



Revised Minutes

Meeting of the KID Board of Directors
 Carl W. Petersen Board Room
 Tuesday, July 5, 2016, 9:00 a.m.

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

Directors Present:

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

Staff Present:

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

Directors Absent:

Kirk Rathbun, Director

Other Persons Present: Brian Iller, Legal Counsel

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

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

Items on the consent agenda were:

1. Minutes, KID Board Meeting, June 7, 2016
2. Minutes, KID Board Meeting, June 21, 2016
3. Vouchers/Warrant Approval

Accounts Payable

Numbers: 72688	through	72690	\$ 72,905.85	
72691	through	72767	254,851.74	
APPKT00164	and	APPKT00176	77,772.35	
APPKT00178			<u>1,114.12</u>	
Total Accounts Payable			<u>406,644.06</u>	

Payroll

Numbers: 33429	through	33432	\$ 6,787.48	
33433	through	33435	2,035.75	
Direct Deposit		6/20/2016	<u>104,283.18</u>	
Total Payroll			<u>113,106.41</u>	
Total Disbursements			<u>\$ 519,750.47</u>	

Voided Checks: Payroll Checks 33425-33428 were voided due to a printer error, reissued checks 33429-33432. AP Check 72698 was voided due to a data entry error, reissued check 72767. AP Checks 71364-71365 were voided due to a USBR rate change, Linda Rosenbaum will recalculate and resubmit new check requests. AP Check 72462 was lost in the mail and will be reissued on next check run.

PUBLIC COMMENTS: Greg Hickman, from East 45th St., spoke about water supply issues in a shared system with eight customers and 63 acres near the end of the Highlift Canal for which he was water master. He said they had water for only six full days in June and during those days the pump kicked off about 75 to 100 times. He said his neighbor, Sharon Wiens, called and came to the office multiple times and was first told to call Mr. Hickman, then to call the office each day with no water, then not to call each day and was referred to someone else. Mr. Hickman said he was working with Ben Woodard and that all KID employees he worked with acted like they cared.

Mr. McShane said this delivery and two others were downstream from the last official Highlift delivery point and had interruptible supply allocations to use the drain water by permit. He spoke about canal management and seepage requiring lowered flow levels, which reduced supply available to Mr. Hickman.

Mr. Hickman spoke about his decision to leave a mixed use private line area (PLA) off D433.5/7B and obtain a permit to take drain water instead. He said he was warned that water might not be available in droughts, but last year was better than most. Mr. McShane said that was a testimony to benefit of the watering schedule.

Mr. McShane spoke about challenges to serving rural residences through privately owned farm facilities. He said Mr. Hickman's area got water from tailing spills when they were available, not an actual delivery point on the canal, but no water was going past the last deliveries on the Highlift at this time.

Mr. Hickman said he needed water about 70%. He said he had been asking to divert water to the ditch from a 10" line that ran under Highlift canal from a weir box and under his property to a weir box on 45th.

Mr. McShane said the issue was adding division boxes on open air laterals; a situation similar to Oakhills PLA, where pipeline was replaced, though in that case they had a metered delivery. He said Oakhills paid for an improvement to remove the open air box.

Mr. McShane said the Operations and Engineering (O&E) Committee discussed Mr. Hickman's area last Tuesday. Mr. Hickman said there was not much gravity drop to the other box and Mr. McShane said the other box around 45th was used to serve portions of Eastlake Estates.

Mr. McShane spoke about ensuring as much water as possible in drought years and the psychology of high water usage following the 2015 drought. Mr. Hickman spoke about other lines feeding the ditch. Mr. Defoe displayed a map of the area.

President McKenzie said being ~~totally reliant~~total reliance on overflow was unique, but the District spent millions of dollars trying to eliminate overflow. Mr. Hickman said that was why he had asked for years to tie into the 10 inch line to get water from the pumping station.

President McKenzie said the O&E Committee discussed that it was hard to be critical of water management successes and the negative impact they had on Mr. Hickman. He said a water source other than reliance on the tailings was needed.

Mr. Hickman said when their metered system was put in they used about 70% of their allotment. He said he thought the group would be willing to pay for what needed to be done.

The psychology of water use and demand was discussed. Mr. McShane referred to the map and spoke about deliveries in the vicinity.

Mr. Hickman thanked the Board and left the meeting.

Mr. McShane confirmed to Director McGuire that Mr. Hickman left a PLA and opted for the supply that was noted as interruptible on his permit application.

Mr. McShane speculated that high water usage was driven by uncertainty about continued water supply. He said a press release stating KID would not enforce a schedule might alleviate concerns and reduce water consumption, if the District were confident of adequate supply.

Mr. Drummond said he would speak to Customer Accounts Supervisor Dana Hernandez about the customer service issue. Mr. McShane confirmed that while Customer Service encouraged customers to call about problems, they were to refer people in PLAs to their water master.

Director McGuire asked if calls were tracked and what triggered escalation to management or engineering. Using this situation as an example, Mr. McShane said the call was from a private area so it was referred to the water master, then referred to Ms. Hernandez when it was not resolved, who immediately passed it to engineering. Mr. McShane said when to escalate a case was a judgment call.

In response to a question from Director McGuire, Mr. McShane said customer calls were not logged. Director McGuire expressed concern and said tracking would allow staff to find trends and better respond to issues.

The uniqueness of these three deliveries was discussed and Mr. McShane said the Hickman, Bussell and Edwards deliveries were known to Customer Service.

Mr. McShane and Director McGuire discussed whether to track customer calls should be a Board or Engineering and Operations decision. Director McGuire said it would help plan what was recommended for upgrades.

Mr. McShane said a Board policy covered private line takeovers, prioritized based on the facility's category, and staff had not gone after other types of areas because that first mandate was not completed. He agreed it would be important to track to know where the problems were when that time came.

Discussion ensued regarding what it would take to track calls and access the logged data. Mr. McShane said designing, developing and integrating with GIS to report on it would take his time. Several Board members were surprised the computer system could not do so and calls were not being tracked. Mr. McShane clarified to Director McGuire that the computer system could track calls but it would take time to develop a program to get the data out in a usable form.

Director McGuire apologized for not mentioning a 10:00 a.m. appointment and left the meeting.

PRESENTATIONS: None

PUBLIC HEARING: None

BOARD REPORTS: None

ACTION ITEMS:

Water Allotment Allocation: Mr. McShane briefly described circumstances during a change of ownership when a clerical error resulted in a property with a water allocation petition submitted before allocations were issued the last time to be missed. He recommended granting the ten acre allocation to the parcel in correction of the clerical error. He said the water was available within the District's 20,201 irrigable acres.

Mr. McShane identified the location and said infrastructure would be constructed by the owner. He confirmed the owner was aware of the cost and timeline and had a contractor lined up.

Vice President Huffman moved to allocate a water allotment of 10 acres to parcel 130971000009000. Director Dennis seconded the motion. All present voted in favor. The motion carried.

RESOLUTIONS:

Resolution 2016-20, Approving the Sale of Vista Business & Technology Park, Lot 16, KID #1416: Ms. Rosenbaum presented the resolution to memorialize a sale to P&L Land Sales LLC, authorized July 7, 2015 and closed June 20, 2016. She said a boundary line adjustment requested by the buyer increased the lot size to 1.29 acres and the final price to \$417,365, which was noted in an addendum to the purchase and sales agreement.

She said there would be a ground breaking for the tenant, Fresenius Kidney Care, tomorrow.

Director Dennis moved to approve Resolution 2016-20, approving the sale of KID #1416, Vista Business & Technology park, Lot 16, for a total cash purchase price of \$417,365. Vice President Huffman seconded the motion. All present voted in favor. The motion carried.

STAFF REPORTS:

Finance Manager: Mr. Drummond reported:

- A misdirected check for \$50,000 was cancelled before mailing and reissued correctly.
- Customer Service sent notices to 2,800 past due accounts, a number in line with previous years. Management was considering not sending past due notices next year, a practice consistent with other agencies. If so, original bills will note that no reminder will be sent.

Land & Water Resources Manager: Mr. Defoe said an update to the water supply forecast was expected at the River Operations meeting scheduled for Thursday, July 7th. He displayed the U. S. Bureau of Reclamation Hydromet website graphics and spoke about reservoir storage.

He displayed a National Oceanic and Atmospheric Administration climate chart and discussed June temperatures as related to snow storage. He displayed a three month outlook temperature probability map and noted that it appeared that El Niño was done.

Upcoming meetings:

- River Operations - Thursday, July 7th
- Biweekly KDRPP (Kachess Drought Relief Pumping Plant) - Wednesday, July 6th
- Washington State Water Resource Association - Wednesday, July 20th

Engineering/Operations Manager: Mr. McShane reported:

- An expert at Amiad was consulted about Red Mountain flushing and water issues. He advised chlorinating the downhill side. Staff was asking cities who they use for chlorine

injections. Grape growers were concerned chlorine levels not exceed drinking water standards. Discussion ensued.

- Encroachment removal letters would be sent out to canal lining areas. Staff would work with people to get the encroachments removed and stake the right of way if requested.
- Integrated Plan (IP) Implementation and Executive Committee meetings - Tuesday July 12th
- Staff was asked to be more involved in the discussion about the Bateman Island Causeway Breach. Why KID was involved in a project on the Columbia River was discussed. Mr. McShane said cooler water from the Columbia would cool the Lower Yakima River and that KID supported the improvement for up-migrating fish.
- Mr. McShane attended a legislative tour with the IP last week. Whooshh Innovation's technology for fish movement was highlighted. Flood plains in Yakima were visited.
- Tom Glover, in charge of plant operations including Chandler for USBR, spoke to Mr. McShane about the completion and fine tuning of the pump automation. Enhancing trash rakes at Chandler pumps was being considered.

Mr. McShane learned that Mr. Glover was erroneously told KID proposed to swap the hydraulic turbines in place and run the hydraulic pumps with electricity, which would be extremely challenging and unreliable. Mr. Glover had no problem with the vertical turbine can style pumps actually proposed.

Mr. Glover may not be in that job past the first of year and wanted to pass on knowledge to KID. Mr. McShane would meet with Mr. Glover Wednesday, July 6th.

District Manager: None

WORKSHOP: None

EXECUTIVE SESSION: At 10:12 a.m., on behalf of the presiding officer, Mr. Iller announced that the Board would go into executive session for approximately 5 minutes to consider the minimum price at which real estate will be offered for sale or lease, pursuant to RCW 42.30.110(1)(c). He noted that action in open session could follow the executive session but was not expected.

OPEN SESSION: The meeting returned to open session at 10:18 a.m.

Authorizing the Sale of Kennewick Industrial Park Lots #4 and #5, Block One, KID #1046 and #1056: Ms. Rosenbaum presented an offer from Genesco to purchase properties in Kennewick Industrial Park. She reviewed terms and conditions including that the sale would require KID to do a binding site plan and would add a cul-de-sac. There would be a late-comers agreement for the future buyer of lot 6. The developer would bring utilities to lot 6.

The \$4.80 per square foot offer was determined fair and reasonable by the Realty Committee based on area comps. The total size of 3.3 acres and total sales price of \$689,990 were subject to the binding site plan and could be adjusted.

Ms. Rosenbaum confirmed to Director Dennis that the total sales price should be \$689,990, not \$689,900 as in the memo. Discussion ensued regarding timeline for paperwork. Ms. Rosenbaum said closing was anticipated in November, with a one-year buy back provision.

Vice President Huffman said the Realty Committee was in favor of the sale.

Vice President Huffman moved to approve the sale of KID #1046 and #1056, Kennewick Industrial Park Block 1, Lots 4 & 5, to Genesco, Inc., in the amount of \$689,990 and authorize the Board President and Secretary Manager as signature authorities to execute the Purchase and Sale agreement with all terms and conditions contained therein. Director Dennis seconded the motion. All present voted in favor. The motion carried.

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

Director Dennis moved to adjourn the meeting at 10:25 a.m. Vice President Huffman seconded the motion. All present voted in favor. The motion carried.

Attest:

Witness:



David McKenzie, Board President
Approved July 19, 2016
Revised August 2, 2016



Jason McShane, Assistant Secretary
Engineering/Operations Manager

Prepared by Doris Rakowski