



Minutes

Meeting of the KID Board of Directors
 Carl W. Petersen Board Room
 Tuesday, October 21, 2014, 9:00 a.m.

President Rathbun called the meeting to order at 9:00 a.m. and Mr. Freeman called roll.

Directors Present:

Kirk Rathbun, President
 Patrick McGuire, Director
 David McKenzie, Director
 Dean Dennis, Director

Staff Present:

Chuck Freeman, District Manager
 Seth Defoe, Planning Manager
 Ben Woodard, Assistant Engineering Manager
 Doris Rakowski, Executive Assistant

Present via telephone:

Gene Huffman, Vice President

Other Persons Present:

Brian Iller, Legal Counsel

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

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

Items on the consent agenda were:

1. Travel Requests for the WSWRA Annual Conference and Membership Meeting
2. Vouchers/Warrant Approval

Accounts Payable

Numbers: 68981 through	69015	\$	353,327.85
69017 through	69017		<u>91,614.22</u>

Total Accounts Payable 444,942.07

Payroll

Numbers: 32881 through	32891	\$	12,364.31
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Direct Deposit	10/2/2014		79,070.14
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Total Payroll 91,434.45

Total Disbursements \$ 536,376.52

Voided Checks: Ck #69016, printer error

PUBLIC COMMENTS: None

PRESENTATIONS: None

PUBLIC HEARING: None

BOARD REPORTS: President Rathbun reported on the Washington State Water Resources Association (WSWRA) meeting held October 15th in Sunnyside. He said Mike Schwisow spoke about the Governor’s proposal for the water quality draft rule and Tom Myrum gave updates about National Pollutant Discharge Elimination System (NPDES) permits. Other issues

discussed at the meeting included the Waters of the U.S. rule, the Columbia River Treaty, the Water Quality Advisory Group, and the Food Safety Modernization Act (FSMA).

Director McGuire commented that the FSMA being responsibility of farms could take a huge financial burden from irrigation districts.

ACTION ITEMS:

Award Contract for HDPE Purchase KID Contract PC2014-09: Mr. Woodard distributed an updated memo and tabulation of the results of the sealed bids for high-density polyethylene (HDPE) lining material. He said the three year canal lining project was being funded from the WaterSMART Grant and the Capital Upgrade and Improvement Fund. He said the goal this year was to line about ten miles of canal.

Mr. Woodard said the apparent lowest qualified bidder was Agru America at just over \$0.35 per square foot. He confirmed that Agru America was the low bidder last year, as well.

Discussion ensued regarding the benefits of lining, including cost savings over piping, conservation, improved flow, and safety.

Director McGuire moved to approve the purchase of the required HDPE material and award contract PC2014-09 to Agru America, who is the apparent low bidder, in the amount \$931,314.26. Director McKenzie seconded the motion and it carried unanimously.

Authorize GPS Equipment Purchase: Mr. Woodard said staff's trial use of rented GPS units on a Cat grader and a bulldozer provided increased construction efficiency and reduced man-hours for surveying. He noted that the units which were proposed for purchase were from the State purchasing contract.

In response to questions from Mr. Freeman, Mr. Woodard said these GPS units could be used on other GPS ready machines as needed and could work together with previously purchased units as base and rover, or two rover units.

In response to questions from the Board, Mr. Woodard spoke about the service available from Portland, staff training on the equipment, and estimated equipment operational speed with and without the GPS units. He confirmed to Director McKenzie that staff was currently using rental GPS units in a rental cat and dozer, but was proposing to purchase equipment with which the purchased GPS units would be used.

Director McKenzie moved to approve the purchase of both GPS units for the heavy equipment referenced above in the total amount of \$135,045.50 plus tax. The funds for this purchase will come from the Capital Upgrade and Improvement Fund. Vice President Huffman seconded the motion and it carried unanimously.

Authorize 850K Dozer Purchase: Mr. Freeman and Mr. Woodard noted that this piece of equipment was available through the KID's interlocal agreement with the Houston-Galveston Area Council (HGAC) for cooperative purchasing, eliminating a further bidding requirement.

Mr. Woodard discussed features of the John Deere 850K Dozer and purposes for which it would be used. He said the cost of this purchase from Rowand Machinery would be offset by a reduction in projected rental costs for approved canal lining projects.

Mr. Freeman confirmed to Director McGuire that the District had an agreement with the HGAC and had verified that the program was compliant with Washington state purchasing guidelines.

In response to a question from Director McGuire, Mr. Woodard spoke about selection of this piece of equipment and evaluation of other equipment since last October. Mr. Freeman added that this was bid out to other local and regional providers. He said the file was prepared inspection should the auditor choose to request it.

Discussion ensued about use of the equipment for canal lining for at least the next ten years, as well as use for other purposes during the rest of the year.

Director Dennis moved to approve the purchase of the John Deere 850K Dozer in the amount of \$352,651.44 plus tax. The funds for this purchase will come from the Capital Upgrade and Improvement Fund. Director McGuire seconded the motion and it carried unanimously.

Earthwork Haul for WaterSMART Grant Contract: Mr. Woodard reported that, as part of the WaterSMART canal lining grant, KID staff needed to move excess excavated material further than could be moved with a bulldozer.

Mr. Woodard noted that, pursuant to KID Policy 2.13 General Purchasing, Board approval was needed for projects over \$100,000. He requested the Board increase the District Manager's spending authority for this project to \$150,000, to permit staff to enter into a contract with a timeline which would meet the current construction schedule.

In response to a question from President Rathbun, Mr. Woodard confirmed that topography and the amount of earthwork done this year were factors in the need for hauling services.

Mr. Freeman confirmed to Director McGuire that paperwork was in order for this project to comply with Washington State rules and KID policies. He added that the Federal single audit would apply and that the district would be in compliance. He spoke about Ms. Storms and his experienced with such audits and recent staff training on the topic.

Director McKenzie moved to authorize Charles Freeman, District Manager, to enter into a Small Works project contract with the lowest responsible bidder, which contract will not exceed \$150,000, for the hauling of earthen material in coordination with the canal lining project. Director Dennis seconded the motion and it carried unanimously.

RESOLUTIONS:

Resolution 2014-24, Accepting Changes to the CIAW Interlocal Agreement and By-laws: Mr. Freeman reported that the CIAW (Cities Insurance Association of Washington) changed the insurance renewal date to December 1 starting with the 2014-15 coverage term and a resolution by the KID Board was needed to accept the changes to the Interlocal Agreement and Bylaws.

He reported that the District received an endorsement extending insurance coverage to the new renewal date, totaling \$125,068.83.

Mr. Freeman said the District was not anticipating many changes when renewal documents were received, but if there were, the District would shop for bids. He noted that the District's claims history had improved and that the risk management team met monthly with Jeff Barrom, KID's broker from Argus Insurance.

Director Dennis moved to approve Resolution 2014-24 Accepting Changes to the CIAW Interlocal Agreement and By-laws. Director McGuire seconded the motion and it carried unanimously.

Resolution 2014-25, Authorization to Waive Competitive Bidding and Award a Sole Source Contract to Purchase Used 2013 Cat 140m2 Motor Grader; Pursuant to RCW 87.03.435(3)(c): Mr. Woodard discussed various purposes for which staff had used rented motor graders and future needs for that equipment. He said staff evaluated several options and determined the best value to KID would be a used 2013 CAT 140M2 Motor Grader. He noted that availability of a used piece of heavy equipment represented a special market condition in which purchase price was best established through direct negotiations.

Mr. Woodard briefly reviewed the sole source justification and analysis. He said the unique conditions included increased buy-back hours, which decreased the cost for the District.

Mr. Woodard said the purchase would be paid initially using monies from the Capital Upgrade and Improvement Fund. Hours on the machine would be logged based on the work performed and the cost prorated between the Equipment Replacement Reserve Fund (for maintenance activities) and the Capital Upgrade and Improvement Fund (for Capital projects).

Director McGuire moved to approve Resolution 2014-25, "Authorization to Waive Competitive Bidding and Award a Sole Source Contract to Purchase Used 2013 CAT 140M2 Motor Grader; pursuant to 87.03.435(3)(c)", with funds for this purchase to come from the Capital Upgrade and Improvement Fund. Director McKenzie seconded the motion and it carried unanimously.

STAFF REPORTS:

Finance Manager: On behalf of Ms. Storms, Mr. Freeman reported:

- The 2015 budget was ready and would be presented when Ms. Storms was here.
- Assessment roll would be presented at the next Board meeting.
- Assessment principles for the Red Mountain South LID would be discussed.
- A clean audit report was received.

Engineering/Operations Manager: On behalf of Mr. McShane, Mr. Woodard reported:

- Mr. McShane was attending TruePoint training.
- The canal lining project was continuing. Much was done with the exception of in canal work, which would begin soon. Lining supply was discussed.
- It was confirmed that a training program was in place to insure competent operation of the new equipment.

Planning Manager: Mr. Defoe reported:

- Comments on the revised Food Safety Modernization Act were due December 15th. Staff was considering whether the District could or should provide water quality data, though most requirements were on the farmers or producers. The District did not have that data, nor was it required at this time. Discussion ensued regarding the water testing and "know your water source" components of the proposed rules. The importance of providing information to the public was discussed.
- Staff was watching the proposed apartment complex on the west side of the East Badger Drain, because the District had a 40 foot drainage easement and the PSA 128 irrigation pond in the area.

- An Integrated Plan Workgroup meeting would be held tomorrow.
- Cle Elum Pool Raise Project Environmental Impact Statement was just released.

In response to a question from Director McGuire, Mr. Freeman said legal advice on the Red Mountain S. LID shrub steppe mitigation land purchase would be sought in executive session.

District Manager: Mr. Freeman reported:

- Applications were being sought for two positions on the Implementation Committee.
- Information Technology Security training was provided to all staff at the water off meeting and evaluations would be performed. Mr. Iller confirmed to Director McGuire that there was a Public Record Act exemption for this type of report. Discussion ensued.
- Mr. Freeman attended the Vista Airport meeting yesterday and suggested the Board consider appointing members to attend those meetings. He reported that the committee was advertizing for a public design charrette to receive public input. Mr. Freeman would forward the Port's economic study of the area. The KID would consider all offers for the District's property in the area.
- Mike Frey, GIS/Environmental Compliance Specialist, was chosen as Employee of the Quarter. He and several Finance and Engineering employees were at TruePoint training.
- Sid Morrison was expected to present the "antidote to the IP" at the Integrated Plan Workgroup meeting tomorrow.

WORKSHOP: None

EXECUTIVE SESSION: At 10:07 a.m., Mr. Iller announced on behalf of the presiding officer that, following a short break, the Board would go into executive session for an estimated ten minutes to discuss with legal counsel potential litigation in the form of legal risks of a proposed action or current practice pursuant to RCW 42.30.110(1)(i)(iii), as it relates to the Integrated Plan and the Washington Department of Fish and Wildlife. No action was expected following executive session.

The Board returned to open session at 10:26 a.m.

Director McKenzie moved to adjourn the meeting at 10:27 a.m. and Director Dennis seconded the motion, which carried unanimously.

Attest:

Witness:



Kirk Rathbun, Board President
Approved November 4, 2014



Chuck Freeman, District Manager

Prepared by Doris Rakowski