



## Minutes

**Meeting of the KID Board of Directors  
Carl W. Petersen Board Room  
Tuesday, May 17, 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  
Kirk Rathbun, Director  
Patrick McGuire, Director  
Dean Dennis, Director  
Gene Huffman, V.P., via telephone

**Staff Present:**

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

**Other Persons Present:** Brian Iller, Legal Counsel

**APPROVAL OF AGENDA:** President McKenzie added Revised Olympia Estates Voluntary Mitigation Agreement and GPS Purchase for Excavator Installation to Action Items. **Director Rathbun moved to approve the agenda as modified. Director Dennis seconded the motion and it carried unanimously.**

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

Items on the consent agenda were:

1. Minutes, KID Board Meeting, April 5, 2016
2. Minutes, KID Board Meeting, April 19, 2016
3. Minutes, KID Board Meeting, May 3, 2016
4. Access Easement - Hambrook
5. Short Plat 2014-012 Cox - Wet
6. Short Plat 2015-013 Garrold Lyon - Wet
7. Binding Site Plan 16-02 Ingalls - Dry
8. Pipeline Upsize Request
9. Travel Request - NWRA Western Water Seminar
10. Vouchers/Warrant Approval

**Accounts Payable**

Numbers: 72382	through	72451	\$	244,279.79
				99,620.81
<b>Total Accounts Payable</b>				343,900.60

**Payroll**

Numbers:	33402 through	33409	\$	7,916.75
				92,647.04
<b>Total Payroll</b>				100,563.79
<b>Total Disbursements</b>				\$ 444,464.39

**Voided Checks:** AP Check #71921 for \$411.13 was voided 5/10/16 due to being lost in the mail, will be reissued on the next check run. AP Check #72446 for \$27,867.84 was voided 4/29/16 due to a data entry error (paid by electronic ACH, not a check).

**PUBLIC COMMENTS:** Robert Gretzinger, 6306 W 10<sup>th</sup> Place, said his water had been off and on for three weeks. He was using city water and was concerned about his plants. He said he was told it was a pump problem and there was an issue with Benton Public Utility District (PUD).

Mr. McShane said the aging pressurized service areas (PSAs) 80 and 41 had three main line breaks between them, and recently the meter base failed at one of the facilities, requiring both systems to be off while replacing the meter base. PUD changed their standards so KID could not use the replacement base that was on hand. After the new base was ordered and installed, the Washington Department of Labor and Industries (L&I) inspected and found different deficiencies on several subsequent occasions. L&I also required removal of the temporary generator which KID installed to run the pump during the repairs.

Mr. Gretzinger said, if there were trouble with the pump for ten years, it should have been repaired over winter and parts should have been kept on hand.

Mr. McShane said there had not been much trouble with it, but failed meter bases were hard to predict. He said keeping spare parts on hand for 120 pumping plants installed over 60 years with different parts and installation methods could not be done while keeping rates reasonable.

Mr. McShane reported that PSA 41 and 80 were candidates to have their pumping plants eliminated, but since the proposal would cost tens of thousands of dollars, it must compete with other projects.

Mr. Gretzinger said KID should have sent a letter to let them know what was going on.

President McKenzie spoke about the Board's commitment to pump consolidation.

Mr. Gretzinger said he received poor answers when he called and thought KID was trying to lie to him. He suggested a letter be sent.

Director McGuire said it was not a lie that it was a PUD concern if the PUD changed their standards for the meter base, and Mr. Gretzinger agreed. Mr. McGuire said more information could have been given about the issues with L&I. He spoke about KID's email "blast" program, but Mr. Gretzinger said he did not have email and suggested television reports.

Mr. McShane said notices were sent for scheduled outages, but this was a series of unplanned outages. He said it was difficult to provide accurate and timely information for unexpected situations such as the failed L&I electrical inspections. He said KID could not get the news to cover every KID outage, and that the website outage board and Customer Service were customers' primary information sources. He noted that Customer Service had highlights but would not have the depth of knowledge of pump technicians.

Challenges meeting L&I requirements were discussed.

Mr. Drummond spoke about reluctance to have Customer Service make promises about when water would be restored, because KID did not want to make promises that may not be met.

#### **PRESENTATIONS:**

**Financial Reports for March and April 2016:** Mr. Drummond noted that March Financial Reports were provided at the last meeting and that he would review the April Financial Reports which were distributed at this meeting. Mr. Drummond reviewed highlights of pages including:

- Balance Sheet as of April 30, 2016
- Balance Sheet - Comparative
- Statement of Revenues & Expenditures - Budget to Actual
- Fund Balance Change through April 30, 2016

Discussion ensued regarding mechanical challenges with the system start up.

**Director McGuire moved to accept the March and April 2016 Financial Reports as presented. Director Dennis seconded the motion and it carried unanimously.**

**PUBLIC HEARING:** None

**BOARD REPORTS:** None

**ACTION ITEMS:**

**Jose A. Chavallo - Release of Easement Interest:** Mr. McShane presented Mr. Chavallo's request that KID release its interest in a 5 foot irrigation easement located south of Canal Drive in Kennewick. Mr. McShane assured the Board that the easement would not be needed by the District. He noted that, since this was a public easement and not specific to KID, the District would issue a Quit Claim Deed to terminate its easement rights or interest in the easement.

**Director Rathbun moved to approve the Quit Claim Deed of the 5 foot easement as shown on the attached documents. Director Dennis seconded the motion and it carried unanimously.**

**Revised Olympia Estates Voluntary Mitigation Agreement:** Mr. Freeman reported that, due to change of ownership subsequent to the LUPA appeal, the voluntary mitigation agreement previously approved by the Board needed to be modified to only include the current owner.

Staff confirmed to Director Rathbun that the judge released the Joneses from the LUPA appeal.

**Director Rathbun moved to approve the Revised Olympia Estates Voluntary Mitigation Agreement. Vice President Huffman seconded the motion and it carried unanimously.**

**GPS Purchase for Excavator Installation:** Mr. Woodard distributed staff reports and Mr. McShane presented the request that the Board approve the purchase of GPS Equipment to use on an excavator. He said it would improve accuracy, productivity and safety. He said the costs would be part of the Bob Olson Parkway Pipeline project.

Mr. McShane confirmed to Vice President Huffman the GPS unit could be moved between different GPS-ready equipment. Discussion ensued about which equipment could use the tool.

**Director Dennis moved to approve the purchase of the GPS Equipment for an excavator in the amount of \$48,288.50, plus tax. Vice President Huffman seconded the motion and it carried unanimously.**

**RESOLUTIONS:**

**Resolution 2016-16, Increase for District Manager 2016 Salary Range and Creation of Temporary Special Assignment Operations Superintendent Position:** Mr. Drummond reported results of his salary survey for the District Manager, conducted at the Board's request

due to concerns about retention of key management staff. He said the topic had been discussed at three Finance Committee meetings. He presented justification for the request to increase the District Manager's salary range, as enumerated in the memo and resolution. He spoke about succession planning for the Operations Department. Mr. Drummond noted that the District Manager had received no merit increase since 2012.

President McKenzie spoke about the importance of retaining the senior management team.

Mr. Iller confirmed to Director Rathbun the specific salary point for the District Manager would be set by the Board.

Director Rathbun spoke about defense of the District's water right by Mr. Freeman, Mr. Defoe, Mr. McShane and past Comptroller/Treasurer Colleen Storms. He said it would remain critical for years. He advised the Board to recognize this value and said the action was well justified.

Director McGuire spoke about the outstanding efforts of senior staff to ensure that the District received the water to which it was entitled during last year's drought.

Vice President Huffman concurred with the report and opinions presented.

Discussion ensued regarding scheduling a review for the District Manager.

**Director Rathbun moved to approve Resolution 2016-16, Increase for District Manager 2016 Salary Range and Creation of Temporary Special Assignment Operations Superintendent Position. Vice President Huffman seconded the motion and it carried unanimously.**

Mr. Iller noted that setting the salary of an individual must occur in open session. An executive session to review the performance of a public employee pursuant to RCW 42.30.110(g) was scheduled for the next Board meeting, with action following in open session.

#### **STAFF REPORTS:**

**Finance Manager:** Mr. Drummond reported regarding:

- Assessment Revenue Collections for the month of April (Spreadsheet distributed)
- 2015 Filings of Schedules about revenue, expenses, liabilities, debt, grants and risk management with the State Auditor
- The Helping Hands program and how to reach the neediest customers was discussed.

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

- Service order statistics for 2015 and 2016
- Yakima Basin Storage Alliance attendance at the Integrated Plan Executive Committee meeting last week
- Draining and cleaning of the Red Mountain LID reservoirs
- Vancouver Street pipeline completion. Discussion ensued regarding various phases of the Cherry Creek reservoir and consolidation project, and a suggestion by President McKenzie to survey residents served by the consolidation after project completion.
- Sherman Street project
- Bob Olson Parkway project start up
- Confined space program headed by Jeff Green
- Service to the private line area at top of Red Mountain

- Possible causes of pipeline breaks and KID standards for new developments

**Land & Water Resources Manager:** Mr. Defoe displayed graphics from the Natural Resources Conservation Services (NRCS) Washington SNOTEL and National Oceanic and Atmospheric Administration (NOAA) websites and reported about changing snow pack and NOAA projections of climate conditions. He displayed U. S. Bureau of Reclamation (USBR) Hydromet website graphics and spoke about reservoir storage. Discussion ensued regarding possible impact on the district.

Other topics discussed included:

- Washington State criteria for drought declarations and lack of available drought funding
- The Integrated Plan K-Drip project and Roza Irrigation District's temporary drought relief floating pumping plan, which was picked up by the USBR as an alternative after Roza dropped the plan. Discussion ensued regarding mitigation of the impact on KID of USBR projects, Yakama Nation ground water infiltration project and aquifer storage and recovery (ASR), and Chandler electrification.
- Communication of projected water supply to the public and challenges to modeling and predicting KID's supply
- Progress on the non-additive recapture wells project and the option to acquire land in Badger Canyon
- Canal lining for safety and water savings

Upcoming meetings:

- Washington State Water Resources Association (WSWRA) - May 18<sup>th</sup>
- Tri-State meeting in Spokane - May 20<sup>th</sup>
- Columbia-Snake River Irrigators Association (CSRIA) - May 26<sup>th</sup>
- Yakima Basin Joint Board (YBJB) - May 27<sup>th</sup>
- Water Supply Availability Committee - June 2<sup>nd</sup>
- USBR River Operations - June 3<sup>rd</sup>

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

- A public meeting about the future of Elliot Lake would be held jointly with the City of Kennewick on May 26<sup>th</sup>. The city received a \$1.1 million grant with half forgivable.
- City of Richland received a \$30,000 grant for a feasibility study for Lorayne J and the City Council would be considering a water services agreement which would give an in-city rate through the transfer of the system to the city. Terms of the proposed agreement were discussed. Merits of the terms of the agreement with City of Kennewick for the Elliot Lake potable water system transfer and the Vista Field land sale were discussed.
- The State trapper was working in the main canal and Badger Coulee.

**WORKSHOP:** None

**EXECUTIVE SESSION:** None

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

**Director McGuire moved to adjourn the meeting at 11:20 a.m.**

Mr. Freeman said staff would meet with USBR representatives on April 19<sup>th</sup> at 9:00 a.m.

**Director Rathbun seconded the motion and it carried unanimously.**

Attest:

Witness:

  
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David McKenzie, Board President  
Approved June 7, 2016

  
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Chuck Freeman, District Manager

Prepared by Doris Rakowski