



Minutes

Meeting of the KID Board of Directors
 Carl W. Petersen Board Room
 Tuesday, October 17, 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
 Jim Holmes

Staff Present:

Chuck Freeman, District Manager
 Kipp Drummond, District Treasurer
 Jason McShane, Engineering/Operations Manager
 Lynda Rosenbaum, Real Property Manager
 Seth Defoe, Land & Water Resources Manager
 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. Vice President Dennis seconded the motion and it carried unanimously.

CONSENT AGENDA: Director McKenzie moved to approve the consent agenda. Director Rathbun seconded the motion and it carried unanimously.

On the consent agenda were:

1. Minutes, KID Board Meeting, September 19, 2017
2. Travel Request - 6th Annual Operations and Management Workshop
3. Final Plat – Apple Valley – Ph. 2
4. Vouchers/Warrant Approval

Accounts Payable

Numbers:

	75582	through	75582		\$ 3,345.49
	75583	through	75587		\$ 2,086.00
	75588	through	75588		\$ 5,340.15
	75589	through	75589		\$ 1,431.30
Bank Drafts	FSA				\$ 682.68
Bank Drafts	General				\$ 901.40
Bank Drafts	AP				\$ 77,737.51
Total Accounts Payable					\$ 91,524.53

Payroll

Numbers:

	33611	through	33614		\$ 1,155.31
Direct Deposit			2017-10-05		\$ 102,017.31
Total Payroll					\$ 103,172.62

Total Disbursements	\$ 194,697.15
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Voided Checks: None

PUBLIC COMMENTS: None

PRESENTATIONS:

Financial Reports for September 2017: Mr. Drummond presented highlights of the September 2017 Financial Report pages including:

- Balance Sheet - Comparative, as of September 30, 2017 and 2016
- Statement of Revenues & Expenditures - Budget to Actual, Summary - Year to Date
- Statement of Revenues & Expenditures - Budget to Actual, Comparative - 9 Months Ended
- Cash Investment Report, as of September 30, 2017

Director Rathbun moved to approve the Financial Reports for September 2017. Director McKenzie seconded the motion. All present voted in favor. The motion carried.

PUBLIC HEARING: None

BOARD REPORTS: None

ACTION ITEMS:

Authorization to Award Contract PC 2017-61: Mr. McShane distributed the bid summary for purchase of HDPE liner. He reported that three bids were received with Northwest Linings as the apparent low bidder. He spoke briefly about the purchase of material for the 2016 WaterSMART grant work. Mr. McShane asked for authorization, not to exceed \$565,000.

At President Huffman's request, Mr. McShane spoke about timing of winter lining work.

In response to a question from Director Rathbun, Mr. McShane spoke about cost of HDPE lining alternatives. He noted that this bid was under the 2014 price. He spoke about seaming/taping material and welding equipment.

Director McKenzie moved to authorize the District Manager, Charles Freeman, to award Contract PC2017-61 for the Purchase of HDPE Liner to the lowest responsible bidder, in an amount not to exceed \$565,000. Vice President Dennis seconded the motion. All present voted in favor. The motion carried.

Authorization to Award Contract PC 2017-62: Mr. McShane distributed the bid summary for purchase of concrete and reported that two bids were received, with American Rock as the apparent low bidder. He spoke briefly about concrete work to be done for the 2016 WaterSMART grant work. He asked for authorization, not to exceed \$105,000.

At Vice President Dennis's request, Mr. McShane spoke about specifications for this concrete.

Director McKenzie moved to authorize the District Manager, Charles Freeman, to award Contract PC2017-62 Purchase of Concrete to the lowest responsible bidder, not to exceed \$105,000. Director McKenzie seconded the motion. All present voted in favor. The motion carried.

Call Special Meeting - Auction of Finley Real Property Leases: Ms. Rosenbaum reported that Monday, November 13, 2017 at 2:00 p.m. was scheduled for an auction to lease KID's surplus real property in Finley. She said one or more executive sessions were expected.

In response to a question from Director Rathbun, Ms Rosenbaum spoke about format of the auction. President Huffman spoke about meetings with auctioneer, Scott Musser.

Ms. Rosenbaum noted that the proposed lease model would be discussed in executive session.

Director Rathbun moved to call a special meeting of the Board of Directors to begin at 2:00 p.m. at the Musser Brothers Auction Center at 3035 Rickenbacker Drive in Pasco on Monday, November 13, 2017. Vice President Dennis seconded the motion. All present voted in favor. The motion carried.

RESOLUTIONS:

Resolution 2017-39, Sole Source Purchase – DemTech Welder Parts: Mr. McShane presented the sole source request for compatible, proprietary parts for the District's five DemTech wedge welders.

At President Huffman's request, Mr. McShane spoke briefly about the parts needed.

Vice President Dennis moved to approve Resolution 2017-39 Authorization to Waive Competitive Bidding and Award a Sole Source Contract to Purchase DemTech Wedge Welder Parts; pursuant to RCW 87.03.435(3)(c). Director McKenzie seconded the motion. All present voted in favor. The motion carried.

STAFF REPORTS:

Finance Manager: Mr. Drummond reported regarding:

- State audit of 2016
- Year end accounting preparations

Engineering/Operations Manager: Mr. McShane reported regarding:

- Baseline canal testing
- Vegetation control
- Winterization and draining of pressurized systems
- Integrated Plan (IP) Kachess Drought Relief Pumping Plant meeting - October 20th
- CAG (Conservation Advisory Group) meeting - October 19th
- IP leadership team expected late October trip to WA DC
- IP modeling methodology and scoping
- Active threat training for field employees - October 16th
- Election roll preparation
- Assessment roll to be presented at the next Board meeting

Regarding the Candy Mountain canal lining and the neighborhood's piping request, Mr. McShane reported that RH2 Engineering's estimate, including a contingency for the construction work, was \$859,135. He spoke about his concern that the piping size specified might not be adequate.

Mr. McShane said KID staff's estimate for construction of the canal lining was \$146,743. He noted that some project support work (such as redoing concrete approaches, sidewalks and required asphalt aprons) was not included in the RH2 estimate, but those items were broken out to make comparison simple. Discussion ensued.

Mr. McShane reported that engineering staff was on site for consultations with uphill side Candy Mountain residents regarding encroachment removal. Mr. Woodard met with every downhill side resident yesterday.

Mr. McShane said the cost per participant would depend on how many people participated. He said homeowners meeting to review the estimates would be in order.

Candy Mountain resident, Ann Smith reported that Trini Garibay was meeting with KID staff regarding the estimates. She spoke about neighborhood concern regarding lining and the cost of burying the line and said further information was needed for homeowners to make an educated choice.

In response to a question from Ms. Smith, Mr. McShane clarified that the \$859,135 estimate to enclose that section of canal was prepared by an engineer (RH2 Engineering) contracted by Mr. Garibay on behalf of the homeowners. He suggested that a table matching the number of participants to the estimate cost share could be helpful.

Ms. Smith requested a payback timetable, possibly adjusted depending on the number of participants.

Mr. Freeman said the water services agreement was under legal review. Challenges, due to the unknown number of participants, were discussed.

Ms. Smith asked that a "document of reassurance" be provided to participants, regarding what encroachment enforcement could be expected.

In response to a question from Ms. Smith, progress on title transfer was discussed. Mr. Freeman said letters of support for title transfer to Congressman Newhouse would be helpful.

The bidding process, and review and adjustment of design elements were discussed.

Mr. McShane spoke about KID's cost share participation in the WaterSMART grant.

Project timing was discussed. Mr. McShane said a decision was needed by the first Board meeting in November.

Land & Water Resources Manager: Mr. Defoe displayed the usbr.gov reservoir diagram and comparative graph, and spoke about storage levels and climate. He displayed noaa.gov Yakima station precipitation and temperature graphs and maps, and spoke about weather conditions and long term climate outlook.

Mr. Defoe also reported regarding:

- First meeting of new IP ground water subcommittee - October 10th
- Conserved water use, target flows and fish migration
- City and County comprehensive plans and critical area ordinances (CAO)
- Tomorrow WSWRA executive committee meeting
- Lower Yakima River Water Quality Meeting - October 26th
- Water Off Staff Meeting - October 26th
- Richland's CAO and Tapteal Greenway's interest in discussing KID's expectation for management of the Amon Wasteway

District Manager: None

Workshop

Project Tracking: Mr. Freeman provided brief overviews of projects including:

Water Right Mgmt

- Lower River Modeling
- Lower River Sub-Committee
- HR 3281
- HR 3144
- Pump Exchange
- Electrification
- Lamprey
- IP

Strategic Planning & Special Projects

- Comp Plan
- Recapture Wells
- Control Gates
- Conservation Plan
- Title Transfer

Finance

- Lorayne J Annexation and Rate Evaluation

Engineering/Ops

- Finley Property
- Amon reservoir
- Ely Site
- RM Chlorination
- 45th Ave
- Adair Drive

Administrative

- City of Prosser
- COK/COR/COWR Comp Plan updates
- VSP
- Regulatory Threats

Mr. Freeman spoke briefly about cautionary lessons about separation of personal business from District activity, to be learned from the recent personnel case involving the Kennewick Mayor.

In response to a question from Director Holmes, discussion ensued about the decision making process for USBR and IP water management projects, CAG conservation projects and the ranking process.

EXECUTIVE SESSION: At 10:27 a.m., on behalf of the presiding officer, Mr. Iller announced that the Board would go into executive session to consider the minimum price at which real

estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price pursuant to RCW 42.30.110(1)(c) and to discuss with legal counsel pending litigation regarding Acquavella pursuant to RCW 42.30.110(1)(i), for an estimated 30 minutes following a short break, from 10:35 a.m. to 11:05 a.m. He said action was possible following executive session, but was not expected.

At 11:05 a.m., executive session was extended for five minutes.

OPEN SESSION: At 11:10 a.m., the meeting returned to open session.

Director McKenzie moved to adjourn the meeting. Director Rathbun seconded the motion and it carried unanimously.

Attest:

Witness:


Gene Huffman, Board President
Approved November 7, 2017


Chuck Freeman, District Manager

Prepared by Doris Rakowski