



## Minutes

Meeting of the KID Board of Directors  
 Carl W. Petersen Board Room  
 Tuesday, May 2, 2017, 9:00 a.m.

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

**Directors Present:**

Gene Huffman, President  
 Dean Dennis, Vice President  
 David McKenzie  
 Kirk Rathbun

**Staff Present:**

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

**Other Persons Present:**

Brian Iller, KID Legal Counsel

**APPROVAL OF AGENDA: Director Rathbun moved to approve the agenda. Director McKenzie seconded the motion. All present voted in favor. The motion carried.**

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

On the amended consent agenda were:

1. Minutes, KID Board Meeting, April 18, 2017
2. Travel Authorization - NWRA 2017 Western Water Seminar
3. Travel Authorization - Title Transfer Exploration & Electrification
4. Short Plat 2017-102 - 135 Reata - Dry
5. Short Plat 2017-003 - AH Properties - Dry
6. Vouchers/Warrant Approval

**Accounts Payable**

Numbers:

74759	through	74759		\$	205.15
74760	through	74761		\$	18,561.34
74762	through	74829		\$	214,444.60
APPKT00439	through	APPKT0043		\$	69.49
APPKT00438	through	APPKT00438		\$	100,066.05
<b>Total Accounts Payable</b>				<b>\$</b>	<b><u>333,346.63</u></b>

**Payroll**

Numbers:	33590	through	33590		\$	266.92
	33591	through	33591		\$	1,447.55
	33592	through	33593		\$	98.50
Direct Deposit			2017-04-05	\$	<u>143,399.78</u>	
<b>Total Payroll</b>					<b>\$</b>	<b><u>145,212.75</u></b>
<b>Total Disbursements</b>					<b>\$</b>	<b><u>478,559.38</u></b>

**Voided Checks:** No voided checks.

**PUBLIC COMMENTS:**

**Bob Farnkoff** addressed the Board regarding his request for variance from the KID requirements for development of his property. He reviewed his discussions with KID staff regarding the requirements, which he said were not needed by his property. He said the requirements had changed since he bought the property and asked the Board for a waiver.

Mr. McShane provided information about the private line area (PLA). He said proposed Resolution 2017-13 to be addressed later in the meeting would create a small surcharge area and allow neighbors join together to put in a pipeline.

**Larry Dickerson**, 1112 N. Buchanan Avenue, addressed the Board regarding his request for reconsideration of his water allotment relegation request denial. He said he would prefer to use KID water if there were improvements to bring irrigation water to his area, but barring that, he requested that his allotment be relegated.

Mr. McShane reported that the PLA pipeline which previously provided water to Mr. Dickerson had fallen into disrepair and no longer functioned.

Mr. Freeman spoke about circumstances under which allotments could be granted in the future if relegation was granted today (by proposed Resolution 2017-14, Water Allotment Relegations).

**Mike Coffey**, 6025 W Okanogan Loop, addressed the Board regarding his request for reconsideration of his water allotment relegation request denial. He noted that relegation was approved for several of his neighbor and said he had no access to irrigation water.

Regarding service to Mr. Coffey's parcel, Mr. McShane said that KID had heard both that there was a pipeline which had fallen into disrepair and from others saying there was never a pipeline.

Mr. Coffey spoke further about his circumstances and requested that his allotment be relegated.

**PRESENTATIONS:** None

**PUBLIC HEARING:** None

**BOARD REPORTS:** None

**ACTION ITEMS:**

**Soils Study Report for Finley Properties:** Ms. Rosenbaum asked the Board to accept the soil study report for 320 acres of KID-owned property near Finley. She said the report would be used to as an information tool for potential lessees or buyers.

**Vice President Dennis moved to accept the soil study report for the KID properties in Finley prepared by Alan Busacca of Vinitas Consultants, LLC. Director Rathbun seconded the motion. All present voted in favor. The motion carried.**

**Short Plat 2017-002 - Couch - Wet:** Director McKenzie recused himself from discussion of the matter and left the room.

Mr. McShane reported spoke briefly about the proposed conditional approval of the short plat, which would be required to meet KID standards and conditions for plat approval.

In response to a question from Director Rathbun, Mr. McShane spoke about conditions and requirements for short plats inside and outside of urban growth areas.

**Director Rathbun moved to approve Short Plat 2017-002 - Couch - Wet, conditioned upon the Developer/Applicant meeting KID requirements. Vice President Dennis seconded the motion. All present voted in favor. The motion carried.**

Director McKenzie returned to the meeting.

**RESOLUTIONS:**

**Resolution 2017-11, Appointment of Claims Agent:** Mr. Freeman requested approval of the proposed resolution appointing the District's claim agent. He said the resolution was a formality to be recorded with the County, and differed from the last only in the updated address.

**Vice President Dennis moved to approve Resolution 2017-11, Appointment of Claims Agent. Director Rathbun seconded the motion. All present voted in favor. The motion carried.**

**Resolution 2017-12, Confirmation of Proclamation of Emergency:** Mr. Freeman briefly reviewed the events of the April 14, 2017 Badger East Canal overtopping and reported that he had exercised his authority to declare an emergency situation and made emergency purchases of the service of additional gravel trucks.

Mr. Freeman State law requires the proclamation of emergency be brought to the first board meeting after the event. He explained that he had not brought the proclamation of emergency to that meeting because, at that time, he was unaware that the purchase would exceed dollar amount which would require competitive bidding.

**Director Rathbun moved to approve Resolution 2017-12, Confirmation of Proclamation of Emergency and Authorization to Waive Competitive Bidding Process. Director McKenzie seconded the motion. All present voted in favor. The motion carried.**

**Resolution 2017-13, Authorization of Collection of Surcharges for PLA Properties in W. 21<sup>st</sup> Place & Rainier Service Area:** Mr. McShane spoke about Mr. Farnkoff's Short Plat 2016-10. He described the proposed KID requirements for the area.

Mr. McShane remarked about the contrast between the circumstances of the people present today to request relegation and a developer asking why KID system requirements needed to be met. He said the surcharge method was a reasonable means to make meeting the requirements affordable for an individual subdividing their property.

Discussion ensued regarding the planned pipeline system and the existing PLA service.

**Director Rathbun moved to approve Resolution 2017-13, Authorization of Collection of Surcharges for PLA Properties in the W. 21<sup>st</sup> Pl. and S. Rainier St. Service Area. Vice President Dennis seconded the motion. All present voted in favor. The motion carried.**

Mr. McShane said staff would contact residents about interest in proceeding with the pipeline.

**Resolution 2017-14, Water Allotment Relegations:** Mr. McShane presented the request for relegations and results of the investigation by staff. He said review of domestic water use showed that these four properties use substantially more drinking water during the summer, indicating they did not have irrigation water on the properties. He said staff recommended approval and proration of their 2017 assessment.

In answer to President Huffman, Mr. McShane spoke about the water allocation request policy and procedure, and noted that, at this time, there was very little water available for allocations.

Vice President Dennis spoke in favor of proration of the 2017 assessment.

In response to a question from Director Rathbun, Mr. Freeman spoke about code enforcement spot checks to verify compliance with relegation.

**Director McKenzie moved to approve Resolution 2017-14, Water Allotment Relegation Requests for Assessments Removed. Vice President Dennis seconded the motion. All present voted in favor. The motion carried.**

Mr. Drummond left the meeting to assist the guest with payment of their prorated assessments.

**Resolution 2017-15, Sole-Source Purchase Rubicon Battery Packs:** Mr. McShane spoke about the need to purchase proprietary battery packs for existing Rubicon installations. Discussion ensued regarding specifications, applications and expected lifespan of the batteries. Mr. McShane noted that KID removed and stored batteries over winter.

Gates planned to be installed were discussed, as were 12" head gates, which Rubicon would begin to manufacture in August.

**Director Rathbun moved to approve Resolution 2017-15 Authorization to Waive Competitive Bidding and Award a Sole-Source Contract to Purchase Rubicon Battery Packs, pursuant to RCW 87.03.435(3)(c). Director McKenzie seconded the motion. All present voted in favor. The motion carried.**

**Resolution 2017-16, Authorization of Collection of Surcharges for PLA Properties in S. AP 2.9-1 Service Area in the Southridge Benefit Area:** Mr. McShane presented the resolution to revise Resolution 2016-38, Authorization of Collection of Surcharges for PLA properties in S. AP 2.9-1 service area in the Southridge Benefit Area. He reported that per acre charges were changed to per connection charges.

**Director McKenzie moved to rescind Resolution 2016-38, Authorization of Collection of Surcharges for PLA properties in S. AP 2.9-1 service area in the Southridge Benefit Area, and approve Resolution 2017-16, Authorization of Collection of Surcharges for PLA properties in S. AP 2.9-1 service area in the Southridge Benefit Area. Director Rathbun seconded the motion. All present voted in favor. The motion carried.**

At 9:50 a.m., President Huffman called a five minute break.

At 9:55 a.m., the meeting resumed in open session.

#### **STAFF REPORTS:**

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

- Assessment payment deadline and application of late fees
- Customer service activity levels
- Outage map
- Progress on financial reports filing for Washington State
- Financial statements for the Board and operations
- Finance Committee schedule and consideration of summary reports to the Board
- Next Finance Committee meeting to be held Thursday, May 11 at 1:30 p.m.

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

- Current system outages
- Red Mountain booster station and other repairs
- Prioritization of repairs.

- Testing IVR (interactive voice recognition) notifications to various sizes of groups
- Chandler transient analysis

Vice President Dennis said he received positive feedback about an email notification this year.

Mr. McShane spoke about operations staffing and tooling.

In response to a question from President Huffman, Mr. McShane spoke further about causes of mainline and riser breaks. He said it was impossible to discover the need for repairs until there was water in the system, and water was not provided to the KID by the USBR until April 1<sup>st</sup>.

Mr. McShane spoke further about the transient analysis and possible solutions.

Mr. McShane confirmed to Director McKenzie that some baseline testing was completed this year. He said the USBR did a baseline test for the 2016 grant, but said he had concerns with their methodology.

At Director McKenzie's request, Mr. McShane spoke about means of sending notifications to areas based on number of recipients. Text messaging, including opting in and complying with records retention requirements, was discussed. Notification methods were discussed further.

Hypothetical scenarios were considered regarding how long it would take to be operational by April 1<sup>st</sup> if water from non-settlement water rights were available. Mr. Iller mentioned the outstanding application for 82 cfs of Columbia River water and the challenge of getting the water into the system.

**Land & Water Resources Manager:** Mr. Defoe displayed online data from the USBR and spoke about weather conditions and water storage. He said a down tick in storage levels in late April was due to the USBR releasing two biological pulses. He said that, depending on the TWSA (total water supply available) another release was likely next month. Mr. Iller offered to discuss in executive session the position of the USBR that pulse flows were protected past the KID. President Huffman questioned whether there was adequate science in support of the efficacy of pulse flows. Mr. Defoe confirmed to Director Rathbun that the decision to release pulse flow was tied to TWSA and modeling, not flow levels at measuring locations.

Mr. Defoe displayed online data from the USDA NOAA and spoke about snow pack predictions and precipitation.

Mr. Defoe also reported regarding:

- Comments on Kennewick, Richland and West Richland critical areas ordinances
- Benton County Voluntary Stewardship Program (VSP)
- Rachel Road alignment. KID's concern was mitigation of any impact to the District's drain.

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

- Lorayne J special meeting next Thursday at 6:00 p.m. Door hanger notifications were delivered and two calls had been received.
- Title Transfer meeting - May 15<sup>th</sup>
- Bridle Drive repairs and insurance claims
- 100 year event planning
- Hard winter impact on startup
- Yakima Basin Joint Board meeting yesterday

In response to a question from Director Rathbun, Mr. Freeman said a mid-year budget adjustment may be needed for overtime at startup.

**WORKSHOP:** None

**EXECUTIVE SESSION:** At 10:44 a.m., Mr. Iller announced on behalf of the presiding officer that the Board would go into executive session following a short break for an estimated 30 minutes beginning at 10:50 a.m. and ending at 11:20 a.m., to discuss with legal counsel potential litigation in the form of litigation or legal risks of a proposed action or current practice, related to the biological assessment and a request for direct connection to the canal, pursuant to RCW 42.30.110(1)(i)(iii). He said that action could follow in open session.

At 11:20 a.m., executive session was extended for five minutes.

**OPEN SESSION:** The meeting returned to open session at 11:28 a.m.

**Roger Gray's request for temporary direct connection:** Director Rathbun and Mr. McShane recused themselves and left the room. Mr. Freeman reviewed details of Roger Gray's request to convert his PLA to a pressurized service area (PSA) and to be allowed direct connection in the interim. He reported that the section had been lined and had enough capacity for the direct connect. He said up to 18 months may be needed for engineering evaluation of Mr. Gray's records, consultation with counsel regarding warranty and the insurance company regarding impact to premiums and overall risk profile, and communication with the neighborhood about the support for converting the PLA to a PSA.

President Huffman spoke in favor of the time frame and the temporary direct connection.

In response to a comment from Director McKenzie, discussion ensued regarding the condition of the ponds and stipulations that they not be removed.

**Director McKenzie moved to conditionally and temporarily approve a direct supply connection to DIV 28.0 turnout for RG's development for a period of 18 months with the conditions to include that existing ponds remain usable until and unless KID agrees to take over the system. Vice President Dennis all present voted in favor and the motion carried.**

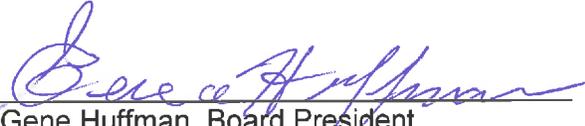
Mr. Freeman said that Mr. Gray would be sent a letter including the conditions stipulated.

Mr. McShane and Director Rathbun returned to the room.

**Vice President Dennis moved to adjourn at 11:40 a.m. Director Rathbun seconded the motion. All present voted in favor. The motion carried.**

Attest:

Witness:

  
Gene Huffman, Board President  
Approved May 16, 2017

  
Chuck Freeman, District Manager

Prepared by Doris Rakowski