



Minutes

**Meeting of the KID Board of Directors
Carl W. Petersen Board Room
Tuesday, September 6, 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
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
Lori Gibson, Executive Assistant
Ben Woodard, Assistant Engineering Manager
Doris Rakowski, Executive Assistant

Other Persons Present:

Brian Iller, Legal Counsel
Chad Stuart, U. S. Bureau of Reclamation Yakima Field Office Manager

APPROVAL OF AGENDA: President McKenzie added a travel request to the consent agenda.

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

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

Items on the consent agenda were:

1. Minutes, KID Board Meeting, August 2, 2016
2. Vouchers/Warrant Approval

Accounts Payable

Numbers: 72923	through	73000	\$ 581,239.06
73001	through	73078	186,167.88
APPKT00216			73,509.29
Total Accounts Payable			840,916.23

Payroll

Numbers:	through		\$ -
Direct Deposit		2016-08-19	107,291.73
Total Payroll			107,291.73
Total Disbursements			\$ 948,207.96

Voided Checks: None

PUBLIC COMMENT: John Lindeman, landowner, spoke about water quality at PSA 99 (pressurized service area) and problems with the design of the drum with pressurized spray bars. He said debris at the end of system plugged the spray nozzles and overloaded one side of the drum, causing the drum to be idle while the motor spun. Mr. Lindeman briefly reviewed

discussions with KID staff. He reported KID operators were not there all the time and some PSA members cleaned the drum. Mr. Lindeman noted that there was not room for a settling pond. He asked that KID plan to correct the problem over winter and offered to work with staff.

Mr. McShane confirmed the location was downstream of the 1,800 feet yet to be lined between Hwy 397 and PSA 99 in Division IV. He spoke about its challenges and said plans were in place for a modification this off season and offered to review the design with anyone interested.

Mr. Freeman noted that an automated screen had been tried, but did not work.

Mr. Lindeman suggested KID had put freshwater snails in the canal to eat algae and Mr. McShane said he had never heard of that idea. Algae growth and weed control was discussed.

President McKenzie asked to review the plans at an upcoming Operations and Engineering Committee meeting.

PRESENTATIONS:

Chad Stuart, U. S. Bureau of Reclamation Yakima Field Office Manager: Mr. Stuart provided updates regarding:

- **Yakima Field Office restructuring:** Tom Glover's Power Systems group was now under the Columbia-Cascades Area Office because it was a regional program. Area Manager Dawn Wiedmeier hired Assistant Area Manager Carson Winn to oversee the program.
- **Hydro-pump repair contract awarded:** Work to be done from October 2016 to March 2017. The original manufacturer was contracted for \$110,000 for the base repair with some options that could bring it to about \$200,000.
- **Automation of a power plant bay gate:** Work is underway and automation of one of four gates should be done by the end of the year. Automation of the head gates was under consideration.
- **New trash rake at Chandler intake:** New rake replaced 30 year old system.
- **Cle Elum pool raise:** Mr. Stuart applied for the permits from Department of Ecology. In response to questions, he confirmed that the EIS (environmental impact statement) was done and that the sole purpose of the pool raise was instream flow for fish.
- **Lower river modeling:** A meeting was held last week. Initially it looked optimistic that water available would allow for ground water recharge to return flows to the river and not have a great impact. Mr. Freeman and Mr. McShane had asked questions about looking at the data and how it was reached. Outside contractors were looking at that for a future meeting. Mr. Stuart would follow up regarding if the USBR would increase the budget to allow sensitivity analysis. Director McGuire noted the USBR had trouble maintaining flow at Parker this year, perhaps because the ground was dry and absorbing water after the drought last year. Mr. Stuart said that he understood that factor was taken into consideration in the model.

Discussion ensued regarding:

- **Release of trust water:** Mr. Stuart confirmed to Director McGuire that, if KID called on trust water, flows from storage would be increased as needed and the District's flow would be counted at the diversion, not at the point of release from storage.
- **Cle Elum pool raise:** In response to a question from Mr. McShane, Mr. Stuart said the water from the Cle Elum pool raise would be on call and he did not know the Yakama Nation's plan for use of the water. Discussion ensued and it was confirmed that the release would be calculated at the reservoir, not downstream. Mr. Stuart said the water

was protected to the mouth, but it was drafted not to hurt any irrigation district. Mr. McShane clarified to Director McGuire that if the extra 14,000 acre feet were used, the reservoir had to fill completely before it would be available for the fish purposes again. Mr. Stuart said he would verify that was correct and follow up to the Board. Carry over limitations were discussed.

- **SOAC recommendations for pulse flows:** Mr. Stuart confirmed to Mr. Defoe that the July release of conserved water was a USBR Yakima Field Office decision based on a SOAC (System Operation Advisory Committee) recommendation. He said he had information about the science behind the recommendations and that action reports were prepared. Whether it was flow or temperature based would be discussed at the next SOAC meeting. Mr. McShane recommended testing a no flow situation.
- **Hydro-pump repair:** Discussion ensued regarding what internals for the pump were ready on the shelf and the scope of the work to be completed this year. Mr. Stuart invited KID representatives to come see what needed to be done since it impacted KID.
- **Chandler Electrification:** Mr. Stuart said the USBR considered electrification of Chandler one of the options available to make sure KID could maintain operations in an ever changing environment, but had concerns about maintenance, electricity costs, how it melds with their operations. Mr. Freeman said the legislation was clear that the USBR would pay the bill. He said the revised estimate was expected by the end of month.
- Mr. Stuart reported that Tom Glover planned to retire at the end of year.

PUBLIC HEARING: None

BOARD REPORTS: None

ACTION ITEMS:

Confirm Treasurer's Declaration of Account Delinquencies from 2012: Mr. Drummond spoke about the foreclosure process and reported that 14 overdue accounts remained from the 2012 assessment roll. He said the District added sending letters to mortgage companies this year, but received no substantive response.

Mr. Drummond noted that, pursuant to a law which went into effect June 12, 2014, the Board could review the cases and choose not to foreclose on a property if it would not be in the best interest of the District. He said Realty inspected the properties (13 properties with residences and one bare land). Based on the information available, it appeared that KID could recover the delinquent assessments by foreclosure.

Mr. Drummond reported that the one undeveloped parcel was also under foreclosure by Benton County. In the past, Benton County has come to an arrangement to be paid, but KID was not included in the repayment conditions. He recommended continuing with the foreclosure. Discussion ensued. Mr. Iller said he would speak to attorney Charley Bowers, who researched the issue a few years ago, and report to the Board.

In response to a question from Director McGuire, Mr. Drummond agreed to look at the circumstances surrounding the Sunset Meadows Loop property, on which the County was going to foreclose until the federal government intervened with a criminal foreclosure action. Discussion ensued and Mr. Drummond said the Board could decide to stop foreclosure on a property at anytime if new information acquired.

Potential auction dates were discussed. Mr. Drummond said he expected the majority of the property owners to deal with the debt after the process started. Mr. Iller said he would report to the board on the impacts of foreclosing before or after a Bounty foreclosure.

Vice President Huffman moved to authorize the Treasurer to prepare the Certificates of Delinquency for 14 parcels. Director Rathbun seconded the motion and it carried unanimously.

RESOLUTIONS:

Resolution 2016-24, Project Acceptance and Release of Retainage for PW2014-13 Automatic Gate on South AP Canal: Mr. McShane said Ms. Gibson found that the contractor had not requested release of funds. He confirmed that this action would authorize the release of funds once the necessary releases were received, but the project was physically completed and had been in use for two years. Discussion ensued regarding the process. Mr. McShane said giving approval before releases had been received was not out of order and that payment would follow receipt of appropriate releases.

Director Rathbun moved to approve Resolution 2016-24, Project Acceptance and Release of Retainage for PW2014-13 Automatic Gate on South AP Canal. Director Dennis seconded the motion and it carried unanimously.

At Director McGuire's request, Mr. McShane described the District's process if releases were not provided. Mr. Drummond said a checklist was completed before retainage was released.

Resolution 2016-25, Project Acceptance and Release of Retainage for PW2015-17 Vancouver Saw Cuts: Mr. McShane reported that the project was physically completed earlier this year.

Ms. Gibson noted that due to an error made by a temporary accounting employee, the retainage amount of \$115.65 did not represent a full 5% of the contract total. She confirmed to Vice President Huffman that the needed affidavit for a purchase under \$35,000 was obtained.

Vice President Huffman moved to approve Resolution 2016-25, Project Acceptance and Release of Retainage for PW2015-17 Vancouver Saw Cuts. Director Rathbun seconded the motion and it carried unanimously.

Mr. McShane left the meeting for a conference call.

Resolution 2016-26, Project Acceptance and Release of Retainage for PW2016-01 Vancouver Striping: Mr. Woodard spoke briefly about the project. He noted that the retainage amount was \$39.50.

Director Dennis moved to approve Resolution 2016-26, Project Acceptance and Release of Retainage for PW2016-01 Vancouver Striping. Director Rathbun seconded the motion and it carried unanimously.

Resolution 2016-27, Project Acceptance and Release of Retainage for PW2016-02 Vancouver St Traffic Control: Mr. Woodard spoke briefly about the project and noted that the contract was \$5,140.00 and retainage was \$257.00.

Director Dennis moved to approve Resolution 2016-27, Project Acceptance and Release of Retainage for PW2016-02 Vancouver St Traffic Control. Director Rathbun seconded the motion and it carried unanimously.

Resolution 2016-28, Project Acceptance and Release of Retainage for PW2016-06 Sherman St Saw Cut: Mr. Woodard spoke briefly about the project and noted that the contract was \$1,123.58 including \$51.73 retainage.

Director Rathbun moved to approve Resolution 016-28, Project Acceptance and Release of Retainage for PW2016-06 Sherman Street Saw Cut. Vice President Huffman seconded the motion and it carried unanimously.

Discussion ensued regarding whether to purchase saw cut equipment.

Resolution 2016-31, Project Acceptance and Release of Retainage for PW2016-11 Emergency Canal Repair on Highland Feeder: Mr. Woodard spoke briefly about the project and noted that the contract was \$74,704.45 including \$3,439.43 retainage.

Mr. Freeman confirmed to Director Dennis that the District paid the \$25,000 deductible for flood event but the breach in the canal was not covered, so canal repair costs were paid by KID.

In response to a question from Director Rathbun, Mr. Freeman said he was expecting an invoice from City of Kennewick for pumps used at the flood and for a street sweeper.

Director Rathbun moved to approve Resolution 2016-31, Project Acceptance and Release of Retainage for PW2016-11 Emergency Canal Repair on Highland Feeder. Vice President Huffman seconded the motion and it carried unanimously.

Resolution 2016-29, Declaring Surplus Personal Property: Mr. Freeman said additional surplus requests would happen in the future. He spoke about the request and estimated values prepared by Brad Crawford, and options for disposal.

Vice President Huffman moved to approve Resolution 2016-29, Declaring Surplus Personal Property. Director Dennis seconded the motion and it carried unanimously.

Resolution 2016-30, Position Authorization and Salary Ranges: Mr. Drummond presented a revised resolution to memorialize authorized staff positions and salary range. He offered to briefly review the changes and reported there were sufficient funds in the budget to cover the increased expenses.

In response to Director McGuire's question, time tracking for specific projects was discussed.

Mr. Freeman said he did not move the Janitor to full time, but wanted the option to do so if needed.

Vice President Huffman move to accept Resolution 2016-30, Authorized Positions and Salary Ranges. Director Dennis seconded the motion and it carried unanimously.

Resolution 2016-33, Southridge Equivalent Irrigation Unit (EIU) Surcharges: Mr. Woodard briefly reviewed the April 5, 2016 Board Resolution 2016-14 establishing the Southridge Benefit Area and adopting the Southridge Irrigation Master Plan, which established a capital surcharge

assessment collection method through assessments, rates, and charges. He spoke about how the surcharge was developed and would be applied.

Mr. Woodard said the purpose of Resolution 2016-33 was to establish costs for service connections larger than the base one and a quarter inch connection, including:

- one and a quarter inch (1-¼) at \$2,795.25, or 1 EIU
- two inch (2.00) at \$11,181.00, or 4 EIU
- four inch (4.00) at \$22,362.00, or 8 EIU
- six inch (6.00) at \$58,700.25, or 21 EIU
- eight inch (8.00) at \$117,400.50, or 42 EIU

In response to a question from Director Rathbun, Mr. Woodard spoke water velocity and how the EIUs were determined. Payment of the surcharges by the developer was briefly discussed.

Director McGuire spoke about establishment of EIU values by resolution. Mr. Freeman said the values would be adjusted yearly based on the index in the Southridge master plan resolution and updated in the Fee Resolution. Mr. Drummond spoke about efforts to apply costs fairly and transparently.

Mr. Woodard said an additional goal of this action was to establish a methodology to provide credits towards future EIU charges based on land use and connection size. Discussion ensued regarding potential future rate increases and vesting of conditions. Mr. Iller offered to address the legal question in executive session.

Director Rathbun moved to approve Resolution 2016-33, Southridge Equivalent Irrigation Unit Surcharges. Vice President Huffman seconded the motion and it carried unanimously.

President McKenzie called a short break at 10:30 a.m. and the meeting resumed in open session at 10:35 a.m.

Finance Manager: Mr. Drummond said Finance was working on budget and getting ready for the audit. He reported that five responses to automated phone system request for proposals were received.

Discussion ensued about the estimate cost of Chandler pump repairs and budgeted amounts. Mr. Freeman said a revised estimate of about \$27,000 was received from the USBR recently and funds were available in the budget.

Engineering/Operations Manager: Mr. McShane returned to the meeting and spoke briefly about the conference call to plan details of his upcoming Washington DC trip. He reported:

- Restoration of the main roadway section of the Bob Olson project was finished.
- Crew would pressure test a section of wasteway pipe near Amon pump and start a section east of Sherman on Hildebrand. He spoke about working with property owners for entry.
- WaterSMART pre-watering was complete on Division IV and crews were moving to Badger East.
- Staff was working on removing encroachments. Mr. McShane said the USBR report on KID facilities was expected to include the need to resolve encroachments.
- The recapture and reuse well was at 130 feet and a new drill rig was being moved in due to the hard rock.

- Algae and aquatic weed growth were challenging in the last couple weeks.
- Red Mountain South chlorination samples were sent to the lab. The Aquilini group had positive comments about water quality. The next steps were to install the pump and field test for chlorination quantity needed.
- Lower River Committee and Benton County Outreach groups were considering lower basin residents' interests regarding the Integrated Plan.
- Staff had worked through most technical challenges regarding Chandler electrification with Mr. Glover.

In response to a question from Director Dennis, Mr. McShane spoke about the status of a recession in the ground near Highland Feeder east of Irving Street under KID's asphalt approach. He said there were no reports of leaks or seepage. The canal was not lined through that section. Crews would over-excavate, rebuild road and patch. Discussion continued.

In response to a question from Director McGuire, Mr. McShane said provisions would be put in place for chlorination of the Southridge project. He spoke about improvements to how KID provided better water quality to customers over time and customer expectations. He said he expected to chlorinate at the lowest level possible to limit, rather than eradicate, growth. He confirmed to Director McGuire that KID had the ability to charge only the areas that benefitted.

In response to a question from Director Rathbun, Mr. McShane spoke about pressurized versus gravity screen systems, and sedimentation basins.

Land & Water Resources Manager: Mr. Defoe displayed the www.usbr.gov Yakima River 5 Reservoirs graphic and spoke about water supply. He reported that he attended the River Operations meeting last week and spoke about storage. He reported that about 10,000 acre feet were left after the last pulse flow and that the yearly "flip-flop" operation had begun, but was not expected to impact the District.

Mr. Defoe displayed the www.noaa.gov KYKM - Oct 2015 through Sep 2106 graph of temperatures and precipitation and spoke about weather conditions. He displayed similar graphs for Pasco and pointed out differences.

Mr. Defoe displayed a www.noaa.gov page with maps indicating predictions of higher than average temperatures and precipitation across the country from Sep 2016 to Nov. 2017. He spoke about differences between 1998 conditions and last year.

Mr. Defoe reported that he attended bi-weekly Kachess Drought Relief Pumping Plant (KDRPP) meetings. The floating pump concept would be folded into a supplementary Environmental Impact Statement (EIS). Roza Irrigation District was heading up SEPA work using KID's Red Mountain work as an example. Studies were ongoing regarding food web issues with draw down of Lake Kachess. Roza ID was working on an RFP for engineering pump design. Getting power to the pumps was another issue. Whooshh technology for moving fish over dams was being considered for when the Lake was drawn down.

Mr. Defoe spoke briefly about progress on the Department of Agriculture drought study.

District Manager: Mr. Freeman reported:

- A public relations update would be provided at the next meeting.
- Water Strategies personnel would attend the next board meeting and tour the district. The September issue of Water Strategies would profile Washington and include KID.

Director McGuire suggested that the name "Salmon Springs," referring to cold water refugia, be clearly labeled to note its artificial nature.

- Work continued on the water master portal.
- KID was hosting a City of Richland and Department of Health open house regarding Lorayne J potable water. The City wanted to discuss annexation as well. He noted that the City deferred their 50% surcharge, but if annexation did not happen, it would be payable. KID was helping with marketing, e-blasts and door hangers. The City received a \$30,000 grant from the Department of Health.
- Elliot Lake's new potable water system was under construction.
- Staff was communicating with Carron Helberg regarding the Compliance audit to verify water records and ownership compliance with RRA (Rural Reclamation Act) rules.

WORKSHOP: None

EXECUTIVE SESSION: Mr. Iller noted that agenda should be modified to include pending litigation as an executive session topic. Director McGuire so moved. Director Rathbun seconded the motion and it carried unanimously.

At 11:17 a.m., on behalf of the presiding officer, Mr. Iller announced that the Board would go into executive session to discuss with legal counsel potential litigation, in the form of litigation or legal risks of a proposed action or current practice pursuant to RCW 42.30.110(1)(i)(iii) relating to water delivery shut down, election issues, and property issues, and to discuss with legal counsel pending litigation pursuant to RCW 42.30.110(1)(i), for approximately 45 minutes. He said action in open session could follow executive session but was not expected.

Executive Session was extended for fifteen minutes at 12:05 p.m.

OPEN SESSION: The meeting returned to open session at 12:20 p.m. President McKenzie noted that Director Dennis left the meeting for an appointment. There being no further action, he called for a motion to adjourn.

Vice President Huffman moved to adjourn the meeting at 12:20 p.m. Director Rathbun seconded the motion. All present voted in favor and the motion carried.

Attest:

Witness:



David McKenzie, Board President
Approved October 4, 2016



Chuck Freeman, District Manager

Prepared by Doris Rakowski