



## Minutes

Meeting of the KID Board of Directors  
 Carl W. Petersen Board Room  
 Tuesday, May 19, 2015, 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  
 David McKenzie, Vice President  
 Patrick McGuire, Director  
 Gene Huffman, Director  
 Dean Dennis, Director

**Staff Present:**

Chuck Freeman, District Manager  
 Colleen Storms, District Treasurer  
 Jason McShane, Engineering/Operations Manager  
 Seth Defoe, Planning Manager  
 Jennifer Defoe, Public Relations Coordinator  
 Dana Hernandez, Customer Accounts Supervisor  
 Lynda Rosenbaum, Real Property Manager  
 Robert Blain, Asst Operations/Maintenance Manager  
 Ben Woodard, Asst Engineering Manager  
 Daniel Tissell, Staff Engineer  
 Doris Rakowski, Executive Assistant

**Other Persons Present:**

Brian Iller, Legal Counsel

**APPROVAL OF AGENDA:** Mr. Freeman recommended addressing the confirmation of job descriptions separately from the consent agenda. He asked to add a presentation on the 2015 Drought, a Drought Operations and Enforcement resolution, and Intent to Reimburse Capital Expenditures resolution. **Director Huffman moved to approve the revised agenda. Director Dennis seconded the motion and it carried unanimously.**

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

1. Minutes, KID Board Meeting, April 21, 2015
2. Minutes, KID Board Meeting, May 5, 2015
3. Relinquishment of Easements - Artzer
4. Final Plat - Inspiration Estates Phase 5 - Dry
5. Review and Format Update of Policy 3.1-4 and Policy 5.8
6. Authorized Positions - 2015 Revision
7. Vouchers/Warrant Approval

**Accounts Payable**

Numbers: 70120 through 70150 \$ 112,296.09

**Total Accounts Payable**

112,296.09

**Payroll**

Numbers: 33086 through 33092 \$ 7,113.74

Direct Deposit 4/30/2015 97,156.14

**Total Payroll**

104,269.88

**Total Disbursements**

\$ 216,565.97

**Voided Checks:** Ck# 70147; Check cut in error

**PUBLIC COMMENTS:** None

**PRESENTATIONS:**

**Financial Reports for March 2015:** Ms. Storms displayed the March 2015 financial reports which were distributed before the meeting. She reviewed highlights of pages including:

- Balance Sheet as of March 31, 2015 – Final
- Statement of Revenue & Expenditures – Budget to Actual – Comparative  
At the request of Director McGuire, Ms. Storms spoke about how certain salaries and wages are charged to the internal capital fund.
- Fund Balance Change through March 31, 2015

Discussion ensued regarding rollover of matured investments to retain bank collateralization.

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

**Drought 2015:** Mr. McShane spoke about snow pack and reservoir conditions and how Yakima River Basin storage was used to provide irrigation water for one year. He said flow levels as low as the 2005 drought were expected in a couple weeks. Mr. Defoe reported that U.S. Bureau of Reclamation lowered the supply estimate to 44% this morning.

Mr. McShane used white board illustrations while speaking about the difference between senior and junior water rights. He said KID was a unique proratable district which had the right to draw on return flows. He illustrated the sources of KID's water.

Using a graph of July 2005 levels, Mr. McShane spoke about supply and demand in drought years. He said the number of connections and residential customers was a challenge to balancing water supply. He said the proposed program would not keep lawns lush and green, but was intended to keep trees and shrubs alive.

Using Mr. Tissell's statistical analysis, Mr. McShane spoke about spreading demand to minimize instantaneous demand. He said each ending address number was analyzed by number of parcels and acreage. Those ten watering groups were placed into two of the 14 available twelve hour watering times. He said, even with combining some groups, there would be times with far more or less acreage being watered.

A spreadsheet illustrating KID's storage locations was displayed, and Mr. McShane spoke about how water would be stored when less was being used so it would be available when more was needed. In addition to scheduling twice weekly watering for residential water users, staff would work directly with large urban water users to have them use water in non-peak hours.

On occasions when additional water was available, it would be used to supplement agricultural supply. Mr. McShane said KID had limited storage, but was working with agricultural growers, to borrow their large storage capacity when it was in useful locations.

In response to a question from Director Dennis, Mr. McShane spoke about why the District could not control use by PSA. Location of storage was a significant factor. Director McGuire added that starting up and shutting down was hard on systems. Discussion ensued regarding throttling and manipulation of peak demand.

Mr. McShane spoke about a series of drought levels modeled on the fire safely levels:

<b>Drought Level</b>	<b>Condition</b>	<b>Color Code</b>
1	<b>Drought prioritization in effect -</b> No residential watering	Red
2	<b>Mandatory Scheduling - Hoses only - No underground sprinklers</b> 1 or 2 times per week	Orange
3	<b>Mandatory Scheduling</b> Twice per week, 30 minutes per zone	Yellow
4	<b>Recommended Scheduling</b> Twice per week, 30 minutes per zone	Green
5	<b>Normal water year</b>	Blue

How often trees needed to be watered was asked. Vice President McKenzie said they tried to water each tree in his orchard once a week.

Drought outlook and flow levels were discussed. Mr. Freeman said staff recommended communicating with customers and moving to level 3. Mr. McShane said he anticipated needing to move to level 2 before long.

How the mandatory scheduling might impact call volume was discussed, as the number of customers watering each day was reduced, but the significance of outages would be magnified.

At 9:59 a.m., a short break was called.

At 10:04 a.m., the meeting resumed in open session

Mr. McShane spoke about challenges setting some types of sprinkler timers for some customers with split morning and evening schedules. He spoke about costs associated with scheduling including additional staff time and high water flow pump rentals. In response to a question from Mr. Freeman, Mr. McShane said storage from use of the Rubicon gates was not included in the analysis because it was not yet realized and to keep estimates conservative.

Mr. Freeman spoke about resolution 2015-10. He said the goal to treat all rate payers equitably. He reviewed the proposed enforcement of the water availability schedule:

<b>Schedule Violations</b>	<b>Penalties</b>
1 <sup>st</sup> & 2 <sup>nd</sup> offenses	Warning
3 <sup>rd</sup> offense	\$100 penalty Valve locked for seven calendar days
4 <sup>th</sup> offense	\$100 penalty Valve locked for remainder of season
<b>Tampering with Lock</b>	
1 <sup>st</sup> offense	\$500 penalty payable prior to reestablishing water service
2 <sup>nd</sup> offense	Service capped for remainder of season and District would seek prosecution for tampering with a public facility

Mr. Freeman said all penalty charges could be appealed at the Board of Equalization, and lock offs or capping of turn outs could be appealed to the Board of Directors.

In response to a question from President Rathbun, enforcement and communication with customers were discussed further. Mr. Iller said it was a standard Board duty to adopt regulations to equitably share the water of the district, and same standard would apply to setting of times. He said the proposed penalty amounts seem reasonable, but enough that people would take notice. Mr. Freeman spoke about procedural options for responding to reports of schedule violations, including calling, sending brochures, staff responses, logging incidents in TruePoint and confirmation that violations occurred.

Lock out challenges for private line areas were discussed, as were communication of the schedule and enforcement via print, radio, television, and the District website and Facebook.

Mr. Freeman said the worst thing that could happen for a customer would be having no water available on one of the limited watering days. Vice President McKenzie said he anticipated incoming calls increasing to reporting abusers and recommended an online reporting option.

Director McGuire asked what are cities doing and noted that this could adversely impact cities. Mr. Freeman said staff had been in contact with City of Kennewick, but use of City Code enforcement had not yet been discussed. Mr. McShane reported that City of Richland had sent mailers indicating that use of municipal water for irrigation was against code.

Options for daily communication of watering schedule were discussed, as was the importance of publishing the enforcement penalties.

Directors Huffman, Dennis and Rathbun indicated support for the proposal. Discussion continued.

In response to a question from President Rathbun, Mr. McShane said staff was being coached on reporting unreasonable behavior in the field and how to deal with angry people. He said any threats would be reported to the police.

Mr. McShane spoke about the importance of living up to the district's side of the bargain. He said drought was not a KID board or staff problem, it is the whole district's problem and we all need to work together for a solution.

Mr. Freeman spoke briefly about media communication efforts and budget.

Mr. McShane spoke about large water users' ability to quickly impact availability of water to others. He said cities, schools and churches could help by working with KID to water during off-peak hours or allowing ball fields to brown while keeping them alive. He confirmed to Vice President McKenzie that cooperation had been excellent. Enforcement was discussed. Mr. Freeman said meetings with cemeteries and golf courses were being scheduled.

Mr. McShane spoke about management of the agricultural community's water use. He drew an illustration on the whiteboard, and spoke about differing water demands of different crops. He discussed on-farm storage of water and staggering demand by coordinating crops with periods with water need and no water needs. He said if some farms need to be above the target flow, others would need to be below to balance the use. The District's need to gather data from farmers to develop workable plans was discussed.

Mr. McShane reiterated that the goal is to keep crops alive.

At President Rathbun's request, Mr. McShane spoke about District policy on individual water transfers. He reported that there had been inquiries but no requests at this point. He confirmed that transfer requests could be processed very quickly.

Discussion ensued regarding calculating agricultural water use and verifying compliance. Mr. McShane confirmed to Vice President McKenzie that agricultural customers would be contacted this week.

Mr. McShane said spoke further about flow at Prosser dictating what was available to the District, and the District's intent to deliver all water that was available to District water users.

Discussion continued about the approach to sharing water use by house number rather than odd and even.

Mr. McShane said the lower Yakima River had never been modeled for return flows, which KID needed to predict. He said the District was working on modeling those flows and had been asked to share the model with the USBR.

**PUBLIC HEARING:** None

**BOARD REPORTS:** None

**ACTION ITEMS:**

**Confirm Job Descriptions:** Mr. Freeman reported that job description Land and Water Resources Manager was updated from the meeting packet version to include oversight of the Real Property management program, and adding "land" to the title. Discussion ensued regarding the title.

**Director Huffman moved to confirm the job descriptions for Land and Water Resources Manager, Temporary Accounting Intern, and Temporary Assistant Instrumentation Technician. Vice President McKenzie seconded the motion and it carried unanimously.**

**RESOLUTIONS:**

**Resolution 2015-10, Drought Operations and Enforcement:** Mr. Freeman reviewed highlights of the resolution. He noted that the schedule based on last digits of addresses was for urban residential customers, but larger parcels would be assigned individually. He reviewed the enforcement levels for first through fourth offenses and for tampering with locks. He also spoke about the appeal processes for charges, and lock out or capping.

In response to a question from Director McGuire, Mr. Freeman suggested discussion at a future meeting regarding enforcement for larger parcels and agricultural users. Mr. McShane said agricultural water users call for water delivery and tampering was not a big problem at this point.

In response to a question from Director McGuire, discussion ensued regarding TruePoint reporting of water use, as seen by agricultural users. Mr. McShane said the annual amount would be removed from the report, as the monthly amount was the useful number.

In response to a question from Vice President McKenzie, Mr. Iller said a legal opinion could be offered in executive session so as not to waive attorney client privilege, but as a general principle, any district had discretion on whether or not to impose a fine authorized by policy. Discussion followed.

**Director Huffman moved to adopt Resolution 2015-10, Drought Operations and Enforcement. Director Dennis seconded the motion and it carried unanimously.**

**Resolution 2015-11, Intent to Reimburse Capital Expenditures in connection with the construction of the KID Administrative Offices:** Mr. Freeman said the resolution was the similar to the one used to recapture costs from bond proceeds for the Red Mountain South LID.

**Director McGuire moved to approve Resolution 2015-11, Intent to Reimburse Capital Expenditures in connection with the construction of the KID Administrative Buildings. Vice President McKenzie seconded the motion and it carried unanimously.**

At 11:25 a.m., a short break was called.

At 11:33 a.m., the meeting resumed in open session.

**STAFF REPORTS:**

**Finance Manager:** Ms. Storms reported:

- Staff was working on the 2014 audit report, which was due May 30<sup>th</sup>.
- Customer service training on the drought would take place today.

**Engineering/Operations Manager:** On behalf of Mr. McShane, Mr. Freeman reported that aquatic growth treatment was underway. He said aquatic growth came early this year and the vegetation management was expected to exceed budget.

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

- The USBR water supply forecast was reduced to 44%. The rainstorm did not affect supply, as pulse flow guidelines protect those flows. A couple weeks ago and five day artificial pulse was sent downstream for smolt out migration. Mr. Defoe discussed whether data, such as for flow versus number of smolts passing at Prosser Dam, would show lack of efficacy of pulses for fish.
- The conservation plan was under review and being updated with accurate data.

In response to a question from Vice President McKenzie, Mr. Defoe spoke about Governor Inslee's state-wide drought declaration and potential drought relief funds, if approved by the legislature.

**District Manager:** None

Mr. McShane rejoined the meeting and spoke about a boundary line adjustment which was needed for the Cherry Creek Reservoir due to the City of Kennewick's decisions about the pump building spanning a property line.

In response to a question from Director McGuire, challenges from burrowing animals, and monitoring rodent species were discussed briefly.

In response to a question from President Rathbun, Mr. McShane spoke about water quality at Red Mountain South LID and challenges with the filters were discussed.

**WORKSHOP:** None

**EXECUTIVE SESSION:** At 11:50 a.m., President Rathbun announced that the Board would go into executive session to discuss with legal counsel pending litigation regarding Acquavella as

authorized under RCW 42.30.110(1)(i) for approximately 15 minutes. Mr. Iller noted that while action was not anticipated in open session following the executive session, it was possible.

At 12:05 p.m., executive session was extended for five minutes.

At 12:10 p.m., executive session was extended for five minutes.

At 12:15 p.m., the meeting returned to open session.

**Director Dennis moved to adjourn the meeting at 12:16 p.m. and Director Huffman seconded the motion. The motion carried unanimously.**

Attest:

Witness:



Kirk Rathbun, Board President  
Approved June 2, 2015



Chuck Freeman, District Manager

Prepared by Doris Rakowski