



Minutes

Meeting of the KID Board of Directors
 Carl W. Petersen Board Room
 Tuesday, July 6, 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
 Kipp Drummond, District Treasurer
 Lynda Rosenbaum, Real Property Manager
 Jason McShane, Engineering/Operations Manager
 Seth Defoe, Land & Water Resources Manager
 Shelbea Voelker, Public Relations Coordinator
 Lori Gibson, Executive Assistant
 Doris Rakowski, Executive Assistant

Other Persons Present:

Brian Iller, KID Legal Counsel
 Bill McKay, Board of Directors Applicant

APPROVAL OF AGENDA: Director Rathbun moved to approve the agenda. Vice President Dennis 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 consent agenda were:

1. Minutes, KID Board Meeting, June 6, 2017
2. Minutes, KID Board Meeting, June 20, 2017
3. Quit Claim Deeds, Stoneridge
4. Utility Easement, Stoneridge, Addendum 3 for Heart Lake, LLC
5. Final Plat - Clearwater Creek Phase 4 - Dry
6. Preliminary Plat Comments - Cross Valley Estates
7. Vouchers/Warrant Approval

Accounts Payable

Numbers:

75024	through	75097	\$	180,021.33
75098	through	75098	\$	10,109.38
75099	through	75102	\$	88,493.15
75103	through	75103	\$	3,036.93
75104	through	75164	\$	161,136.90
Bank Drafts		FSA	\$	-
Bank Drafts		General	\$	-
Bank Drafts		AP	\$	77,517.28
Total Accounts Payable			\$	520,314.97

Payroll

Numbers:

-	through	-	\$	-
Direct Deposit		2017-06-20	\$	112,440.36
Total Payroll			\$	112,440.36
Total Disbursements			\$	632,755.33

Voided Checks: No voided checks.

PUBLIC COMMENTS:

Adam Compean, 311 S. Arthur Street, said he was in favor of the Jamesville Benefit Area proposal, but had not signed on because there was not a contractor and firm price yet.

Mr. Freeman said the project would not be put out to bid until there were enough participants, but if the bids were too high, there could be another meeting with the participants. Mr. McShane said the engineer's estimate was just over \$200,000.

Mr. Compean said he did not want to share the cost of Zinser Street's sidewalks and pavement since his street did not have them.

Debra Blum, 4807 W. 2nd Avenue, said she was in favor of the Jamesville Benefit Area proposal and had just signed her paperwork, but shared Mr. Compean's concern about Zinser Street's share of cost. She said their street would never be improved because the city would not allow a sewer to be put in. She said most owners on 2nd, 3rd and Arthur Streets were retired and lower income than on Zinser Street. Ms. Blum asked the Board to revisit an option discussed at the informational meeting to have Zinser Street pay more than the other streets.

Mr. McShane spoke about the decision to treat the whole group as a single benefit area, and the policies on private line takeovers and surcharges. He agreed that it would cost more to install pipes in Zinser Street than the other, but the board determined that the traditional service area was the best way to handle the calculations.

Mr. McShane confirmed that irrigation allotments were relegated for two parcels on the west side of Arthur Street.

Mr. Compean asked the Board to look at the situation from his point of view.

Mr. McShane confirmed to Director Rathbun that KID's practice was to distribute costs of projects evenly over parcels benefited using equivalent irrigation units (EIU).

In response to a question from Ms. Blum, Mr. McShane spoke about KID's surcharge methodology. He said that, with the 14 participants currently signed up, based on the estimate, about \$74,000 would be reimbursed. He confirmed to Director Rathbun if others never signed on, the balance would be incurred by the general rate base and not collected.

PRESENTATIONS: None

PUBLIC HEARING: None

BOARD REPORTS: None

ACTION ITEMS:

Applicants for Appointment to KID Board: Mr. Freeman said the Board could discuss whether they would make a recommendation to the Benton County Commissioners regarding which of the three qualified candidates interviewed at the last meeting should be appointed to the Board. He said the Board had three urban and one agricultural representative, but there was a traditionally a three-two representation split.

Vice President Dennis spoke in favor of Mr. Jim Holmes because of his agricultural background and previous support of the Red Mountain area.

Director McKenzie said any of the candidates would be good, but agriculture and Red Mountain needed some representation. He said it was hard to single out one person in this decision.

President Huffman said agricultural representation was needed to keep balance on the board. He noted that, while the board could make a recommendation, the decision was the commissioners. He recommended Mr. Holmes for appointment.

Director Rathbun reported he got more phone calls from Red Mountain than elsewhere and had been there more than in other areas, trying to address their concerns. He said he was impressed by all candidates and any one of them would be a good addition to the District.

Vice President Dennis said there were elections every year for Board positions and that he hoped all of the applicants would return for future openings and elections.

President Huffman noted that this appointment was for the rest of 2017, and the appointed Director would have to run for election in December.

Director Rathbun moved to request an appointment to the KID Board of Directors by the Benton County Commissioners, and to recommend appointment of James J. Holmes to Position 2. Vice President Dennis seconded the motion. All present voted in favor and the motion carried.

Mr. Freeman said the KID Board's request for an appointment would be forwarded to the Benton County Commissioners today.

RESOLUTIONS:

Resolution 2017-21, Authorization for Collection of Surcharges for the Jamesville Benefit Area: Mr. McShane reported there were 14 signed service agreements and the Board could choose to add an action item to authorize construction of the proposed infrastructure. He spoke about the KID Policy 2.41, Surcharges for System Improvements.

Mr. McShane said the project was estimated to cost \$200,691 and the existing agreements would provide \$73,934 of reimbursement at this time. He said he expected more people to participate once construction began. He said the benefit area included the 28 Jamesville Irrigation PLA parcels and 10 parcels of another PLA. He recommended installing service to three parcels which previously relegated their allotments.

In response to questions from Director Rathbun, Mr. McShane said the system would be installed in the road frontage and he recommended that anyone adjacent to the service be included in the service area. He spoke about existing infrastructure in the area.

Mr. McShane confirmed to Mr. Drummond that pursuant to the Surcharge policy, the Board would review surcharges annually to determine if charges for future participants should change. He said surcharges carried the delinquency repercussions as annual assessments.

Discussion ensued regarding equalized or varied cost distribution. President Huffman spoke about his experience with equal distribution of costs for a city improvement. Mr. Freeman confirmed to Director Rathbun that East Columbia Basin Irrigation District's equalized method of charging was recently found to be valid in court. Mr. McShane spoke about alternatives which were discussed when adopting the surcharge policy.

Mr. McShane recommended adding an agenda item to Authorize Construction of Jamesville Benefit Area Infrastructure if the resolution were passed. A memo was distributed. He said that staff would not proceed if the bids were higher than the amount approved. He said the risk factor was the difference between participation and total cost.

Mr. Freeman spoke about the problems with PLAs and said this would be a good start in the effort to address the issues. He said most problems that escalated to management or on social media are in PLAs. He said many people did not know or care that KID had no control over private systems and could not legally use public funds to improve private areas. He agreed with President Huffman that without easements, KID could not trespass.

Director Rathbun moved to approve Resolution 2017-21, Authorization of Collection of Surcharges for PLA Properties in the Jamesville Benefit Area. Vice President Dennis seconded the motion. All present voted in favor. The motion carried.

Director Rathbun moved to amend the agenda to include the authorization of Construction of Jamesville Benefit Area Infrastructure. Vice President Dennis seconded the motion. All present voted in favor. The motion carried.

Authorize Construction of Jamesville Benefit Area Infrastructure: Mr. McShane briefly reviewed the proposed project and said participants could chose to pay off within a six month period or the amount would be charged in ten payments. Discussion ensued. Mr. McShane clarified that the amount to be paid in the first six months was \$5,281, but if paid after six months, the amount would be \$6,881.90.

Vice President Dennis moved to authorize Charles Freeman, District Manager, to proceed with the construction of the proposed infrastructure for the Jamesville Benefit area, in an amount not to exceed \$205,000. Director Rathbun seconded the motion. All present voted in favor. The motion carried.

Mr. McShane confirmed to Mr. Compean that the six month period started upon connection.

Resolution 2017-22, Clodfelter Equivalent Irrigation Unit (EIU) Surcharge: The KID Clodfelter Irrigation Master Plan was distributed at the meeting. Mr. McShane described the area of the Clodfelter Irrigation Master Plan. He said much of the infrastructure had already been installed by developers, but future demands were expected to increase and a regional pump station was still needed. He said the proposed Clodfelter Irrigation Master Plan was similar to the Southridge Master Plan and spoke briefly about what was included.

Mr. McShane provided statistics regarding the benefit area.

Responding to Director Rathbun's question, Mr. McShane referred to Figure 2 in the Master Plan and spoke about the benefit area boundaries and the District boundaries. He identified areas already developed and under mitigation agreements or PLAs, as well as areas under the Master Plan. He spoke of storage in the vicinity due to the wide canal at Amon.

Mr. McShane referred to Figure 13 on page 23, which showed the proposed improvements. He said most of the funds would go to the pump station. He spoke about phases of the plan, which were expected to be completed over multiple years.

At Director Rathbun's request, Mr. McShane spoke about the planned filtration level.

In response to a question from Director McKenzie, Mr. McShane said the estimated cost was similar to the cost for the Southridge Master plan. He spoke briefly about areas under consideration as future surcharge areas.

He asked that the resolution be approved contingent upon the SEPA process. SEPA requirements were discussed.

Director McKenzie moved to approve Resolution 2017-22 Adopting the Clodfelter Irrigation Master Plan; and Establishing a Capital Surcharge Assessment Benefit Area and Collection Method, contingent upon the SEPA process. Director Rathbun seconded the motion. All present voted in favor. The motion carried.

At 10:10 a.m., President Huffman called a five minute break.

At 10:17 a.m., the meeting resumed in open session.

Resolution 2017-23, Retainage for Public Works Contract PW2017-04 Concrete Finishers for Highland Feeder Canal: Mr. McShane reported that all terms of the completion of public works contract PW2017-04 had been met. He spoke briefly about the project and recommended project acceptance and release of retainage.

Director McKenzie moved to approve Resolution 2017-23 Project Acceptance and Release of Retainage for Public Works Contract PW2017-04 Concrete Finishers for Highland Feeder Canal. Vice President Dennis seconded the motion. All present voted in favor. The motion carried.

Resolution 2017-24, Project Acceptance and Release of Retainage for Public Works Contract PW2017-05 Miscellaneous Electrical Work: Mr. McShane reported that all terms of the completion of public works contract PW2017-05 had been met. He spoke briefly about the project and recommended project acceptance and release of retainage.

Director Rathbun moved to approve Resolution 2017-24 Project Acceptance and Release of Retainage for Public Works Contract PW2017-05 Miscellaneous Electrical Work. Director McKenzie seconded the motion. All present voted in favor. The motion carried.

Resolution 2017-25, Confirmation of Declaration of Emergency and Authorization to Waive Competitive Bidding Process: Mr. Freeman reported that the June 28, 2017 Amon Pump failure stopped services to about 500 parcels during over 90 degree heat. To expedite repairs, Mr. Freeman said he declared an emergency. He said the pump came back online Saturday, four days earlier than was estimated. He said he appreciated to Pasco Pumps, Kingsley Berg and Dave Miller who worked long hours to repair the pump.

Mr. Freeman noted a replacement Resolution, correcting a clerical error, had been provided at the meeting. Director Dennis noted that the attachment recital on the memo had the wrong year.

In response to a question from Director Rathbun, Mr. McShane spoke about the repairs. Mr. Freeman spoke about contingency plans which had been considered.

Vice President Dennis moved to approve Resolution 2017-25, Confirmation of Proclamation of Emergency and Authorization to Waive Competitive Bidding Process. Director Rathbun seconded the motion. All present voted in favor. The motion carried.

STAFF REPORTS:

Finance Manager: Mr. Drummond reported regarding:

- Liquidation of certificates of deposit at Yakima Federal and investment of funds in the Local Government Investment Pool. Fees would be recovered in one month due to the higher rate of return.
- Addition of a second phone line for calls to staff. The second line was intended to improve use of the new Vocantas interactive voice system.
- Consolidation to only one credit card processor
- Next Finance Committee meeting - Thursday, July 13th

Engineering/Operations Manager: Mr. McShane reported regarding:

- Vegetation control in the Main Canal
- Demonstration of asphalt zipper
- Replacement of gravel at Canyon Lakes for the WaterSMART project
- Amon Reservoir design grant work
- Chandler Electrification design submitted to the U.S. Bureau of Reclamation (USBR). Additional authorization for JUD Engineering would be brought to the next meeting.

Land & Water Resources Manager: Mr. Defoe displayed the USBR website Yakima River 5 Reservoirs diagram and comparison graph, and spoke about reservoir storage, Title 12 flows, and Chandler generation. He displayed noaa.gov graphs and maps, and spoke about weather conditions at Yakima.

Mr. Defoe reported that the Benton County Voluntary Stewardship Program (VSP) process wrapped up with submission of the draft to the VSP Technical Panel. He said that agricultural drains and wasteways were included in the map, but the District was minimally impacted.

Mr. Defoe said there would be a River Operations meeting today and a USBR tour on Tuesday.

District Manager: Mr. Freeman reported regarding:

- The Paid Family Leave Program, signed by Governor Inslee and effective in 2020
- Coverage offered to agricultural customers by Paine West
- USBR Chief of Staff James Hess would be here Tuesday for discussions about title transfer and a tour of Chandler power plant.

Ms. Voelker reported regarding:

- TV commercials on canal safety, training your lawn and the 100-year anniversary event
- A new calendar for canal treatments on the website
- Irrigation Leader special edition. The rough draft was expected in the next few weeks.
- Invitations for the 100-year anniversary event

WORKSHOP: None

EXECUTIVE SESSION: At 10:59 a.m., on behalf of the presiding officer, Mr. Iiler announced that the Board would go into executive session for an estimated 15 minutes until about 11:15 a.m., to discuss with legal counsel and consultants potential litigation in the form of litigation or legal risks of a proposed action or current practice as authorized by RCW 42.30.110(1)(i)(iii). He said action could follow executive session, but was not expected.

Vice President Dennis moved to adjourn the meeting at 11:19 a.m. Director McKenzie seconded the motion. All present voted in favor and the motion carried.

Attest:

Witness:



Gene Huffman, Board President
Approved July 18, 2017



Chuck Freeman, District Manager

Prepared by Doris Rakowski