



Minutes

**Meeting of the KID Board of Directors
Carl W. Petersen Board Room
Tuesday, April 19, 2016, 9:00 a.m.**

President McKenzie called the meeting to order at 9:00 a.m. and Mr. Freeman called roll.

Directors Present:

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

Staff Present:

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

Other Persons Present:

Brian Iller, Legal Counsel
David Child, Yakima Basin Joint Board, Biologist

APPROVAL OF AGENDA: President McKenzie said the January 5, 2016 minutes were to be corrected to strike "revised" under "Approval of Agenda" and make clerical edits to the last page.

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

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

Items on the consent agenda were:

1. Minutes, KID Board Meeting, January 5, 2016 (as modified)
2. Final Plat Highland Terrace - Wet
3. Pre-Plat - Sunrise Ridge - Dry
4. Vouchers/Warrant Approval

Accounts Payable

Numbers:	72208	through	72279	\$	213,942.01
	72280	through	72280		21,670.52
	72281	through	72326		84,894.59
	APPKT00094	through	APPKT00094		76,541.02
	APPKT00098	through	APPKT00098		422.39
					397,470.53

Payroll

Numbers:	33380	through	33387	\$	8,871.07
Direct Deposit			4/5/2016		99,424.90
					108,295.97

Total Disbursements	\$	505,766.50
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Voided Checks: Check #71731 and #71987 were both lost in the mail

PUBLIC COMMENTS: None

PRESENTATIONS:

Annual Fish Count Report, David Child: Mr. Child spoke about his representation of irrigation districts in the Yakima Basin. He reviewed his qualifications and contracted activities for irrigation districts. Mr. Child provided a copy of his resume to the Board.

He presented his report, "2015 Returns of Yakima River Basin Salmon and Steelhead Trout." Topics included:

- Spring Chinook salmon
- Fall Chinook salmon
- Coho salmon
- Steelhead trout
- Video fish counting
- Other species, including bull trout
- Summary of adult salmon Returns to the Yakima Basin from 1984 to 2014

Following his presentation, Mr. Child responded to questions regarding:

- A proposed fishing regulation change for non-native predator fish, approved by Fish and Wildlife, to remove the catch limit for walleye, smallmouth bass and channel catfish.
- The modeling study and proposals to remove the Bateman Island causeway, modification to the area to aid native fish and funding through the Integrated Plan (IP).
- Fish screens and increased fish survival.
- Possible funding options for fish screens at Amon Wasteway.
- Late summer sockeye passage.
- Yakama Nation's video fish counting.

Financial Reports for February 2016: Mr. Drummond said the March 2016 reports would be presented at the next Board meeting. He reviewed highlights of pages of the February 2016 financial reports including:

- Balance Sheet as of February 29, 2016 - Final
- Balance Sheet - Comparative - 2 Months Ended February 29, 2016 and February 28, 2015
- Statement of Revenue & Expenditures – Budget to Actual – Summary
- Statement of Revenue & Expenditures – Budget to Actual – Comparative
- Grant & Matching Funds Schedule
- Fund Balance Change through February 29, 2016
- Cash Investment Report by Investment Maturity Date as of February, 2016

Director McGuire moved to accept the February 2016 KID Financial Statements. Director Dennis seconded the motion and it carried unanimously.

PUBLIC HEARING: None

BOARD REPORTS: Mr. Huffman reported that he and Mr. Defoe had attended the National Water Resource Association (NWRA) Federal Water Issues Conference in Washington D.C.

ACTION ITEMS:

Southridge Master Plan Transmission Piping: Mr. McShane asked the Board to preauthorize awarding a contract for piping, to facilitate meeting the City of Kennewick the project schedule.

In response to a question from Directors McGuire, Mr. McShane spoke about the accuracy of the engineers' estimate. Mr. Freeman confirmed that a special meeting would be called if the bids were high. Mr. McShane said bids would be closely reviewed to assure they were consistent with the District's specifications.

Mr. McShane spoke about pipe and tap locations and the City of Kennewick's project schedule. He spoke about contingency plans for routing past roundabouts.

Potential changes to the District's facilities and means of accessing the system were discussed. Mr. Iller offered to provide a legal opinion in executive session if needed.

Vice President Huffman commented that time was of the essence for the project

Vice President Huffman moved to approve the funding of the Southridge Master Plan Transmission Piping Phase 1 up to an amount not to exceed \$2,250,000, including tax and authorize Chuck Freeman, District Manager, to award the bid to the lowest responsible bidder. Director Rathbun seconded the motion and it carried unanimously.

Planned Residential Development - The Village at Southridge: Mr. McShane referred to the memo distributed at the meeting and presented the proposed review comments. He highlighted some items in the comment letter including Item 4 regarding compliance with the Southridge Master Plan and KID Resolution 2016-04 and Item 10 regarding application of KID policy 4.17, Irrigable Land Recalibration Principles.

Mr. McShane confirmed to Director Rathbun that this was a pressurized service area and noted that the staff report erroneously said the area would have a non-pressurized assessment.

Discussion ensued about the hearing process and adoption of conditions of approval. Encroachment issues were briefly discussed, as was minimizing risk for the District.

Mr. McShane identified lots with planned non-residential uses. The small lot size and private roads were discussed.

Vice President Huffman moved to approve the attached Review Comments for the Planned Regional Development (PRD 16-01) The Village at Southridge. Director Rathbun seconded the motion and it carried unanimously.

Preliminary Plat 16-01 Sage Crest Phase 5: Mr. McShane referred to the memo distributed at the meeting and presented a revision to the comments approved at the previous Board meeting.

Mr. McShane reported about questions asked of him by City of Kennewick Hearing Examiner Driscoll at a previous hearing.

Mr. McShane briefly reviewed the requested change and indicated the location on the map. He said staff considered the request to use a right-of-way instead of ownership of land a good option. He read section 3.a of the revised comment letter.

Mr. McShane confirmed to Vice President Huffman that there were 28 lots, not 20 lots as erroneously noted on the staff report, and that Tract A would pay an assessment as well. He said the staff report error had no impact on the comments.

Director Rathbun moved to approve the attached Revised Comments for Preliminary Plat of Sage Crest Phase 5. Director Dennis seconded the motion and it carried unanimously.

Mr. Freeman and Mr. McShane agreed to Director McGuire's suggestion that benefit area charges be noted on future staff reports.

RESOLUTIONS:

Change Order 6 for Administration Building Contract 2 & Addendum to Resolution 2016-07: Mr. McShane reported that one contractor had failed to include sales tax on an order and that this change order was to correct that error.

Director Rathbun moved to approve Change Order 6 for Administration Building Contract 2, as set out in the attachment, and authorize Charles Freeman to execute the associated Change Order. I further move to approve Addendum to Resolution 2016-07. Vice President Huffman seconded the motion and it carried unanimously.

Resolution 2016-15, Project Acceptance and Release of Retainage for PW2013-02 Red Mountain South LID, Kiona Intake & Pump Station, Phases 2, 3, & 4: Mr. McShane reported that all terms of the completion of public works contract PW2015-02 had been met. He recommended approval.

In response to a question from Vice President Huffman, Mr. McShane spoke briefly about challenges with filtering, sensors, and SCADA.

Vice President Huffman moved to approve Resolution 2016-15 Project Acceptance and Release of Retainage for Public Works Contract PW2013-02 Red Mountain South LID, Kiona Intake and Pump Station, Phases 2, 3, and 4. Director Rathbun seconded the motion and it carried unanimously.

Mr. Freeman confirmed to Director McGuire that any interest of the District in an issue with prescriptive easement on a Red Mountain property sold by the District had been resolved.

STAFF REPORTS:

Finance Manager: Mr. Drummond reported:

- Staff was working to increase availability of web-based information.
- Customer Service was scheduled to work on weekends and overtime.
- Finance staff was helping Customer Service process returned assessment letters.
- Monthly usage reports would be available in April.

Director McGuire reported a water usage data was missing from the customer portal and staff agreed to look into the matter.

In response to comments by Director McGuire, discussion ensued regarding response to phone messages, level of service and April call volume. Communication with customers through cards or hangers indicating service provided, email, and the outage board was discussed. Mr. Freeman said the call rate was slightly lower than last year.

Engineering/Operations Manager: Mr. McShane reported:

- A break was repaired on Edison Street.
- A failed weld of a transverse joint between concrete and lining was discovered Sunday morning. Mr. McShane displayed a map of the impacted area and spoke about how flows were managed to allow the repair to be made on the weekend with limited staff.
- A ditch rider discovered a large section of lining had been stolen. The repair was made on Sunday and the theft was reported to the Sheriff. Discussion ensued. The material itself was valued at about only \$35.
- The Energy Bill with the newest Integrated Plan (IP) legislation was on the floor today.
- Staff met with Representative Haler last week to discuss the IP.

Mr. McShane confirmed to Vice President Huffman that Royal Anne Estates was to maintain their mow strip.

A short break was called at 11:00 a.m. and the meeting resumed in open session at 11:10 a.m.

Land & Water Resources Manager: Mr. Defoe reported:

- The NWRA Federal Water Issues Conference was attended by Vice President Huffman and Mr. Defoe. They spoke with staff of Washington legislators to tell them about the KID, services KID provided to the region and challenges faced by the District. Chandler Electrification information was well received. Work of the Lower River Sub-Committee was highlighted. Discussion ensued regarding the reliability of electric pumps and their extensive use throughout the Columbia Basin.
- Water was at full supply, but higher than normal temperatures were causing more snowpack melt than desirable. The next River Operations meeting would be the first week in May.

District Manager: Mr. Freeman reported

- Washington State Water Resource Association (WSWRA) meeting would be held April 20th in Sunnyside.
- Yakima Basin Joint Board (YBJB) meeting would be held April 22nd.
- Mr. Freeman contacted Alan Busacca, who prepared the Red Mountain soil report, regarding a soil report for the District's Finley property.
- City of Richland received a \$30,000 planning grant for Lorayne J and requested the District facilitate outreach to those members. The City Council was considering lowering the District's monthly charge for the intertie.
- Kennewick City Council hired FCS to do a rate study for sewer and water rates.
- Customer Service handled 980 phone calls yesterday averaging 2 minutes 11 seconds each to take a payment or create a work order.
- USBR would be here for a tour on May 19th. Lorri Lee was invited to attend. Mr. Freeman said it would be helpful for Board members to attend.
- The Dove matter deposition regarding asbestos would take place on April 21st at Mr. Iler's office.
- Staff would meet with City of Kennewick on Code Enforcement, especially as it pertains to Federal property, on April 21st.
- Sage Park, Washington Department of Ecology's Central Regional Director would be here, on April 28th.
- The Lower River Subcommittee meeting would be at Sunnyside Valley Irrigation District on April 28th.

- Vancouver Street came on line and repaving would take place soon. No citizen or City complaints were received during KID's project.

In response to a question from Vice President Huffman, Mr. Freeman reviewed communications with the City of Kennewick regarding correcting the water supply and fire hydrant connection for the Administration Building. Mr. Freeman said a meeting would be held with the city and if they continued to refuse to take responsibility for their error, he recommended filing a tort claim.

WORKSHOP: None

EXECUTIVE SESSION: At 11:31 a.m., Mr. Iller announced on behalf of the presiding officer that the Board would go into executive session for an estimated 30 minutes, to review the performance of a public employee, pursuant to RCW 42.30.110(1)(g), and to discuss with legal counsel potential litigation, in the form of legal risks of a proposed action or current practice pursuant to RCW 42.30.110(1)(i)(iii) with action possible but not expected in open session following executive session.

Executive session was extended for ten minutes at 12:05 p.m. and five minutes at 12:15 p.m. Open session resumed at 12:19 p.m.

OPEN SESSION: Vice President Huffman moved to adjourn the meeting at 12:20 p.m. and Director Rathbun seconded the motion. The motion carried unanimously.

Attest:

Witness:



David McKenzie, Board President
Approved May 17, 2016



Chuck Freeman, District Manager

Prepared by Doris Rakowski