



## **PRESENTATIONS:**

**Exploration Resources International, LLC (XRI):** Mr. Freeman reported that XRI representatives presented emerging technology and application to water resources and irrigation management at the National Water Resources Association annual meeting. He introduced Jim Cannia P.G., Senior Geologist, and Jared D. Abraham, Senior Research Geophysicist.

Mr. Cannia spoke briefly about his background and said the part of XRI's work he would focus on for KID was water exploration and canal leakage. He said XRI had a combined science and technology approach using background research, hydrogeology and geophysics.

Mr. Cannia described use of airborne electromagnetic survey instruments (AEM) and ground contact geophysical tools for groundwater resources mapping or canal leakage investigations. He showed examples of resistivity profiles indicating leakage potential and aquifer thickness.

Mr. Abraham spoke about a geophysical survey which looked for alluvium thickness for best locations of wells. He discussed making geophysical data usable by engineers and showed examples of mapping using Google Earth in conjunction with survey results.

He summarized that XRI strived to provide professional assessment of appropriate methods, and tools, highly detailed subsurface characterizations, data in usable environment and rapid turnaround on projects.

Following the presentation Mr. Cannia and Mr. Abraham entertained questions.

In response to a question from Director McGuire, Mr. Abraham spoke about limitations on flying a helicopter in populated areas.

In response to a question from Director McGuire, Mr. Cannia spoke about methods of determining the difference between waters from differing sources, including consideration of background information and use of chemical analysis as backup (analysis of stable isotopes).

Discussion continued regarding scanning options in developed and populated areas. Mr. Abraham confirmed that concrete would not interfere with scanning unless there were lots of rebar, nor would HDPE or EPDM lining interfere with scanning.

Mr. Abraham confirmed to Director McGuire data collection to analyze leakage from siphons was best done while canals were full.

At the request of Mr. Freeman, Mr. Abraham spoke about costs of mobilization, fuel, time flying, inversion and interpretation, and said the approximate cost for a finished product was about \$9 to \$10 per acre or \$400 per linear kilometer. He noted that airborne technology was not for small areas because mobilization was a large proportion of the cost.

In response to a question from Mr. Defoe, Mr. Cannia this technology was appropriate for purposes such as determining if there were viable options for wells to reclaim seepage from applied irrigation or canals. Mr. Cannia spoke about methods used for that purpose including ground truthing and test wells. He said that determination of water sources would be based on that information.

Mr. Cannia and Mr. Abraham confirmed they would be making a presentation at the Washington State Water Resources Association meeting tomorrow at 3:30 p.m.

Director McGuire credited Mr. Defoe with recognizing potential uses for this technology.

**PUBLIC HEARING:**

**Board of Equalization:** Mr. Freeman said the 2015 Roll of Rates and Charges and Assessments was presented to the Board on November 4<sup>th</sup>, 2014 and had been available for inspection in his office. He confirmed that notice was given by publication in the Tri-City Herald legal notices on November 7 and 9, 2014 that the 2015 Roll of Rates and Charges and Assessments had been filed with the KID Board of Directors and that the Board of Directors, acting as a board of equalization, would meet on December 2<sup>nd</sup>, 2014 at 9:00 a.m. to equalize assessments. Mr. Freeman reported that no one had requested to examine the roll.

Mr. Freeman said any changes determined necessary for the 2015 Roll of Rates and Charges and Assessments would be noted for preparation of the Resolution Setting Assessments. He reported that, historically, the Resolution Setting 2015 Rates and Charges and Assessments was approved and signed at the first Board meeting in January. He noted that the board of equalization could be kept open from day to day to hear additional objections, if needed.

Mr. Freeman noted that the first roll and a revised roll were included in the binder, and said the differences were the addition of acres from the Red Mountain South LID project and to reflect the 2015 budget increase of 2.5%.

**Vice President Huffman moved to open the Board of Equalization. Director Dennis seconded the motion and it carried unanimously.**

President Rathbun called for comments from the public and there were none from the persons present. Mr. Freeman noted that a reporter and one other citizen were present. He said no letters, phone calls or requests to see roll had been received.

In response to a question from Director McKenzie, Mr. Freeman said the Board could postpone closing the board of equalization to accommodate potential late arrivals to the meeting. President Rathbun said the Board would wait until near the end of the meeting to close the board of equalization.

**BOARD REPORTS:** None

**ACTION ITEMS:**

**CIAW Insurance Renewal:** Mr. Freeman referred to the invoice for the District's liability insurance coverage. He noted that the coverage period changed to one year beginning December 1<sup>st</sup>. He said the District's claim history had been improving over the last five years, and said the annual premium of \$522,085.57 represented a 7.4% increase, but included an additional \$5 million coverage for the Red Mountain project. Mr. Freeman reported that senior staff met with the senior vice president of Canfield and the District's broker.

He briefly reviewed levels of coverage and deductibles. He confirmed that the schedule of pump stations had not been provided to the Board but was reviewed by staff.

In response to a question from President Rathbun, Mr. Freeman confirmed that claims deductibles were paid from a separate line item in budget. He said the budgeted amount was sufficient this year and no change was proposed for 2015. He spoke about the Risk Management Committee's regular reviews of claims and other risk reduction measures, including the lining program and employment contracts for non-represented employees.

Ms. Storms added that the broker confirmed that, not including coverage for the property added this year, the cost of coverage was down 5% from last year.

Mr. Freeman spoke about the District's new method of water season start up, which made sure staff was on site when lines were charged to address any break rapidly. He said the District was very risk averse and that guided business decision.

**Vice President Huffman moved to renew all insurance programs, Commercial General Liability; Public Officials Liability; Automobile Liability; Property Coverage: Equipment Breakdown; Crime Coverage and Risk Management Services with CIAW and authorize payment of CIAW invoice number P35415 in the amount of \$522,085.57. Director McKenzie seconded the motion and it carried unanimously.**

#### **RESOLUTIONS:**

**Resolution 2014-28, 2015 Budget:** Mr. Freeman reviewed highlights of his budget letter, which was distributed before the meeting. He spoke about revenue and expenditure assumptions, and noted that a chart of reserve funds was provided in the letter. He said separate public hearings would be needed for the potable water systems, which had not had a rate increase for several years.

Ms. Storms displayed budget spreadsheets and presented highlights from pages including:

- Summary of Budgeted Revenues/Expenditures for Fiscal Year 2105 (by fund).
- Reserve funds matrix from the budget letter. Director McGuire commented that purposes of the funds were well defined. Controls on expenditure of the monies were discussed.
- Summary of Fund 0400 Irrigation Expenditures by Department (irrigation general fund). Ms. Storms confirmed to President Rathbun that there was still retainage from the Red Mountain South LID (RMSLID) to be paid this or next year. She spoke about budgeting assumptions regarding the amount of RMSLID debt that might be carried. Director McKenzie requested that a review of the intent of the reserve funds be included in the next Board workshop.
- Salary Ranges and Positions-2015 (authorized salary schedule).
- FTEs by Department – Comparative 2007-2015 (distributed at the meeting).
- Salary/Benefit Comparison to Total Budgeted Expenditures (distributed at the meeting). Discussion ensued about this comparison of the District's salaries and benefits with other local agencies. Ms. Storms noted that a 2.5% increase would be needed for the sole purpose of keeping employees whole with increases in benefit costs and collective bargaining agreements.

Vice President Huffman thanked Ms. Storms for the transparency of the District's accounting and the budgeting process.

**Director McGuire moved to adopt Resolution 2014-28 adopting the 2015 Comprehensive Budget for the Kennewick Irrigation District. Vice President Huffman seconded the motion and it carried unanimously.**

**Resolution 2014-30, Approving the Sale of Real Property, KID #1414, Vista Business and Technology Park, Lot 14:** Ms. Rosenbaum reported that the sale of KID #1414, Vista Business and Technology Park, Lot 14 closed on November 24, 2014. She spoke briefly about the sale and requested that the Board memorialize the sale by approval of Resolution 2014-30.

**Vice President Huffman moved to approve Resolution 2014-30, Approving the sale of KID #1414, Vista Business & Technology Park Lot 14, to Don Pratt Construction, Inc., for a**

**total cash purchase price of \$282,705.00. Director McKenzie seconded the motion and it carried unanimously.**

**Resolution 2014-31, Approving Grand Meadows Voluntary Mitigation Agreement:** Mr. McShane displayed maps and described the Grand Meadows subdivision and KID's planned regional system. He showed where piping would be extended by this project for a further consolidation of systems. He reported that the contribution of \$15,334.61 would go into a fund for this area and further construction consolidation.

In response to a question from Director McGuire, Mr. McShane said the extension would bring pressurized water to a Kennewick Housing Authority project instead of the original plan to come off the Clearwater pipeline.

**Director McKenzie moved to approve Resolution 2014-31, Approving Grand Meadows Voluntary Mitigation Agreement. Vice President Huffman seconded the motion and it carried unanimously.**

President Rathbun called a break at 10:33 a.m.  
The meeting resumed in open session at 10:43 a.m.

#### **STAFF REPORTS:**

**Finance Manager:** Ms. Storms reported that reminder bills were going to the printer this week. She said some refund checks issued, primarily due to double payments from people unaware that their finance companies were making payments to KID. Ms. Storms added that an accounts aging report would be brought to the next meeting. Discussion ensued regarding the one property in foreclosure this year.

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

- Lining work was progressing and lining at the SR394 crossing with Division 4 canal was expected to start next week.
- Due to weather, not all planned weed control applications could be applied. In response to a question from Director McGuire, Mr. McShane spoke about the effectiveness of use of pre-emergent applications in canals and generally about the vegetation control program.
- Red Mountain South LID close out actions would be brought to the next few meetings.
- Staff was working to get ahead of schedule for next year's surveying work.
- Staff was working with Rubicon to confirm that the correct gates were being ordered. He spoke briefly about the importance of uniformity for the District's SCADA system.

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

- Only two applications were received in response to the call for applicants for the Implementation Committee, and none were from agricultural customers. The deadline was extended for a month. Discussion ensued regarding methods to publicize the opening, including targeted emailing.
- Staff met with Department of Ecology (Ecology) and U.S. Bureau of Reclamation (USBR) representatives yesterday regarding the District's concerns about the Integrated Plan (IP).
- Next week there would be a joint meeting of the different IP subcommittees and a Work Group meeting the following week.
- A cost-benefit analysis study was a requirement of the legislature's agreement to fund some of the IP projects, and a draft was released last week with a comment period through December 12<sup>th</sup>. Downstream impacts of water conservation were not considered or quantified, but upstream conservation could impact downstream users and have a significant economic impact. The District would ask them to look at that.

Mr. Defoe confirmed to Director McGuire that he was following the federal subcommittee for national water resources.

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

- Rates had increased on average only 1.2 % per year over the last five years.
- The awards luncheon was scheduled for next Tuesday.
- The family holiday event was scheduled for next Saturday.
- The K-Club blood drive was rescheduled for next Thursday.

- **Customer Service and Finance Water Off Schedule:**

Mr. Freeman asked if the Board would support Ms. Storms' request to put Finance and Customer Service on a 4-10s schedule through March. He said Engineering and Executive would continue to work Fridays. Ms. Storms suggested public office hours remain from 8:00 a.m. to 4:30 p.m. on Monday through Thursday. Discussion ensued. Board members offered tentative support of the management decision as long as there were a productivity benefit and no negative impact on the public.

- **Integrated Plan Meeting and concerns:**

Mr. Freeman reported that yesterday's meeting was requested by KID a year and a half ago, but was not granted until the USBR was notified that KID requested an appointment at the NWRA conference with Acting Commissioner Lowell Pimley and Pacific Northwest Regional Director Lorri Lee to talk about YRBWEP (Yakima River Basin Water Enhancement Project) III legislation.

Mr. Freeman referred to an illustration Mr. McShane drew on the white board and said that when Mr. McShane presented this graphic depiction of what the District believes is the problem with the IP, the modeler Chris Lynch conceded that he recognized the District's concerns. Mr. Freeman said the crux of the District's concerns was that they tried to separate target flow from return flow and the two were linked.

Mr. McShane said KID's major concern was drought protection of the District's water. He spoke about the prorationing and KID's actual water supply in the 2001 and 2005 droughts, and explained how setting target flows for drought conditions based on return flows during non-drought conditions is not realistic. He explained that during drought conditions, more efficient operations and less water on the ground reduced return flows in drought conditions, as do conservation projects upstream.

He said KID's water availability in a drought was directly related to the amount of water flowing at Prosser Dam and just upstream of Prosser Dam, as the District was allowed to take any water over the target flow of what used to be 300 cfs across Prosser Dam.

Mr. McShane spoke about how the USBR runs the river to meet federal YRBWEP II legislation target flows at Parker and Prosser Dam by releasing water from storage reservoirs and delivering water to different districts. Depending on the available water supply at several point during the year, the target flow varied between 600 cfs and 300 cfs.

The major concern for KID is that with conservation projects underway though YRBWEP II legislation and the Integrated Plan, as it is written now, for every 27,000 acre feet on conserved water, 50 cfs is added to the target flows. He said that the new target flow is about 417 cfs, but there is some discrepancy in about the correct number according to the USBR. The problem is that they are calculating the 27,000 acre feet in a water strong year, but a hypothetical

operational spill of 25 cfs in a water strong year is as near zero in a drought year as river operators and irrigators can make it.

Mr. McShane said that, while KID didn't have the benefit of return flows, which weren't there in the first place during droughts, there was still more water and total water available for irrigation purposes than what was proposed and what they say they are doing. In the last drought, there were days where less than 200 cfs was delivered to our main canal, but if target flows increase by 117 cfs, KID's water would now be reduced by a proportion of it. Return flows dwindling due to conservation efforts, while upstream diversions remain the same in drought years. Upstream irrigators are still able to draw the same prorated amount, but KID gets no benefit from any return flows because of improvements to make their systems tight enough for near zero return flow or spill, while increased target flows from the conserved water reduces further the available water from which KID can draw its diversion.

To summarize, Mr. McShane said they are decreasing our availability of water from return flows, increasing target flows, and then still giving water to those prorated districts ahead of us, and so it is a three-fold problem.

Mr. Iller restated the problem and identified Roza irrigation District and Kittitas Reclamation District as the upstream prorateable irrigators which divert water ahead of the KID. He offered to discuss legal risks in an executive session.

Mr. Freeman said that present at the meeting were Chuck Garner, Acting Yakima Field Office Manager, Wendy Christenson, Technical Projects Program Manager, and Chris Lynch, River Operations Engineer and IP modeler, from the USBR and Derek Sandison, Director of the Office of Columbia River of the Department of Ecology.

In response to a question from Vice President Huffman, Mr. Iller said the 300 cfs target flow at Prosser was established in YRBWEP II in 1990. Mr. Freeman added that it was 50 cfs in YRBWEP I, but we were now at YRBWEP III and legislation was being drafted now.

Mr. McShane said an additional concern was the idea that 27,000 acre feet equaled 50 cfs for 272 days, yet that block of water was being taken and used earlier in the year for fish flows. Mr. Iller said that the USBR confirmed yesterday that they interpret the statute that the 50 cfs target flow was a year-long increase and unless the tribe was using the water in a particular month for the fish, the target flow did not apply. Mr. McShane said that if this was accurate it was good.

Mr. McShane said there were more complexities than were indicated on his drawing. He indicated a change in Benton Irrigation District's diversion and said that in addition to the Parker and Prosser Dam target flows, Benton Irrigation District's water flows were being protected.

Mr. Freeman said the next step was to put the concerns in writing to the USBR and Ecology, then meet in January with legal counsel and counsel's expert consultants. Staff spoke about the importance of KID being involved in determining mitigation options.

Mr. Freeman said that one of the most important mitigation options would be issuing of the 82 cfs Columbia River water right. Mr. Iller said the permit was remanded to Ecology to consult with the tribes before issuing the permit and that legal aspects would need to be discussed in future executive sessions.

**WORKSHOP:** None

**PUBLIC HEARING:**

**Board of Equalization:** Mr. Iller observed that no members of the public were present.

There being no one present to address the board of equalizations, President Rathbun called for a motion to close the board of equalizations.

**Vice President Huffman moved to close the Board of Equalization. Director Dennis seconded the motion and it carried unanimously.**

**EXECUTIVE SESSION:** At 11:46 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, until approximately at 12:15 p.m., 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), and for planning or adopting the strategy or position to be taken by the governing body during the course of any collective bargaining, professional negotiations, or grievance or mediation proceedings, or reviewing the proposals made in the negotiations or proceedings while in progress, pursuant to RCW 42.30.140(4)(b). He said action may follow the executive session.

**OPEN SESSION:** At 12:16 p.m. the meeting returned to open session.

**EXECUTIVE SESSION:** At 12:16 a.m., on behalf of the presiding officer, Mr. Iller announced that the Board would go into executive session for an estimated 10 minutes to consider the minimum price at which real estate will be offered for sale or lease, pursuant to RCW 42.30.110(c). He said action may follow the executive session.

**OPEN SESSION:**

At 12:26 p.m. executive session was extended for five minutes.

At 12:31 p.m. executive session was extended for five minutes.

At 12:38 p.m. the meeting returned to open session.

**ACTION ITEMS:**

**Collective Bargaining Agreement:** Mr. Freeman presented the negotiated collective bargaining agreement with International Union of Operating Engineers Local 280 representing the Office Staff group. He highlighted changes from the previous agreement, which included:

- Introductory period increased from six months to one year
- Ability to skip disciplinary steps depending on severity of the violation of policy or law
- Updated reference to the employee handbook
- Work shifts solely at District discretion, but 6:00 a.m. start time allowed if it is in the best interest of District
- Working through lunch periods permitted, as an exception, not the rule, if the employee has permission to do so on the appropriate form
- Addition of an attendance requirement for the normal shift days before and after holidays, with documentation supporting absence, to receive holiday pay
- Allowed 280 hours of vacation carryover, increased from 240 hours
- Increase of 1% in 2015, 1% in 2016 and 2% in 2017 for the percentage of health insurance premium paid by the employee
- Deferred compensation increase to 3.5% from 2.5%
- \$100 clothing allowance increase for boots for Engineering employees who work in the field

Mr. Freeman said all other terms and conditions were unchanged and recommended approval. He confirmed to President Rathbun that term would begin January 1, 2015.

Mr. Freeman confirmed to Director McKenzie that the monetary impacts were in the new budget. Mr. Freeman spoke in favor of approval of the agreement.

**Director McKenzie moved to approve a new three year Collective Bargaining Agreement between the Kennewick Irrigation District and the International Union of Operating Engineers representing the District Office Staff, effective January 1, 2015. Vice President Huffman seconded the motion and it carried unanimously.**

**Director Dennis moved to adjourn the meeting at 12:44 p.m. and Director McGuire seconded the motion, which carried unanimously.**

Attest:

Witness:

  
Kirk Rathbun, Board President  
Approved December 15, 2014

  
Chuck Freeman, District Manager

Prepared by Doris Rakowski