.m. to 11:15 a.m., to discuss with legal counsel litigation or legal risks of a proposed action or current practice relating to past and future assessments as authorized by RCW 42.30.110(1)(i)(iii).

The executive session was extended until noon at 11:05 a.m. At 11:15, when the original estimated time expired, Mr. McShane checked the lobby and found no member of the public waiting. The Board returned to open session at 12:02 p.m.

**Vice President Huffman moved to adjourn the meeting at 12:02 p.m. and Director Dennis seconded the motion, which carried unanimously.**

Attest:

Witness:

  
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Kirk Rathbun, Board President  
Approved September 16, 2014

  
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Chuck Freeman, District Manager

Prepared by Doris Rakowski