



**Minutes**

Meeting of the KID Board of Directors  
 Carl W. Petersen Board Room  
 Tuesday, June 2, 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  
 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, Land and Water Resources Manager  
 Lynda Rosenbaum, Real Property Manager  
 Doris Rakowski, Executive Assistant

**Other Persons Present:**

Brian Iller, Legal Counsel

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

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

Items on the consent agenda were:

1. Minutes, KID Board Meeting, May 19, 2015
2. Final Plat – Southridge Terrace Phase 1
3. Confirm Job Descriptions
4. Authorized Positions - 2015 Revision 2
5. Vouchers/Warrant Approval

**Accounts Payable**

Numbers:	70151	through	70218	\$	317,870.65
	70219	through	70241		702,786.27
	70242	through	70242		<u>8,970.00</u>

**Total Accounts Payable** 1,029,626.92

**Payroll**

Numbers:	33093	through	33098	\$	5,838.22
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Direct Deposit		5/14/2015			<u>85,708.37</u>
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**Total Payroll** 91,546.59

**Total Disbursements** \$ 1,121,173.51

**Voided Checks: None**

**PUBLIC COMMENTS:**

**Mark Pace**, 3539 Waterford Street, representing the Brookshire Villas Home Owners Association (HOA), said two timers, one on each side of the street, controlled irrigation water for all 38 properties and could not support the watering schedule. He said the HOA was committed to supporting water savings plan and watered twice per week for 30 minutes per zone. He asked for an exemption or that the HOA be treated as an apartment complex.

Mr. McShane said KID would not enforce the mandatory schedule for the south Richland private line area (PLA) was served through Brookshire Estates, because the HOA, in coordination with the Brookshire Estates system, would schedule use of the reduced amount of water available to them. He said, because of the metering at the canal, they would be treated similarly to growers, who have a reduced amount of water available and must determine how best to use it.

In response to a question from Director McGuire, Mr. McShane spoke further about how ability to meter some PLAs from weirs at the canal allowed the District to deliver a certain amount of water, both an average amount allowed throughout the month with a total number of acre feet and a peak amount that can be taken from the canal to help level demands in the District.

Mr. Freeman confirmed to Director McGuire that the policy allowed flexibility for unique circumstances. He said he and department heads were considering requests case by case, with exemptions for aged and infirm, or areas with a direct, measurable feed from the canal or a pond. Exemptions would be flagged on the accounts.

**Joani Cegelske**, 206 W. 34<sup>th</sup> Avenue, reported that her system was not set up to run one AM schedule and another PM schedule. She asked if individuals could be moved to only AM or PM.

President Rathbun said he also had to manually change his timer to the second setting.

Mr. Freeman said the split schedule was needed to keep the canals from being drained. He agreed that it was an inconvenience, which also impacted his own property, but that exemptions were only being granted for aged and infirmed, or certain HOAs.

Ms. Cegelske asked why the District had not solved the Yakima River water supply problem with Columbia River water rights. Mr. Freeman said the District's Columbia River water right application had been languishing in courts for two decades.

Mr. Freeman said KID was the last district served in the Yakima Project. He said people could help by calling their representatives and asking that they electrify Chandler, a \$30-60 million project which would solve KID's supply problem and which had been in the legislation for 21 years, though the federal government had not stepped up to build it.

Mr. Iller said, under National Marine Fisheries rules for no net loss, water could not be taken from the Columbia River without replacement water rights upstream. He spoke about litigation of the issue and said that the application was back with the Department of Ecology for further consultation with the Native American Tribes. He said if tribal approval was gained, federal approval to build an outtake structure would be needed. He said this might be difficult due to concerns about impact to fish. Mr. Iller said he thought newer science demonstrated that a lot of water could be taken from the Columbia River without impacting fish. He said the KID and other irrigation districts in the Columbia Basin project had spent millions of dollars trying to get better water supplies.

Ms. Cegelske asked if new developments were told they must use xeriscaping or if they were sold water rights. Mr. Freeman explained that the KID water rights were held by the federal government, not individuals, and the District had an allocation to be equitably divided. He said the land being developed was typically former agricultural land that already had water allocations. He said if it was in the district, the KID had to give them their allocation, though parking lots and streets were taken out and freed to use for expansion. He added that cities

were not enamored with xeriscaping, though the he would bring up the topic when he met with the City of Kennewick next week.

Mr. Iller clarified that the title of the water right held by the district was in the U.S. Bureau of Reclamation (USBR) for benefit of KID land owners. Once the water was beneficially applied to the land, the land owners had a vested property interest in the right, which neither the district nor the federal government could remove, even if the land use changed from agricultural to residential. He said the vested right was to an equitable share of whatever water was available to the district in a particular year, that could be beneficially used on a property. He added that an owner could not take their allocation and give it to someone else, because it could damage everyone else in the district.

At the request of Director McGuire, Mr. Defoe spoke about the Integrated Plan (IP). He said it was a supposedly basin-wide effort to increase water supply through projects including new storage in the upper basin, surface and ground water storage, conservation projects, fish passage, habitat restoration, land acquisition for watershed health, water marketing, etc., over about 50 years and costing billions of dollars. He said it was mostly designed to help up-Basin irrigators, who were curtailed by set amounts in droughts. He said KID was not hit as badly due to return flows, but the IP had not been looking KID or return flows. KID worked hard to get them to agree to consider how KID would be impacted by each project component so KID could act on that information once it was available.

**Gary Scrimsher**, 6819 W 20<sup>th</sup> Ave., said he was surprised that timers would not go from am to pm. He suggested that new timer which could do so were readily available \$40-50. He said he thought the watering schedule plan looked good and reminded people who did not want to water at night that the river runs 24 hours.

Director Dennis said the twelve hour watering window offered both day and night options for watering.

**Sherry Blondheim**, 109 W 33<sup>rd</sup> Avenue, asked if additional watering days would be added if the system worked well. Mr. Freeman said that would be considered only if the USBR increased the forecast. He said the odd-even system did not work when previously tried, because half of the customers would drain canal, which took days to refill and repeated startups damaged systems. He said this schedule was designed to spread the load and that if people cheated they were taking water from others.

Mr. McShane said other up-stream districts had a percentage allotted to them and could call on storage from reservoirs when they wanted water. For example, Roza Irrigation District shut down for three weeks and saved that water for hotter months. He said KID was allowed all of the return flows above federally mandated target flows at Prosser Dam, which significantly benefitted KID, by allowing us to get more water than other districts in similar situations. The downside was that KID survived on water that returned to the river after someone else used it and the amount reduced in July and August. He said we could have flows, similar to 2005, of 160 cfs, instead of the normal 280 cfs. The difference, 120 cfs was five times the amount of water the City of Kennewick could produce in a given day.

Mr. Iller said KID was on the cutting edge legally in having very large numbers of residential water users in a district designed for agriculture. He said very different systems were needed to service urban areas. He said the law was enacted in the late 1890s and early 1900s to address agricultural issues, and the even the sizing of the canal was based on rotating water use

between users. He said the district tried to be equitable and share with everyone, but there just wasn't enough water.

At the request of President Rathbun, Mr. McShane spoke about lag time getting water through the system and challenges in getting word out to 60,000 people quickly. He said if there were a more water if might only last for a 24 hour period, and asked how to determine who would get it. Practically it would be available to only a percentage near the head of the canals, and was a challenge that the District would not be able to overcome. He said if there were a pattern of extended increases, then mandatory scheduling could be changed, but short of that, there was no way to get it out to customers.

Mr. Rathbun said the system wasn't built to respond to instantaneous changes.

Mr. McShane said KID strove to have robust systems with water available on demand, as if from house water, but there were no large water systems in the country which had the ability to have everyone on a street on at the same time. He said potable water systems were designed for fire suppression, so under normal conditions there was more water than needed. He warned that if KID were not there and residents used potable water at the rates they do for irrigation, there would be problems with having water for showering and fire suppression. The amount of water used for irrigation is significantly higher than is used for household purposes.

Mr. McShane said a reservoir and large pumping plant were being built by Ely, and the reservoir could be used for additional storage before the project was complete. He spoke about the capital improvement program approved 2006 and funded in 2007, which included lining and other capital projects intended to help in drought conditions. He said staff and crews worked extra hours to make sure projects were completed.

Mr. McShane said the drought was a community problem which we all have to work together to get through. July and August would likely be worse. He said if the point came that there was not enough water in the river, we would go to drought level 2, and there would be no use of underground sprinklers allowed; only hoses to keep trees and perennials alive.

Director McGuire noted that three quarters of his farm in Badger was fallow, because they could see what was coming.

**PRESENTATIONS:** None

**PUBLIC HEARING:** None

**BOARD REPORTS:** President Rathbun reported that he and Director Huffman attended the Yakima Basin Joint Board meeting and the Tri-State meeting in Spokane. He said only the Columbia Basin Irrigation District did not report some level of curtailment.

Director McGuire attended the Columbia Snake Rivers Irrigators Association meeting and reported that most discussion was about the Odessa project.

Director Dennis attended the Washington State Water Resources Association meeting and had nothing new to report.

Director McGuire noted that KID was doing a water study in Badger canyon to see what was recoverable.

**ACTION ITEMS:**

**RH2 Contract Amendment:** Mr. McShane said Amendment 12 was for work necessary at Red Mountain due to a contractor delay for Kiona Time Extensions, and for warranty, repair and startup. Correction of damage done by a property owner would be paid for by that property owner.

Mr. McShane confirmed to President Rathbun that this was expected to be the last RH2 amendment by RH2, and that RH2 was finishing wet commissioning of the system at the intake site. Also, the automatic meter reading system was being installed and there may be need for additional filtering. He said a bridge crane would be installed to help staff with more frequent pulling of the nine foot tall filters.

President Rathbun reported that the Red Mountain South water users with whom he had spoken were very happy.

**Director Dennis moved to approve Contract Amendment No. 12 between Kennewick Irrigation District and RH2 Engineering for the Final Engineering Design for the Red Mountain South LID irrigation project. Director Huffman seconded the motion and it carried unanimously.**

At 9:45 a.m., a short break was called.

At 9:52 a.m., the meeting resumed in open session.

**Award Steel Building:** Mr. McShane referred to a memo distributed before the meeting and reported that there was one bid received. He spoke briefly about the multi-track timeline for the project to expedite design and construction work. He said the bid before the board was for the building itself and erection of the building on a foundation to be constructed by another contractor. He noted that the bid included a roofing system as an alternate.

Mr. McShane said the Architect's total estimate was \$921,113, including a 10% design contingency, plus bonding insurance and tax. The base bid received was \$496,000 and an alternate for the roof of \$288,000, totaling \$784,319, almost \$137,000 less than the estimate. The recommended motion would authorize the District Manager to award the contract.

Mr. McShane confirmed to Director McGuire that references for LCR Construction, LLC were being checked. He said there were protections in public contracts against contractors who could not perform, but the company bid the project and he expected they could do the work. Mr. Freeman said he would not sign until the company was vetted and SOLARC recommended that they were a qualified, competent firm.

Mr. Freeman confirmed to President Rathbun that site work would be done under a separate contract, which would be bid next. Mr. McShane said slab and foundation would be done before building arrives, but this contract was first to allow building components to be prefabricated.

Mike Wireman-Nothwang of SOLARC said, once the foundation and underground plumbing permit was received, the bit would be put out. He said he expected the foundation to be cured by the beginning of August, then erection of the building and roof could occur. He said this bid said it would be 18 weeks from when they received the go ahead from KID until their work was complete, which would be in line with the project schedule.

Mr. McShane said the building manufacturer would be identified as part of the vetting process.

**Director McGuire moved to authorize Charles Freeman, District Manager, to award Contract PW2015-07 Administration Building to LCR Construction, LLC for a base bid amount of four hundred ninety-six thousand, fifty-one dollars and seventy-nine cents (\$496,051.79) and alternate #1 amount of two hundred eighty-eight thousand, two hundred sixty-seven dollars and eighty-four cents (\$288,267.84) for a total award of seven hundred eighty-four thousand, three hundred nineteen dollars and sixty-three cents (\$784,319.63). Director Huffman seconded the motion and it carried unanimously.**

**RESOLUTIONS:**

**Resolution 2015-12, Surplus Equipment:** Ms. Storms requested the Board declare as surplus a Stone 4 CM cement mixer and a Sullivan D185Q pull-behind air compressor. She noted that the Directors, Operations Department and Finance Department staff may not purchase these items.

**Director Huffman moved to approve Resolution 2015-11\* Declaring Surplus Property. Director Dennis seconded the motion and it carried unanimously.**

**\*Preparer's note: Resolution number was corrected to 2015-12 after signing.**

**Resolution 2015-13, Approving Sale to Meier, KID #9401:** Ms. Rosenbaum briefly reviewed the marketing and sale of the KID Administration Building & Parking Lot to Meier Enterprises, Inc. She reported that the sale closed on May 15, 2015 and requested the Board memorialize the sale by Resolution 2015-13.

**Director Huffman moved to approve Resolution 2015-13, approving the sale of KID real property #9401, Administration Building & Parking Lot, for a total purchase price of \$915,000.00. Director Dennis seconded the motion and it carried unanimously.**

**STAFF REPORTS:**

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

- The 2014 financial reports were electronically filed with the State Auditor's Office.
- Customer service call wait time may be longer because of the time needed to respond to questions about the mandatory watering schedule. She would make sure adequate resources were dedicated to the phones.
- A contract for the new accounting software would be coming soon.

The Board commended staff handling the large volume of phone calls.

**Engineering/Operations Manager:** In response to a question from Director McGuire, Mr. McShane said the Oakhills contractor started yesterday. He confirmed that the Finance Committee would review and a resolution be taken to the Board resolution to describe how money would be paid and reimbursed.

**Land & Water Resources Manager:** Mr. Defoe reported:

- The first Implementation Committee meeting would be held June 22.
- An Integrated Plan meeting would be held tomorrow and additional meeting would be held Thursday regarding reducing the scope of the Kachess pumping plan to cut cost. He expressed concern as this was the largest and cheapest storage in the system and the committee was considering cutting it in half.
- The District's Conservation Plan was being reviewed and updated.

- The Waters of the U.S. rule was released last Thursday and would become binding in 30 days. Mr. Defoe said some issues are still unclear and he reported that a firm hired by the Washington State Water Resources Association was reviewing it.
- Congress was working on a bill for drought relief funds.
- Ms. Rosenbaum and Mr. Defoe had been working on the conditional use permit and SEPA for the new building.

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

- Mr. McShane and Mr. Freeman would attend West Richland, Kennewick City Council, and Kennewick Country Club meetings to speak about drought.
- The first project water recapture and reuse facility was working well in the West Fork of Amon Wasteway, siphoning to Willowbrook pond and allowing less water to be taken from the Badger East Canal. U.S. Corps of Engineers recommendations were followed.

Mr. Freeman noted that KEPR-TV was present. He said KEPR called to say KID was spilling water down Zintel Canyon. Mr. Freeman explained that canals have to spill or they overtop.

Mr. Freeman reported that he was in contact with the Station Manager via email last week and the station's professional immaturity reaffirmed the District's May 2010 decision not to grant interviews to KEPR until they change their "gotcha" journalism. Mr. Freeman said the District would talk to give interviews with any other news station, and had recently answered Facebook comments live for 90 minutes on KNDU.

Mr. Freeman reported that KEPT put an inappropriate eight year old picture with an article about KID and made it look like it was happening now. He said he thought the station was not interested in community building and was anti-any government. He said KID was their neighbor, lived in this town, and the behavior was not beneficial.

Director McGuire said the headline was "KID: Water on the schedule or pay the price," with a 2007 picture of a KID truck, canal and an armored tank. Mr. Freeman said it was called a notorious canal that leaked.

Mr. Freeman said KID did not create the drought, but was reacting to it and needed all the community to cooperate or it would not be successful. He said KID tried to reach out to the Station Manager or News Director, Robin, and was met with childish immature behavior. He said the District did not have to put up with that, and would not.

#### **WORKSHOP:**

**Drought Discussion:** Mr. McShane spoke developing a program that can be applied generally to equitably share water among about 60,000 users. He said the schedule based on last digits of addresses was hoped to keep plants alive, not lush and green.

He said people were doing well with the schedule so far, and spoke briefly about phone conversations with customers. He said most conversations were positive and people understood this was a community problem being addressed, not something KID wanted to impose on people.

Mr. McShane spoke about statistical anomalies that had been found such as one area with addresses all ending with the same number on one side of street, and another area where nine of 27 lots were in the 3 and 9 group, but their system could only handle three parcels on at once. He said individual schedules would be provided in these types of cases.

Mr. McShane said staff was learning about how to reprogram sprinkler timers. He gave kudos to Mike Frey for taking the initiative to research timers by looking up manuals online and finding instructional YouTube videos.

Mr. McShane reported that there had been an error in a direct mailing to large customers and that a correction would be sent today.

Mr. McShane said there was a predicted average amount of water based on projected residential water use that could be delivered to large customers. Large customers metered off the canal had a different set up than residential customers, as they had different rotations and watered only a portion of their property at a time. He said there was concern that agricultural customers may not be able to receive enough water in July to run their systems as installed.

Mr. McShane said exceptions were generally made by reassigning parcels to a different address group, not by granting waivers from reduced usage. He said new sod and seeding were allowed to be treated as gardens and watered with a hose and sprinkler, but KID recommended waiting to plant a new lawn until September when water supply should be more consistent.

He said staff was working with owners of unmetered large parcels of three or more acres in town, to water in off peak hours. He said they would likely have fewer hours than other parcels.

Mr. McShane said people used to feeding livestock only pasture grass may have to purchase supplemental feed, though they were not used to that.

Mr. McShane spoke about drought relief projects. He said KID was working with the Columbia Irrigation District. He said KID was looking at other water sources, such as relief pumps at Cherry Creek Reservoir and other sites, where KID would be filling reservoirs on low demand days and using that water on high demand days. Interties and outside sources such as Badger Mountain Irrigation District were being explored.

President Rathbun said KID would continue to learn and make adjustments.

**EXECUTIVE SESSION:** At 10:41 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) and to discuss with legal counsel potential litigation, in the form of litigation or legal risks of a proposed action or current practice, pursuant to RCW 42.30.110(1)(i)(iii), for approximately 20 minutes.

At 11:03 a.m., the meeting returned to open session.

**Director Huffman moved to adjourn the meeting at 11:04 a.m. and Director Dennis seconded the motion. The motion carried unanimously.**

Attest:

Witness:

  
Kirk Rathbun, Board President  
Approved June 16, 2015

  
Chuck Freeman, District Manager

Prepared by Doris Rakowski