



Minutes

**Meeting of the KiD Board of Directors
Carl W. Petersen Board Room
Tuesday, March 15, 2016, 9:00 a.m.**

President McKenzie called the meeting to order at 9:01 a.m. and Mr. Freeman called roll.

Directors Present:

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

Staff Present:

Chuck Freeman, District Manager
Kipp Drummond, District Treasurer
Jason McShane, Engineering/Operations Manager
Seth Defoe, Land and Water Resources Manager
Lynda Rosenbaum, Real Property Manager
Darin Arbogast, Project Manager
Lori Gibson, Executive Assistant
Doris Rakowski, Executive Assistant

Other Persons Present:

Thomas Tebb, L.Hg., L.E.G., Department of Ecology, Director (Office of Columbia River)
Wendy Christenson, U.S. Bureau of Reclamation
Chris Lynch, U.S. Bureau of Reclamation
Paul Cross, RH2 Engineering
Brian Iller, Legal Counsel

APPROVAL OF AGENDA: Vice President Huffman moved to approve the agenda. Director Rathbun seconded the motion and it carried unanimously.

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

Items on the consent agenda were:

1. Minutes, KID Board Special Meeting, November 24, 2015
2. City of Richland Requests for Access and Utility Easements
3. Vista Business & Technology Park Lot 15 Easements
4. Amon Wasteway Right-of-Way
5. Short Plat 15-06 Bruce - West
6. Boundary Line Adjustment 16-05 Moore (Dry)
7. Vouchers/Warrant Approval

Accounts Payable

Numbers: 72005	through	72040	\$	251,052.62
72041	through	72073		232,810.88
72074	through	72087		18,642.68
APPKT00055	through	APPKT00055		2,763.76
APPKT00061	and	APPKT00063		72,567.73
APPKT00067	through	APPKT00067		164.21

Total Accounts Payable

578,001.88

Payroll

Numbers:	33356 through	33356	\$	4,148.08
	33357 through	33368		12,934.16
	33369 through	33369		1,942.04
	33370 through	33370		717.66
Direct Deposit		3/4/2016		<u>92,793.20</u>
Total Payroll				<u>112,535.14</u>
Total Disbursements			\$	<u>690,537.02</u>

Voided Checks: AP checks #72012 was voided 2/24/16 due to data entry error.

PUBLIC COMMENTS: None

PRESENTATIONS:

Thomas Tebb, L.Hg., L.E.G., Department of Ecology, Director (Office of Columbia River):

Mr. Tebb presented an update about the Office of Columbia River (OCR). He spoke about:

- Columbia River Basin Water Management (Development) Act of 2006
- Water Supply Development Account uses
- The Office of Columbia River Policy Advisory Group (PAG)
- The evolving planning environment, including climate change, and legislative and judicial developments
- The OCR's mandate to address severe groundwater decline
 - Moving users of ground water to surface water
 - Expanding the Columbia Basin Project to provide additional water
 - Developing additional supply for pending water right applications and interruptibles water right holders
 - Developing additional municipal, domestic, industrial and irrigation supply and water for instream purposes
- OCR water projects 2014
- Lake Roosevelt storage releases
- Odessa Groundwater Replacement Program (OGWRP)
- Columbia Basin - Increased Conveyance Capacity
- Improvements to delivery of OGWRP Water
- Lake Sullivan Reoperation
- Kennewick Irrigation District Red Mountain AVA Project
- Yakima River Basin and the Integrated Plan (IP)
- Yakima River Basin Water Resources Management Act of 2013 - SSSB 5367
 - Funding ration did not apply to individual projects but to the IP as a whole
 - Working on federal legislation and funding for the federal half of the plan
- Yakima River Basin Integrated Water Resource Management Plan (YBIP)
- YBIP Water Supply Benefits
- Columbia River Basin Long Term Water Supply and Demand Forecast
- Future Financial Challenges and the 2015-2017 Capital Budget Proviso

In response to a question from Director Rathbun, Mr. Tebb spoke about the volume of water in the Columbia River after the confluence with the Yakima River and opportunities for supply and storage. Mr. Tebb said the Columbia River Biological Opinion limited when water may be taken for use and existing water rights were a limiting factor.

A guest said often people did not understand limitation on taking water from the Columbia River.

PUBLIC HEARING: None

BOARD REPORTS: None

ACTION ITEMS:

Badger Coulee Recapture Project: Mr. Freeman presented the RH2 Engineering (RH2) scope of work and professional services agreement. He spoke about previous work done for the District by RH2 and plans for this project.

In response to a question from Director McGuire, Mr. Freeman said XRI, a sub-contractor of Shannon Wilson that presented their fly-over technology at a previous meeting, was not selected in the bid process. Mr. Freeman said FAA regulations and the amount of roof areas in the area could limit the locations over which the equipment could be flown.

Mr. McShane spoke about available technologies. He said RH2 had high confidence due to numerous well logs for the location. He recommended moving forward for the location.

Director Rathbun said, in his experience, the ability of a driller to use mud could be critical. Director McGuire recommended that Director Rathbun be involved in this project due to his experience digging wells.

President McKenzie called a short break at 9:45 a.m. and the meeting resumed in open session at 9:52 a.m. Paul Cross, of RH2 Engineering, joined the meeting.

In response to a question from Director McGuire, Mr. Cross spoke about the area's geology and said evidence from numerous existing wells defined areas of alluvial materials. He said risks were low and information gained by contracting further onsite work would likely be redundant.

At the request of Director McGuire, Mr. Cross spoke about how they qualified drillers. He noted that there was no plan to drill into basalt, but only in the alluvial material. He recommended the District not define the type of drilling equipment to be used, but assess ability to drill the size and diameter of well needed.

Mr. Cross spoke about the well development process, design and testing.

Director Rathbun spoke about need for language in the contract and ability to switch type of drill.

Director Rathbun moved to approve RH2 Engineering for the Groundwater Recovery Well Construction and Testing, not to exceed \$29,822 and approve using the Small Works Roster process for drilling services not to exceed \$300,000 and utilize the Drought Reserve Funds to pay for all expenditures.

Mr. Freeman confirmed to Director McGuire that staff would monitor other wells in the vicinity in coordination with RH2. Mr. Cross clarified that insuring there were not secondary impacts on existing wells was part of the study, but not specifically part of this scope of work.

Director McGuire seconded the motion and it carried unanimously.

RESOLUTIONS:

Resolution 2016-04, Project Acceptance – PW2015-07 Admin Bldg (Pre-Engineered Metal Building) (Contract 1): Mr. McShane presented the resolution for approval.

Staff confirmed to Director Rathbun that the one year warranty would start upon approval.

Vice President Huffman moved to approve Resolution 2016-04, Project Acceptance and release of retainage for Public Works Contract PW2015-07 Kennewick Irrigation District Administration Building Contract 1: Pre-Engineered Metal Building Package. Director Rathbun seconded the motion and it carried unanimously.

Resolution 2016-07, Project Acceptance – PW2015-14 Admin Bldg (Foundation & Slab) (Contract 2): Mr. McShane presented the resolution for approval.

Director Rathbun moved to approve Resolution 2016-07, Project acceptance and release of retainage for public works contract PW2015-14 Kennewick Irrigation District Administration Building Contract 2: Slab on Grade and Underslab Utilities. Vice President Huffman seconded the motion and it carried unanimously.

Resolution 2016-10, Authorizing Collection of Surcharges for Red Mountain Service Area: Mr. McShane referred to the materials distributed at the meeting and reviewed the surcharge system and policy approved by the Board last year.

Mr. Freeman noted that this would take the service area to its cap of 1,785 acres.

Mr. Drummond said he verified these charges would match the fees charged to LID members.

Mr. McShane confirmed to Director McGuire that this was a portion of the LID loan to pay back construction of the system.

Vice President Huffman moved to approve Resolution 2016-10, Authorization for Collection of Surcharges for the Red Mountain Service Area. Director McGuire seconded the motion and it carried unanimously.

STAFF REPORTS

Finance Manager: Mr. Drummond reported:

- Assessments would be mailed in the middle of next week. He spoke about the process.
- A Customer Service Specialist was promoted to Accounting Clerk and two new a Customer Service Specialists were hired.

In response to a question from Director McGuire, Mr. Drummond spoke about how it was noted if mortgage companies were paid a customer's assessment.

Mr. Drummond spoke briefly about the new system allowing title companies to check assessments on properties.

Mr. Drummond confirmed to President McKenzie that an insert in the bills noted the District's change of address.

Engineering/Operations Manager: Mr. McShane said he would report on winter work projects at the next meeting. He reported:

- The Vancouver Street piping project was completed last week. Pressure testing would be completed before paving.
- Sherman Street and Ridgeline work was underway to make connections for the Bob Olsen Parkway project.
- City of Kennewick was two weeks behind schedule on Bob Olsen Parkway.

In answer to Director McGuire, Mr. Freeman said staff would seek agreement from City of Kennewick that KID was the exclusive irrigation water provider and the City would not issue building permits until KID verified it had been paid. He said KID would have to pipe through half of the project outside the District and, if KID could stay below 20,201 irrigated acres through recalibration or relegation, those acres should be exclusive to KID. He spoke about project cost, the long payback period, and said agreement was needed for KID to do the project at all.

In response to a question from Director McGuire, Mr. McShane spoke about ground water and storm water management for Southridge.

Surcharges for distribution and transmission were discussed.

- Water Master Training would be provided at 6:00 p.m. tonight.
- Geotechnical work was proceeding on the Ely site expansion.
- Mr. McShane would be in Washington D.C. next week to meet with legislators about why the Integrated Plan (IP) benefited the entire country, not just Washington. Mr. McShane spoke about collaboration in determining next steps for the IP. He acknowledged the leadership roles of Tom Tebb and Wendy Christenson.

In response to a question from President McKenzie, Mr. McShane clarified that the pipeline would be outside the District service area boundary but inside the District, within the Bob Olson Parkway street right-of-way.

Land & Water Resources Manager: Mr. Defoe said Chris Lynch tracked conditions in the mountains and made the forecast for the U.S. Bureau of Reclamation. Mr. Lynch's Total Water Supply Available (TWSA) report indicated it could be a strong year if the forecast bore out. Mr. Defoe spoke about reservoir and snowpack conditions.

Mr. Lynch explained to President McKenzie that the percent of average number used the 30 year average from 1980 to 2010, consistent with the National Weather Service convention. Discussion ensued about potential differences if the 30-year window moved forward over time.

District Manager: Mr. Freeman reported:

- The Vista Entertainment Properties sale would be closing.
- Mr. Freeman introduced Darin Arbogast, KID's new Project Manager.
- Water On meeting would be on March 28th. Mr. Freeman said efficiencies from the move were already evident.
- City of Richland applied for a \$30,000 grant for a feasibility study from the State for the Lorayne J potable water system. Mr. Freeman said the State was supportive of the consolidation. He said the plan was that Elliot Lake should belong to the City of Kennewick by the end of 2016, and Lorayne J should transfer to City of Richland by the end of 2018.

President McKenzie called a short break at 10:36 a.m.

The meeting resumed in open session at 10:53 a.m.

WORKSHOP:

Hydrologic Modeling of Lower Basin - Yakima River Basin Integrated Water Resource

Management Plan: Mr. Iller said the purpose of the workshop was to update the Board about the hydrologic modeling of lower river impacts of upstream conservation projects on KID's water supply. He said the District raised concerns that upstream conservation activities would impact return flows leaving less water available for KID to divert at Prosser. Mr. Cross, on behalf of KID, reviewed the model and USBR had their contractor, HDR, and subcontractors CH2M Hill and Anchor QEA, model return flows to the lower Yakima River and the impacts of conservation now as well as what would happen under the IP as currently planned. KID and USBR met two weeks ago regarding the status of modeling efforts, which USBR emphasized were not yet done. The Wapato Irrigation Project impacts were not yet modeled. Mr. Iller said the KID Board's concerns about negative impact on the District's water supply were sustained.

Mr. McShane reviewed modeling presented at the recent meeting. Slides reviewed included:

- Map from Parker Gauge to the Kiona Gauge
- August 2015 - Yakima River Water Balance, Parker to Grandview
- Sunnyside Change in Recharge
- Rosa Change in Recharge
- Wapato Change in Recharge
- Sunnyside Change in Recharge and MODFLOW-derived Change in Return Flow
- Roza Change in Recharge and MODFLOW-derived Change in Return Flow
- Wapato Scenario 1 Change in Recharge and MODFLOW-derived Change in Return Flow
- Wapato Scenario 2 Change in Recharge and MODFLOW-derived Change in Return Flow
- Yakima River Average Monthly Simulated Return Flows Parker(PARW) to Grandview
- Yakima River Water Balance FWIPC Parker(PARW) to Grandview(USGS Mabton) WY 2015
- Yakima River Basin Riverware Modeling Integrated Plan Implementation
Run: FWIPc_03Mar_01_2016
- Simulated FWIPC versus Conservation Flow at Grandview(Mabton) in cfs - Summer 2015

Mr. Freeman and Mr. McShane agreed that the modelers had done an excellent job of reflecting current conditions. Mr. McShane said in the last six months they refined the model between the Parker and Prosser gauges to include the unusual conditions in 2015. Discussion ensued.

Mr. Cross spoke about limitations of the model. He said this was a great effort and while the model matched 2015, but there was not enough data to know how well it would model future conditions. He said sensitivity analysis for various conditions would be helpful, as many parameters could be sensitive to small changes.

Ms. Christenson said they hoped to provide a useful tool to model past conservation and provide an indicator of how much water the District would have gotten from return flows without conservation. Handout 17, Measured and Simulated KID Diversions 2015, was discussed. Mr. McShane said it showed the District would continue to have reduced flows without future water supply projects. Ms. Christenson said it was a preliminary step to insure the model was calibrated correctly and sensitivity analysis could be needed. She said the next phase was to do scenarios agreed to by the group.

Mr. Lynch said he could not commit to how much effort they could put into sensitivity analysis, due to limited budget and time. He suggested considering what might have the most significant impact and, perhaps, run that. He said he still needed to review the model. He said the next step was to run IP projects through the revised model. He noted that improvements were made to looking at fish flows for a better representation of instream demands.

Mr. McShane said there was concern that these negative effects would put conservation in a negative light, but KID found a benefit of conservation was an ability to move water where and when it was needed. He said KID received some negative results of conservation, but looked forward to other projects and ways to mitigate losses. He said Ecology and the USBR shared the District's concerns about the District's lost water.

In response to a question from Director McGuire, discussion ensued as to whether the model took into account changing target flows at Prosser Dam, and whether target flows at Parker and Prosser should be the same, especially in years of water proration.

In response to a question from Vice President Huffman, Ms. Christenson spoke about the USBR's commitment to completion of the model. Uses of the model were discussed. Ms. Christenson said there was no plan to continuously update the model.

In response to a question from Director Rathbun, discussion ensued about the uniqueness of each drought and running different past drought years through the model. Factors impacting calibration of the model were discussed.

Mr. Iller spoke about the importance of ongoing modeling and sensitivity analysis.

Director McGuire expressed concern about budget constraints and noted that if projects would cost around \$4 billion, the modeling budget amounted to only a rounding error. Mr. Lynch said he could not make budget commitments.

In response to a question from President McKenzie, discussion ensued regarding assumptions about conserved water and target flows.

Mr. Iller thanked Ms. Christenson and Mr. Lynch for attending.

EXECUTIVE SESSION: At 11:46 a.m., Mr. Iller announced on behalf of the presiding officer that the Board would go into executive session for five minutes 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 Badger Coulee Water. Mr. Iller said action was not anticipated but was possible following executive session.

Executive session was extended by five minutes at 11:52 a.m.
The meeting returned to open session at 11:57 a.m.

There being no further action, President McKenzie called for a motion to adjourn.

Director Rathbun moved to adjourn the meeting at 11:57 a.m. Vice President Huffman seconded the motion and it carried unanimously.

Attest:

Witness:



David McKenzie, Board President
Approved May 3, 2016



Chuck Freeman, District Manager

Prepared by Doris Rakowski