



Minutes

Meeting of the KID Board of Directors
 Carl W. Petersen Board Room
 Tuesday, January 20, 2015, 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
 David McKenzie, Vice President
 Patrick McGuire, Director
 Gene Huffman, Director
 Dean Dennis, Director

Staff Present:

Chuck Freeman, District Manager
 Seth Defoe, Planning Manager
 Colleen Storms, District Treasurer
 Jason McShane, Engineering/Operations Manager
 Lynda Rosenbaum, Real Property Manager
 Dana Hernandez, Customer Account Supervisor
 Ben Woodard, Assistant Engineering Manager
 Doris Rakowski, Executive Assistant

Other Persons Present:

Brian Iller, Legal Counsel
 Rich Romm, HUB Int'l/Argus

APPROVAL OF AGENDA: At the request of Mr. Freeman, President Rathbun added approval of a contract to purchase herbicides to action items.

Director Huffman moved to approve the agenda as amended. Director Dennis seconded the motion. The motion carried unanimously.

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

Items included on the consent agenda were:

1. Final Plat Grand Meadows
2. Vouchers/Warrant Approval

Accounts Payable

Numbers:	69421 through	69479	\$	346,617.30
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Total Accounts Payable	346,617.30
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Payroll

Numbers:	32980 through	32988	\$	7,525.67
	32989 through	33005		3,125.65

Direct Deposit	1/8/2015			77,178.87
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Total Payroll	87,830.19
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Total Disbursements	\$ 434,447.49
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Voided Checks: Ck# 69405-69420, wrong check date; 69480-69620 – being used for 2014 AP Batches through 01/20/15

PUBLIC COMMENTS: None

PRESENTATION:

Review of Public Records Act, Open Public Meetings Act and Board Member Liability:

Rich Romm, from HUB International/Argus Insurance, introduced himself and spoke briefly about the improving insurability of the Kennewick Irrigation District.

Mr. Romm gave a PowerPoint presentation titled "Public Officials Liability, Creating Balance." Topics addressed included:

- Determining liability
- Organizational liability current issues
- Board liability
- Minimizing risks
- Deliberate in many voices, but govern in one
- Leadership team roles of the Board and the Manager
- Forging group leadership
- Board Procedures, including Open Public Meetings Act and executive sessions
- Confidentiality
- Media
- Board Meeting Disturbances
- Effective communication
- Mr. Romm recommended "The Speed of Trust" as a helpful book for a board retreat. Mr. Freeman reported that it is required reading to new regular employees and for employees in disciplinary situations. He offered copies of the book to the Board.
- 13 Behaviors of Relationship Trust
- Synergy

Mr. Romm said he would attend training on the Public Records Act this week. He requested to return to a later meeting to address this topic.

PUBLIC HEARING: None

BOARD REPORTS: None

ACTION ITEMS:

Appointment of Board Representatives at Meetings of Other Agencies: President Rathbun said appointments would be the same as last year. Mr. Freeman requested that appointments be limited to two for the regular monthly and quarterly meetings of the Washington State Water Resource Association (WSWRA), Yakima Basin Joint Board (YBJB) and Defense Coalition and Columbia-Snake River Irrigators Association (CSRIA).

President Rathbun appointed President Rathbun, and Director Dennis as alternate, to attend WSWRA meetings in 2015.

President Rathbun appointed Director Huffman, and Director McGuire as alternate, to attend National Water Resources Association (NWRA) meetings in 2015.

President Rathbun appointed President Rathbun, and Director Huffman as alternate, to attend Tri-State meetings of WSWRA, the Oregon Water Congress and the Idaho Water Users Association in 2015.

President Rathbun appointed President Rathbun, and Director McGuire as alternate, to attend CSRIA meetings in 2015.

President Rathbun appointed Director McGuire, and Vice President McKenzie as alternate, to attend meetings of the Yakima Basin Integrated Water Resource Management Plan and/or related subcommittees in 2015.

President Rathbun appointed President Rathbun, and Director Huffman as alternate, to attend Yakima Basin Joint Board/Defense Coalition meetings in 2015.

President Rathbun appointed Director Dennis, and Director McGuire as alternate, to attend Water Strategies meetings in 2015.

President Rathbun said appointments to represent the KID Board at U.S. Bureau of Reclamation (USBR) meetings in 2015 would remain open.

Approve Preliminary Plat 14-03 Conditions for Morbeck Addition: Mr. Woodard spoke about the preliminary plat application and displayed a map. He briefly described KID conditions for approval and requested confirmation of the comments.

At the request of Mr. Freeman, Mr. Woodard spoke further about the alternative to a subdivision specific pond and pump station, of tying into the Cherry Creek service area. Mr. McShane confirmed that either alternative would be owned and operated by the KID. Mr. Woodard confirmed to Director Huffman that the property was being assessed for irrigable acreage.

Director Huffman moved to approve the attached review comment letter for preliminary plat 14-05 Morbeck Addition. Vice President McKenzie seconded the motion and it carried unanimously.

Request for Proposals – Hydrogeological Modeling: Mr. Freeman requested the Board approve a request for proposals (RFP) for services including canal integrity risk assessment of up to 40 miles of earthen and concrete sections of canal, analysis of spill and seepage influence of ground water in several areas of the District starting with Badger Canyon, and development of an implementation plan addressing project water recapture and reuse.

Mr. Freeman noted some corrections that would be made to the RFP, including that it should read 40 miles of canal, not 30, to include areas without EPDM or HDPE lining. Six copies of the proposals would be due by 3:00 p.m. on February 25, 2015 and there would be a mandatory pre-award tour at 10:00 a.m. on February 11, 2015. Mr. Freeman said the contract would be awarded for two years, with the right at the District's sole discretion to extend for up to two additional two-year periods.

Mr. Freeman spoke about recapture and reuse of District water and determination of canal integrity for the purpose of driving future lining projects and for risk management.

Mr. Freeman said the expense was not budgeted, as the interest began last fall when staff learned of the availability of new technology from attendance at a meeting where a company presented their technological services for developing water resources. He estimated \$75,000 for the initial study, to be paid from the Carry Forward fund, which had a balance over \$1 million. He said the scope and budget would be refined after a firm was selected and those potential changes would be brought back before the Board.

Mr. Freeman spoke about target areas of the District including Badger Canyon from the Columbia Irrigation District (CID) flume to Benton City, Leslie Drain which spills into Amon,

Hover Drain and Zintel Canyon Drain. He said this was a necessary step for managing the District's water resources, to protect the District in droughts, and for risk management. He said this was a request for proposals, not qualifications, because there were a number of methods and technologies which might be appropriate to accomplish the District's goals.

Board members thanked Director McGuire and Mr. Defoe for bringing this technology to the Board's attention.

In response to a question from Vice President McKenzie, Mr. Freeman spoke further about recommendation for which sections of the canal to study for integrity. He said that because resources were limited, focus for canal integrity should be on old concrete and earthen sections, with the assumption that lined sections were safer.

Director Huffman spoke in favor of the proposal.

Mr. Freeman confirmed to President Rathbun that canal integrity was best analyzed with water in the canal.

Mr. Iller offered to discuss legal risks of a proposed action in executive session.

Vice President McKenzie moved to approve the advertising of a request for proposals for a water resource management study; risk assessment of canal integrity and ground water influence of operational spill and seepage. Director Huffman seconded the motion and it carried unanimously.

President Rathbun called a break at 10:25 a.m. and open session resumed at 10:31 a.m.

PC 2015-02 Herbicide Purchase: Mr. Freeman said four bids were received in response to a request for bids for purchase of aquatic and terrestrial herbicides, not including Endothall, for the 2015 water season. The initial low bidder was given opportunity to correct a math error or keep their bid; they corrected the bid and were no longer the lowest bidder. The apparent low bidder, Cygnet Enterprises Northwest, at \$292,955.92, was absorbing the state environmental excise tax. Mr. Freeman confirmed to President Rathbun that the purchase was expected to be sufficient until January 2016.

Director Huffman moved to approve the herbicide purchase contract to the low bidder, Cygnet Enterprises Northwest, in the amount of \$292,955.92. Director Dennis seconded the motion and it carried unanimously.

RESOLUTIONS:

Resolution 2015-03, Approving the Sale of Real Property, City View, Block 2, Lots 1, 2, 3 & 4, KID #7014, #7024, #7034 and #7044: Ms. Rosenbaum briefly reviewed background of this real property sale at City View to the Amara Development Company which the Board authorized on June 17, 2014. She reported that the sale closed on January 5, 2015 and requested that the Board memorialize the sale by Resolution 2015-03.

Director Huffman moved to approve Resolution 2015-03, approving the sale of KID # 7014, #7024, #7034 and #7044, City View, Block 2, Lots 1, 2, 3 & 4, for a total cash purchase price of \$1,897,213.00. Vice President McKenzie seconded the motion and it carried unanimously.

Resolution 2015-04, Approving and Confirming Assessments and Assessment Roll of LID No. 192 for Improvement of Red Mountain South Irrigation Improvements, as Provided by Resolution No. 2009-26; Levying and Assessing a Part of the Cost and Expense of the Improvements Against the Lots, Tracts, Parcels of Land and Other Property as Shown on the Assessment Roll; and, Proving for Collection of Assessments: Ms. Storms briefly reviewed the local improvement district (LID) process from property owners' petition, through community meetings and public hearings. She reported there were no protests made at the hearing. She said approval of Resolution 2015-40 would adopt the assessments for what had been confirmed and noticed. She said that participants would have until March 31, 2015 to pay in full without interest, after which interest would begin. After that period of time there would be a loan resolution, when the amount was known.

Director Huffman thanked staff for thoroughness allowing a smooth completion of the LID. Ms. Storms said good counsel was provided by Steve DiJulio from Foster Pepper PLLC.

Vice President McKenzie moved to approve Resolution 2015-40, Approving and Confirming the Assessments and Assessment Roll of LID No. 192 for the Improvement of Red Mountain South Irrigation Improvements, as Provided by Resolution No. 2009-26; Levying and Assessing a Part of the Cost and Expense of the Improvements Against the Lots, Tracts, Parcels of Land and Other Property as Shown on the Assessment Roll; and, Proving for Collection of Assessments. Director Huffman seconded the motion and it carried unanimously

Ms. Storms noted that the number of the resolution was incorrect in the memo and motion. Mr. Iller recommended a motion to correct the error.

Vice President McKenzie moved to amend the prior action to correct the resolution number from 2015-40 to 2015-04. Director Huffman seconded the motion and it carried unanimously.

STAFF REPORTS:

Finance Manager: Ms. Storms reported that the 2011 foreclosure list was down to 28 properties. She spoke about the benefit of the Helping Hands program and the next steps in the foreclosure process.

Ms. Hernandez reported that staff was working with TruePoint to provide information to water masters. She confirmed to Vice President McKenzie that water master training would be provided in March. Ms. Storms added that it would be harder to allow title companies to access to KID data and said that disclaimers would be necessary.

Ms. Storms reported that recommendations on financial software were being evaluated. She spoke briefly about the importance of customer service and software updates.

Ms. Storms said IT management changes were underway and reports would be made at a later date. She said management would try to fit the new model into the existing budget.

Engineering/Operations Manager: Mr. McShane displayed a map of the Division IV lining and spoke briefly about that capital project and schedule. He displayed graphics of other canal features which must be addressed along with lining, including check stations, turn outs, drains, siphons and weed screens.

Mr. McShane displayed and spoke about the new Snow Water Equivalent report published by the U.S. Department of Agriculture and the U.S. Bureau of Reclamation Hydromet report.

Mr. McShane noted that KID's inspection of the Chandler turbine was yet to be scheduled.

In response to a question from Director Huffman, Mr. McShane spoke about how off season work would be managed if time did not allow completion of the full work plan. He confirmed to President Rathbun that crews were working four ten hour days per week and said management was trying to avoid overtime. He said having split crews using KID-owned equipment seven days a week was being considered.

At Vice President McKenzie's request, Mr. McShane described recent gate installations and said the remaining gates were confirmed to be arriving in time.

Vice President McKenzie and Director Dennis expressed interest in a canal lining tour.

Planning Manager: Mr. Defoe reported:

- Mr. Defoe attended NWRA leadership forum. Issues discussed at the forum included the Clean Water Act, Waters of the U.S., Endangered Species Act, Food Safety Modernization Act, aging infrastructure, invasive aquatic species and forest health. He said drought legislation covering the western states was expected with change of the Senate.
- Interviews of the three applicants for the open seats on the Implementation Committee had been scheduled for interviews in a workshop at the next board meeting.
- The City of Richland's Shoreline Management Program comment period would close today, and Amon is not included at this time.
- The inclusion paperwork for the acres on Red Mountain was still at the USBR Boise office awaiting approval.
- A WSWRA meeting would be held tomorrow in Pasco.
- A CSRIA meeting would be held Thursday.

In response to a question from Director Dennis, Mr. Defoe spoke about the importance of staying aware of the issues which were discussed at the NWRA meeting.

In response to a question from Director McGuire, Mr. Defoe and Mr. Freeman spoke about the Honeyford legislation and said staff and WSWRA were watching the legislation. Discussion ensued.

District Manager: Mr. Freeman reported

- Chad Stewart will be the new Yakima Field Office Manager, replacing Sid Ottem.
- Mr. Freeman would meet with the Department of Health Office of Drinking Water and the City of Richland regarding takeover of the Lorayne J potable water system.
- A meeting would be held at KID with USBR on Thursday.
- The next issue of the KID Newsletter was being assembled.
- Community events were being planned for 2015.
- A presentation on social media would be made to the Finance Committee. A Facebook account was being created for KID, and the policy and procedure were under review.
- Mr. Freeman was tracking a bill to make clear to growth management and hearings boards that exempt wells could not be reviewed or used in calculations of land use decisions. This impacts water in the river so KID has an interest to follow this issue. Information would be provided to Mike Schwisow at WSWRA.

- Mr. Freeman would meet with City of Kennewick Public Works Director Cary Roe on Thursday regarding on Elliott Lake, the easement in Amon and Vista Entertainment District properties.
- Mr. Freeman spoke briefly about the lease of Zintel Canyon to the City. He said Mr. Defoe had been instructed to start the SEPA process for new office site.
- Staff was meeting with consultants on IT analysis and SCADA study and path forward and reports would be made to the Board.

WORKSHOP: None

EXECUTIVE SESSION: At 11:29 a.m., on behalf of the presiding officer, Mr. Iller reported that the Board would go into executive session for an estimated 30 minutes to consider the minimum price at which real estate will be offered for sale or lease, pursuant to RCW 42.30.110(c) and to review the performance of a public employee, as authorized by RCW 42.30.110(g). He said that no action in open session was anticipated after executive session, but could occur.

Executive session was extended for 10 minutes at noon.

Director Huffman moved to adjourn the meeting at 12:15 p.m. and Director Dennis seconded the motion. The motion carried unanimously.

Attest:

Witness:


Kirk Rathbun, Board President
Approved February 3, 2015


Chuck Freeman, District Manager

Prepared by Doris Rakowski