



Minutes

**Meeting of the KID Board of Directors
Carl W. Petersen Board Room
Tuesday, June 21, 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
Dean Dennis, Director
Patrick McGuire, Director

Staff Present:

Chuck Freeman, District Manager
Kipp Drummond, District Treasurer
Jason McShane, Engineering/Operations Manager
Lori Gibson, Executive Assistant
Doris Rakowski, Executive Assistant

Other Persons Present:

Teresa Merriman, U.S. Bureau of Reclamation
Derek Sandison, Washington Department of Agriculture
Danielle Squeochs, Washington Department of Ecology
Scott Revell, Roza Irrigation District
Brian Iller, KID Legal Counsel

APPROVAL OF AGENDA: Vice President Huffman moved to approve the agenda. Director Dennis seconded the motion. All present voted in favor and the motion carried.

CONSENT AGENDA: Director Rathbun moved to approve the consent agenda. Director Dennis seconded the motion. All present voted in favor and the motion carried.

On the consent agenda was:

1. Vouchers/Warrant Approval

Accounts Payable

Numbers: 72595	through	72610	\$ 4,814.47
72611	through	72687	381,702.31
APPKT00148	and	APPKT00159	<u>79,864.51</u>
Total Accounts Payable			<u>466,381.29</u>

Payroll

Numbers: 33418	through	33424	\$ 8,225.70
Direct Deposit		6/6/2016	<u>102,977.44</u>
Total Payroll			<u>111,203.14</u>
Total Disbursements			<u>\$ 577,584.43</u>

Voided Checks: None

PUBLIC COMMENTS: None

Director McGuire joined the meeting.

PRESENTATIONS:

Department of Agriculture Drought Survey: Teresa Merriman, from the U.S. Bureau of Reclamation, and Danielle Squeochs, from the Washington Department of Ecology Office of the Columbia River, addressed the Board to solicit data from the District's farmers for the Department of Agriculture's 2015 Drought Assessment Report. She said survey information would be used in the supplemental Environmental Impact Statement (EIS) for the Integrated Plan (IP) K projects, the Kachess Drought Relief Pumping Plant (KDRPP) and the Keechelus to Lake Kachess Conveyance Project (K to K).

Ms. Merriman spoke about the KDRPP floating pumping plant option. She said that with the Senate passage of the Yakima River Basin Water Enhancement Project (YRBWEP III) legislation, the cost burdens were shifted to the users of the water in the supplemental EIS. Ms. Merriman spoke briefly about the K to K component of the supplemental EIS.

Ms. Merriman distributed copies of the survey questions. She confirmed to Director Rathbun that the information was needed within the next month or two and that a sample of farmers would be needed for interviews lasting about fifteen minutes each. Mr. Freeman offered to provide a list and make initial contact with farmers.

The need for data on crop quantity as well as quality was discussed. Mr. Revell, Roza Irrigation District (Roza) Manager spoke about data provided by the district's growers, who noted smaller harvests and reduced fruit size. Ms. Merriman said the Department of Agriculture was interested in long term effects of the drought and would follow these farmers for several years.

Ms. Merriman confirmed to Mr. Drummond that the Department of Agriculture could probably provide the raw data from the survey. Ms. Squeochs said the data would remain anonymous.

Mr. Freeman asked if Lake Kachess would refill and Ms. Merriman said yes. He asked if it would do so without the pipeline and she said yes.

In response to a question from Director McGuire, Ms. Merriman said it was an operational function of the Yakima Field Office to maintain the target flow over Prosser to guarantee KDRPP water would make it to the Kennewick Irrigation District and was not diverted by other entities.

In response to a question from Director Rathbun, Ms. Merriman said the government was still looking at the EIS and cost for the K to K Conveyance project. Discussion ensued.

At Mr. Revell's request, Ms. Merriman spoke about the pump's power source and transmission.

At Director Rathbun's request, Mr. Revell spoke about pumping water from the floating station, through jointed floating pipes, to the outlet works. Ms. Merriman said Chester Lee Morris Lake has an existing floating pumping plant and information had been provided by their engineers.

In response to a question from Vice President Huffman, Mr. Revell spoke about cost estimates for the project and said the capital investment would probably be funded over a 20 year period.

Derek Sandison, Washington Department of Agriculture, joined the meeting.

In response to a question from Mr. McShane, Mr. Revell said the premise was that Roza would stick with the prorated share, but was prepared to pay to take shares that other participants did not want to use. He noted that Roza considered shut down if supply was 50% or below.

Mr. Sandison spoke about the need for data on the economic impact of drought on the Yakima Basin, and cooperation with the USBR on the project. He said the data was important to provide to legislative bodies considering project funding.

Director Rathbun asked whether extended irrigation seasons to ground load water were being considered based on climate predictions. Mr. Sandison said one focus of the IP was restoring flood plain function by using irrigation infrastructure to move water to the flood plain in periods of high run-off, allowing it to soak in, capturing that water and extending the water supply.

Director Rathbun asked if the draft KDRRP EIS would address economic impacts of potential multiple sequential drought years resulting in exhaustion of the 200,000 acre feet (from Kachess dead storage) and 0% water to proratable districts, which must pay to pump water for the non-prorated districts. Mr. Revell said “yes,” and discussion ensued about the 1929 to 1931 drought. Mr. Sandison said that economic circumstance would not trigger federal intervention, though the amount of storage available would make a severe drought more manageable than in the past.

In response to a question from Vice President Huffman, Mr. Sandison spoke about the Columbia River treaty which was under review. He spoke about additional acre feet of water needed by Oregon and Washington, and for treaty and non-treaty water storage and release.

Ms. Merriman said she would follow up with Seth Defoe for a list of farmers and asked KID to send the questionnaire to constituents.

President McKenzie called a five minute break at 9:39 a.m.
The meeting resumed in open session at 9:44 a.m.

Financial Report for May 2016: Mr. Drummond presented highlights of pages including:

- Balance Sheet as of May 31, 2016
- Balance Sheet - Comparative 5 Months Ended May 31, 2016 and May 31, 2015
- Statement of Revenues & Expenditures - Budget to Actual
- Statement of Revenues & Expenditures - Comparative
- Grant & Matching Funds Schedule
- Fund Balance Change through May 31, 2016

In response to a question from President McKenzie, Mr. Drummond spoke about timing of the District's insurance premium.

Mr. McShane confirmed to Mr. Freeman that \$5,000 spent for drought expenses was for repair of vandalism to a rental pump, which was completed in 2015, but invoiced in 2016.

Director McGuire moved to accept the May 2016 Financial Reports as presented. Vice President Huffman seconded the motion and it carried unanimously.

PUBLIC HEARING: None

BOARD REPORTS: None

ACTION ITEMS:

Participation in 2015 Drought Farm Data Survey: Mr. Freeman said staff would provide a list of growers and send an e-blast to introduce the project and who would be contacting the growers if the Board approved participation in the survey.

Director McGuire brought up the importance of the District's urban forest. Mr. Freeman noted that the Department of Agriculture was interested in production agriculture.

Target sample size, logistics of interviews, and whether KID should offer lunch and a presentation to encourage participation was discussed. Director McGuire said participation was important to show the impact on the Kennewick Irrigation District.

Mr. McShane noted that pasture was included in the report, which would be similar to hobby farms. He said the need to purchase hay and seed due was a real impact to the District that should be recognized.

Director Rathbun moved to approve Kennewick Irrigation District participation in the 2015 drought farm data survey. Vice President Huffman seconded the motion and it carried unanimously.

RESOLUTIONS: None

STAFF REPORTS:

Finance Manager: Mr. Drummond reported:

- The time clock was used to track wages to projects for the last payroll, but overtime was still manual.
- Customer Service was looking into interactive voice response (IVR) for credit card payment by telephone and facilitating other interactions with clients.
- Customer Service was calling customers to request email addresses to aid in distributing timely information. Discussion ensued regarding various methods of communication including email, text, Twitter, and robo-calls. Staff confirmed that robo-calls would be a last resort if no other means of contact were available.
- The fee schedule was being updated.

Engineering/Operations Manager: Mr. McShane reported:

- Storage was above average, but was expected to drop below average in the next week. River flow was strong until about 27 hours ago, when it began to drop. Mr. McShane spoke about weather conditions, water supply and flow levels.
- A pump was being put in place for Southridge.
- KID would host a vegetation program meeting with other districts tomorrow and demonstrate an application.
- The Red Mountain South LID system was cleaned out and now aquatic growth was occurring in isolated locations. A chemical treatment and cooler water temperatures seem to have cleared it up. A more permanent system was being explored.
- The Bob Olson Parkway project was progressing well. Tours were available.
- The canal breach was repaired and the downhill embankment was being cleared of all vegetation. The state trapper was out and treatments for rodent control would be used. The shutdown lasted about 42 hours.

Land & Water Resources Manager: On behalf of Mr. Defoe, Mr. Freeman reported:

- Sale of a Vista Business & Technology Park property closed and a resolution would be brought to the next meeting.
- A July closing was anticipated for the coffee roaster.
- The Realty Committee had reviewed an offer a Vista Industrial Park property.
- Once the State loan was funded to the City of Kennewick, there would be a 30-day closing period for the Vista Field property, probably in July.

District Manager: Mr. Freeman reported:

- Mr. McShane confirmed to Mr. Freeman that the recapture well contractor was having schedule challenges. Mr. Freeman said everything including the easement was in place for the drilling and the test. He spoke about next steps.
- Siphon tubes feeding Willowbrook pond continued to work.
- KID would speak about the breach at the next Kennewick City Council meeting. Mr. Freeman planned discuss KID's Land Use Planning Appeals (LUPA), the importance of working together, and request clarification to the hearing examiner that KID's voluntary mitigation agreement terms and conditions including canal lining must be on the face of pre-plats. Discussion ensued.
- Pump and Control Specialist, John Simmons, was leaving the District to become the Zillah Public Works Director, and his position would be posted. Staffing needs at Red Mountain were discussed.

Mr. Freeman said experience at Red Mountain showed that chlorination would be needed for the new Bob Olson pipeline while demand was low.

WORKSHOP: None

EXECUTIVE SESSION: At 10:29 a.m., Mr. Iller announced on behalf of the presiding officer that the Board would go into executive session for an estimated 30 minutes following a five minute break to review the performance of a public employee, as authorized by RCW 42.30.110(1)(g), to discuss with legal counsel litigation related to water rights, Acquavella, and LUPA liability pursuant to RCW 42.30.110(1)(i), and to discuss with legal counsel potential litigation related to a personnel issue as authorized by RCW 42.30.110(1)(i)(iii). Mr. Iller said action could follow executive session.

Executive session was extended for ten minutes at 11:05 a.m., for five minutes at 11:15 a.m. and for 20 minutes at 11:20 a.m.

OPEN SESSION: The meeting resumed in open session at 11:40 a.m. and President McKenzie announced there were two matters for open session.

Accrued Leave Advance and Repayment Agreement: Long time employee, Doug Ricard, exhausted leave balances due to a chronic health condition and needed additional leave for surgery. Management suggested, pending Board approval, advancing up to 173.33 hours of leave (one month's pay) and reducing his accrual rate by 50% until the advance was repaid. Mr. Freeman said leave donations from other employees would reduce number of hours advanced. Mr. Freeman reviewed terms and conditions of the proposed agreement including that the Union would agree that a precedent was not established. He recommended approval based on Mr. Ricard's 17 year tenure as a good employee.

In response to a question from President McKenzie, Mr. Freeman spoke further about the use of leave donations in this circumstance.

Vice President Huffman and Mr. Freeman said this action would be a positive message to Mr. Ricard and other employees. Mr. Freeman said the agreement had been reviewed by Mr. Iller.

Vice President Huffman moved to approve the accrued leave advance and repayment agreement between KID and employee Doug Ricard. Director Dennis seconded the motion and it carried unanimously.

Adjusting District Manager's Pay Rate: Director McGuire said that, following a study of pay for comparable positions at comparable entities, the District Manager's pay scale was adjusted. He said Mr. Freeman had no merit increase for a number of years due to the District not keeping the salary survey current. He said Mr. Freeman had done a good job for the District in staffing, leadership, management, and public relations. He noted the new pay scale was approved by resolution at the last meeting.

Director McGuire move to raise Mr. Freeman's pay rate to the bottom of the new pay scale, at \$143,500 annually. Director Rathbun seconded the motion and it carried unanimously.

President McKenzie noted that Mr. Freeman's annual review would be in November at which time his salary would be revisited. Director McGuire requested a copy of the Employee Handbook be distributed to all Directors in October prior to the evaluation.

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

Vice President Huffman moved to adjourn the meeting at 11:49 a.m. Director Dennis seconded the motion and it carried unanimously.

Attest:

Witness:



David McKenzie, Board President
Approved July 5, 2016



Chuck Freeman, District Manager

Prepared by Doris Rakowski