



## Minutes

Meeting of the KID Board of Directors  
 And Canvassing of the 2015 KID Board Election  
 Carl W. Petersen Board Room  
 Monday, December 14, 2015, 9:00 a.m.

President Rathbun called the meeting to order at 9:06 a.m. and Mr. Freeman called roll.

**Directors Present:**

Kirk Rathbun, President  
 David McKenzie, Vice President  
 Patrick McGuire, Director  
 Gene Huffman, Director

**Staff Present:**

Chuck Freeman, District Manager  
 Colleen Storms, District Treasurer  
 Kipp Drummond, Comptroller  
 Jason McShane, Engineering/Operations Manager  
 Seth Defoe, Land and Water Resources Manager  
 Kingsley Berg, Assistant Operations Manager  
 Doris Rakowski, Executive Assistant

**Absent:** Dean Dennis, Director

**Other Persons Present:**

Brian Iller, Legal Counsel  
 Bob Gudgel, Election Board Inspector  
 Karen Woofler, Election Board Judge

**APPROVAL OF AGENDA:** President Rathbun added discussion with legal counsel of the legal risks of a current practice or proposed action regarding manager evaluations to the executive session. He removed consideration of Policy 2.11, Realty Reserves, Revision 2 from the agenda.

**Director McGuire moved to approve the agenda as modified. Vice President McKenzie seconded the motion. All present voted in favor and the motion carried.**

**CONSENT AGENDA: Director Huffman moved to approve the consent agenda. Vice President McKenzie seconded the motion. All present voted in favor and the motion carried.**

Items on the consent agenda were:

1. Pre Plat 15-05 Olympia Estates
2. Pre Plat 15-02 The Parks
3. Short Plat 2015-101 Del Rey
4. Binding Short Plat 15-08 Brinkley (Dry)
5. Vouchers/Warrant Approval

**Accounts Payable**

Numbers: 71285	through	71334	\$	62,838.38
71335	through	71336		16,301.89
100.10.2015	through	102.10.2015		3,190.40
100.11.2015	through	103.11.2015		7,658.64
701.12.2015	through	701.12.2015		66,608.69
703.12.2015	through	703.12.2015		<u>4,888.92</u>

**Total Accounts Payable** 161,486.92

**Payroll**

Numbers:	33233 through	33243	\$	9,554.48
	33244 through	33245		12,331.38
Direct Deposit		12/5/2015		<u>88,790.69</u>
<b>Total Payroll</b>				<u>110,676.55</u>
<b>Total Disbursements</b>			\$	<u>272,163.47</u>

**Voided Checks:** None

**CANVASSING OF ELECTION:**

Mr. Freeman presented unopened returned absentee ballots, and the sealed ballots, poll list, tally sheets and the completed Certificate of Regular Returns to the Board of Directors. He reported that the counting of votes cast in person on Election Day (regular returns), certification of those returns and preservation of those votes occurred on December 8, 2015. He noted that Election Board members were present for the canvassing of the election, should the Board of Directors choose to delegate counting the ballots to the appointed election board.

**Vice President McKenzie moved to delegate counting of the ballots to the Election Board. Director Huffman seconded the motion. All present voted in favor and the motion carried.**

The Election Board began counting the absentee returns while the meeting proceeded. The election board was invited to ask the Board of Directors any questions which arose.

**PUBLIC COMMENTS:** None

**PRESENTATIONS:** None

**Financial Reports for October 2015:** Ms. Storms displayed the October 2015 financial reports and reviewed highlights of pages including:

- Balance Sheet as of October 31, 2015
- Statement of Revenue & Expenditures – Budget to Actual – Comparative  
In response to questions from Director McGuire, Ms. Storms spoke briefly about unemployment insurance claims. Mr. Freeman and Mr. McShane spoke about pump maintenance by the USBR. Discussion ensued.
- Fund Balance Change through October 31, 2015

**Director McGuire moved to accept the October 2015 KID Financial Statements. Director Huffman seconded the motion. All present voted in favor and the motion carried.**

**PUBLIC HEARING:** None

**BOARD REPORTS:** None

**ACTION ITEMS:**

**Change Orders for Administration Building:** Mr. McShane presented the change orders and said that they were within the project cost estimate.

In response to a question from President Rathbun, Mr. McShane spoke about drywall finishing and the generator for the new building.

Mr. Freeman and Mr. McShane assured the Board that no correction of contractor errors were included in the change orders.

Mr. Freeman reported that staff would meet with the City of Kennewick to verify the District was on schedule to get the certificate of occupancy scheduled for February 15<sup>th</sup>. Mr. Freeman said he requested an estimate for the option of buying five days, moving occupancy to February 10<sup>th</sup>.

**Director Huffman moved to approve Change Order 3 for Administration Building Contract 1 and Change Orders 5, 6, and 7 for Administration Building Contract 3, as set out in the attachment, and authorize Charles Freeman to execute the associated Change Orders. Vice President McKenzie seconded the motion. All present voted in favor and the motion carried.**

**Purchase Contract 2015-54 - Concrete for WaterSMART Grant:** Mr. McShane spoke about the purchase of concrete needed to continue work under the 2013 WaterSMART Grant. He reported that only one bid was submitted. Mr. McShane spoke about the challenge of purchasing concrete in the Tri-Cities as there was only one supplier in town and said that bids were sometimes received from suppliers in neighboring areas.

In response to a question from President Rathbun, Mr. McShane spoke briefly about the stiffness of lining products and circumstances where ballast was needed.

In response to a question from Vice President McKenzie, Mr. McShane spoke briefly about statutory purchasing requirements. Discussion ensued about the pricing of concrete in a small market. It was noted that if specifications were changed to try to get a better price, the District would need to advertise for bids again.

**Vice President McKenzie moved to approve the purchase of concrete from American Rock Products at \$101.75 per yard, not to exceed 705 cubic yards. Director McGuire seconded the motion. All present voted in favor and the motion carried.**

**RESOLUTIONS:** None

**STAFF REPORTS:**

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

- Outstanding collections were slightly less than last year. About 28 accounts have 2012 balances, which became three years overdue in May.
- Kipp Drummond, the new Comptroller, had started work.
- No finding or management comment would be received on the State Audit. Third party cash receipts and payroll were reviewed. One overpayment of .4 hours was found and it would be reimbursed.
- Jenny Willis was doing well with the Tyler software implementation. Some of the elements would be live at the first of the year.

In response to a question from Director Huffman, progress made to resolve a possible foreclosure case was discussed.

President Rathbun called a five minute break at 9:55 a.m.  
 The meeting resumed in open session at 10:03 a.m.

**CANVASSING OF ELECTION, continued:** Mr. Freeman presented the results of the count:

<b>Candidates for Position 2</b>	<b>Ballots Cast at Polling Place</b>	<b>Absentee Ballots Cast</b>	<b>Combined Total</b>
<b>Patrick McGuire</b>	749	602	<b>1,351</b>
<b>John H. Trumbo</b>	236	11	247*
<b>Mr. Johnson (write in)</b>	18	0	18
<b>Candidates for Position 5</b>	<b>Ballots Cast at Polling Place</b>	<b>Absentee Ballots Cast</b>	<b>Combined Total</b>
<b>Gene Huffman</b>	721	601	<b>1,322</b>
<b>William (Bill) McKay</b>	238	8	246
<b>Total returns cast</b>	1,962	1,222	3,184

\*Misstated in meeting as 237 and corrected in minutes.

Mr. Freeman read an excerpt from RCW 87.03.100 stating “if any person be of the opinion that the vote of any precinct has not been correctly counted, he may appear on the day appointed for the board of directors to open and canvass the returns, and demand a recount of the vote of the precinct that is so claimed to have been incorrectly counted.”

President Rathbun asked if there was any person present who was of such an opinion regarding counting of either the absentee or regular returns. There being no answers in the affirmative, the certificates were signed and sealed.

President Rathbun congratulated Directors Huffman and McGuire on their re-election.

**Vice President McKenzie moved to accept the Certification of the 2015 election. Director McGuire seconded the motion. All present voted in favor and the motion carried.**

President Rathbun thanked Bob Gudgel, Bette Gudgel and Karen Woofter for their service as the election board.

**STAFF REPORTS, continued:**

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

- Work continued to clear debris and recondition the Amon Wasteway.
- Operations was preparing to install pipeline in Vancouver Street once the City of Kennewick approve the traffic control plan.
- The Yakima River was at flood stage yesterday. Staff inspected the Red Mountain Pumping Plant this morning.
- Kingsley Berg was introduced and Mr. McShane announced that Mr. Berg had accepted promotion from Operations Lead-Canal & Vegetation Control to Assistant Operations Manager.

Mr. McShane agreed to provide Director McGuire an estimated of cost per square foot for work done on Division 4 last year. Mr. Freeman noted that some work remained to be completed including over drains, under drains and concrete work.

Discussion ensued regarding the gravel used on District roads. Mr. McShane spoke about Mr. Berg's experience. He said Mr. Berg used less gravel by mixing aggregate with existing earth to create a more stable and better driving surface for significantly decreased cost. Mr. Berg confirmed to Director McGuire that the new mixture should not have additional dust concerns.

**Land & Water Resources Manager:** Mr. Defoe displayed U.S. Bureau of Reclamation (USBR) website Yakima River 5 Reservoirs chart and spoke about current storage conditions compared to the previous year and average. Upper Yakima Basin snow pack was at 75% and Lower Basin snow pack was 110%. Supply conditions were discussed.

Mr. Defoe reported that Roza Irrigation District held scoping meetings for environmental work for their Kachess Emergency Temporary Floating Pumping Plant (KETFPP) project. Mr. Defoe attended a meeting for irrigators hosted by the USBR regarding the KETFPP project. He spoke briefly about the project and prorationing levels relative to implementation scenarios. He said Lake Kachess would have to be tapped down early in the season to allow work in the reservoir, and that project proponents said other users and fish operations would not be harmed. Mr. Defoe said that the assumption going into the project was that there could be no third party impacts from operation of the system.

Mr. Defoe noted that Kachess had the worst refill ratio of the five reservoirs and was difficult to fill in a good year, leading to the question of how everyone other than Roza Irrigation District would be made whole if the dead storage were drawn down and the reservoir did not refill. Discussion ensued. Mr. Defoe reported that there was a memorandum of understanding (MOU) being drafted between Roza Irrigation District and the USBR. How KID could give input on the MOU was discussed. Potential use of the K to K pipeline (Keechelus to Lake Kachess Conveyance Project) was discussed, but Mr. Defoe said that the most volume expected from K to K was 10,000 acre feet as opposed to 50,000 acre feet of drawn down from KETFPP or 200,000 acre feet from the full Integrated Plan K-Drip (Kachess Drought Relief Pumping Plant) project. Discussion continued.

The USBR "Teacup" diagram was displayed and Mr. McShane spoke about management and use of the reservoirs, and intent of the USBR's modeling efforts. In response to a question from Director McGuire, Mr. McShane listed several USBR representatives working on these issues.

In response to a question from Director McGuire, Mr. Defoe confirmed that this was a separate project from the IP K-Drip project. He said he read in the paper that the Roza Irrigation District Board was considering whether to assess \$85 per acre over ten years to pay for the project.

Whether the temporary pumps could be used as part of the full IP K-Drip project was discussed.

Mr. Freeman said the legal question of who owns water was yet to be resolved. Mr. Iller said this was under a temporary drought relief permit and there was high potential for litigation.

Mr. Defoe said the Quarterly IP meeting would be held December 16<sup>th</sup>. Mr. McShane and Mr. Defoe would give another presentation about the 2015 drought's impacts on KID.

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

- The answers to KID's questions which were promised to be provided last week by the USBR had not been received. Staff would follow up at Wednesday at the Work Group meeting. Mr. Freeman confirmed to Director McGuire that the questions, sent six weeks ago, were regarding storage, target flows and conserved water.
- Mr. Freeman attended the Municipal Subgroup meeting of the Water Use Sub-Committee last week. The group was in the early staged of organization and its first project would be about ten years out.
- KID would make a LUPA appeal with the City of Kennewick Hearing Examiner regarding the Hanson Ridge Development Division 1. Hearing examiner did not acknowledge KID's ability to impose conditions or invite the District to the hearing despite KID's written request.
- K-Club Awards Banquet would begin at 5:00 pm with dinner at 6:00 pm. at Pasco Red Lion. The District would pay for employees and the K-Club would pay for guests.
- Drought bill did not happen. SB 1694 and SB 1894 were being tracked.
- New job descriptions for GIS and Project Manager were coming in January.

Mr. Freeman thanked the Election Board for their good work and welcomed Kipp and Kingsley.

KID tracking of SB 1894 and SB 1694 was discussed.

**WORKSHOP:** None

**EXECUTIVE SESSION:** At 10:48 a.m., President Rathbun announced that the Board would go into executive session following a short break to review the performance of a public employee pursuant to RCW 42.30.110(g) and to discuss with legal counsel legal risks of a proposed action or current practice as authorized by RCW 42.30.110(1)(i)(iii) regarding manager evaluations for approximately 15 minutes with action unlikely but possible following executive session.

The meeting returned to open session at 11:24 a.m.

President Rathbun announced that there would be no further action in open session. He reported that the District Manager was given a verbal evaluation in executive session.

**Director Huffman moved to adjourn the meeting at 11:25 a.m. and Director McGuire seconded the motion. All present voted in favor and the motion carried.**

Attest:

Witness:



Kirk Rathbun, 2015 Board President



Chuck Freeman, District Manager



David McKenzie, 2016 Board President  
Approved April 5, 2016

Prepared by Doris Rakowski