



Minutes

Meeting of the KID Board of Directors
 Carl W. Petersen Board Room
 Tuesday, September 17, 2013, 9:00 a.m.

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

Directors Present:

Gene Huffman, President
 Patrick McGuire, Vice President
 David McKenzie, Director
 Penny Hermanson, Director

Staff Present:

Colleen Storms, District Treasurer
 Seth Defoe, Planning Manager
 Jason McShane, Engineering/Operations Manager
 Judy Smith, Real Property Manager
 Lynda Rosenbaum, Assistant Planner
 Doris Rakowski, Executive Assistant

Absent: Kirk Rathbun, Director

Other Persons Present: Brian Iller, Legal Counsel

APPROVAL OF AGENDA: President Huffman removed the executive session from the agenda. **Vice President McGuire moved to approve the agenda as modified. Director Hermanson seconded the motion and it carried unanimously.**

CONSENT AGENDA: **Director McKenzie moved to approve the consent agenda. Vice President McGuire seconded the motion and it carried unanimously.**

Items included on the consent agenda were:

1. Binding Site Plan 13-04 - Tri-City Orthopaedic - Dry
2. Binding Site Plan 12-06 - Gage - Dry
3. Preliminary Plat 13-02 - The Heights
4. Brantingham/Applewood Intertie
5. Clodfelter Service Area - Mainline Distribution Plan
6. Food Safety Modernization Act Letter
7. Confirm Job Description
8. Voucher/Warrant Approval

Accounts Payable

Numbers:	66910	through	66910	\$	139.00
	66912	through	66919		208,279.82
	66920	through	66922		1,440.92
	66923	through	66924		1,501.00
	66925	through	66963		<u>598,675.76</u>

Total Accounts Payable 810,036.50

Payroll

Numbers:	32591	through	32599	\$	8,162.87
Direct Deposit			9/5/2013		<u>75,452.30</u>

Total Payroll 83,615.17

Total Disbursements \$ 893,651.67

Voided Checks: Ck #'s 66911 & 66924; Wrong amounts

PUBLIC COMMENTS:

Jim Wade said he believed when an LID was paid off there were only O&M charges left, and asked whether KID could pay off or pay for LIDs.

In response to a question from Ms. Storms, Mr. Wade clarified that he was asking whether KID could pay off an existing LID or pay for an LID, not pay for repairs instead of creating an LID. Ms. Storms said she would provide a response.

PRESENTATIONS:

Financial Reports through August 2013: Ms. Storms displayed the August 2013 financial reports and reviewed highlights. Pages reviewed included:

- Balance Sheet as of August 31, 2013
- Statement of Revenue & Expenditures – Budget to Actual – Summary
- Statement of Revenue & Expenditures – Budget to Actual – Comparative
- Grant & Matching Funds Schedule
- Red Mountain Revenue to Expenditure

Vice President McGuire moved to accept the August 2013 financial report as presented. Director McKenzie seconded the motion and it carried unanimously.

PUBLIC HEARING: None

BOARD REPORTS: None

ACTION ITEMS:

Waiver of Executive Privilege for Red Mountain Properties Soil Report: Ms. Smith identified a report by Dr. Alan Busacca regarding soil properties of KID Red Mountain properties which had been reviewed in executive session as a factor in the consideration of setting the minimum price at which real estate would be offered for sale. She asked the Board to consider waiving executive privilege for the report to make it available to people considering purchase of those properties.

Director Hermanson moved to approve waiving executive privilege to Dr. Busacca's report. Director McKenzie seconded the motion and it carried unanimously.

20-Acre Tract Segregation of Red Mountain Parcels 4017B and 4011: Mr. Defoe reviewed work being done to prepare KID's Red Mountain parcels for sale at auction in a manner that would maximize their value. He reported that parcels 4017B and 4011 together held a vested preliminary plat, approved by the Benton County Board of Commissioners on June 4, 2009, which allowed a smaller lot size than current zoning. He said KID could not develop the pre-plat, but could sell the parcels with the vested pre-plat to a developer who wished to do so.

Mr. Defoe said staff, in consultation with the auctioneer, recommended that the District segregate the two pre-plat parcels into 20 acre tracts while maintaining the vested pre-plat to maintain maximum flexibility for marketing parcels at auction. He noted that Benton County had indicated it may not be allowed and said KID staff was awaiting a final decision.

Mr. Defoe briefly discussed soil characteristics of the properties inside and outside the AVA.

In response to a question from Director McKenzie, Mr. Defoe confirmed that if the 20 acres properties did not sell they could still be short platted into 5 acre parcels.

Mr. Defoe and Ms. Smith confirmed to Vice President McGuire that water allotments would be removed from areas which could not put the water to beneficial use by Resolution 2013-22.

Director Hermanson moved to segregate parcels 4017B and 4011 into 20 acre tracts and to record said tracts with the Benton County Auditor. Vice President McGuire seconded the motion and it carried unanimously.

Policy regarding Sale of Surplus Lands - Red Mountain: Ms. Storms reported that the Realty Committee and the Finance Committee had considered the possibility of providing short-term or long-term contract financing for KID Red Mountain surplus lands. She reviewed issues regarding the status of KID cash surpluses and existing funding commitments. She said such lending would mean KID's LID funding and contract funding would be layered on the land and create potentially a high loan to value ratio. She said, despite potential benefits to funding contracts on land sales, staff recommended KID not sell the lands on contract at this time.

President Huffman spoke against tying up District fund to finance land sales. Vice President McGuire agreed that it would be too much risk for the District. Discussion ensued.

Director McKenzie moved to not finance Red Mountain land sales on contract. Vice President McGuire seconded the motion and it carried unanimously.

RESOLUTIONS:

Resolution 2013-22 Red Mountain Allocations: Ms. Smith reviewed the recommended water allotment changes in the resolution:

- re-assigning existing water allotments to KID Red Mountain parcels being segregated
- allocating an additional 2.0 acres to Jacquie Stephens
- allocating water allotments previously granted to Darve Almeida by Resolution 2013-08 to other parcels as KID had been unable to contact this person by any method since the allotment was granted
- relegating 1.0 acre from Whitaker Hill Estates LLC allotment due to the LID's purchase of the reservoir site

Mr. Iller said that, generally, if a court concluded a reasonable effort was made to contact an individual under given circumstances, then an action could be allowed.

Director McKenzie moved to approve Resolution 2013-22 re-assigning the existing water allotments to the newly segregated KID parcels and the addition and relinquishment of water allotments as shown on the Resolution. Vice President McGuire seconded the motion and it carried unanimously.

Resolution 2013-23 Water Allotment Relegations for 2014 Assessment Year: Ms. Rosenbaum said Resolution 2013-23 would remove 30 properties representing 10.06 irrigable acres from the District's 2014 assessment roll. She said all applicants had been verified and preliminary work was completed including USBR construction loan obligation payoffs.

Vice President McGuire moved adoption of Resolution No. 2013-23 removing parcels shown on Attachment A from the assessment roll beginning January 1, 2014. Director McKenzie seconded the motion and it carried unanimously.

STAFF REPORTS:

Finance Manager: Ms. Storms said there were a few mainline breaks in the last few weeks, but communication had improved over previous years and outages were not lasting longer than

necessary. She reported that assessment collections were picking up as the second payment deadline neared.

Engineering/Operations Manager: Mr. McShane reported:

- The storm over the weekend was challenging but cleared out some weeds.
- Capital project planning was in progress.
- An opening for an Assistant Operations/Maintenance Manager was being advertised.

President Huffman thanked the crews for their work responding to storms.

In response to a question from Vice President McGuire, Mr. McShane said Darrin Christen was KID's liaison with RH2 and had been taking photos of the Red Mountain South LID project.

Planning Manager: Mr. Defoe reported:

- The Red Mountain reservoir site short plats were closed and recorded.
- Work continued with the auctioneer to prepare for the real property auction.
- Mr. Defoe spoke to the Rotary Club last week
- The Food Safety Modernization Act was discussed at the Tri-State meeting in Boise last week. The letter on that topic approved today would be sent to elected officials.
- The NWRA Strategic Planning Meeting would be a facilitated meeting to discuss the future of the organization. Board members were invited to attend.
- Ms. Rosenbaum was completing USBR payments for last year's relegation program and preparing the fall newsletter.
- GIS/Environmental Compliance Specialist applications would be reviewed next week.
- The Washington State Association of Counties tour of the Red Mountain South LID site would take place this afternoon.
- Governor Inslee's assistant requested a list of people planning to attend the Governor's September 26th visit to the Red Mountain South LID site. Discussion ensued. The Yakima Basin Joint Board tour was scheduled for the same morning. KID would not be hosting any part of the event, but Mr. Defoe would provide graphics and a handout.

District Manager: Ms. Storms reported that Mr. Freeman would be back on Friday.

Vice President McGuire noted that the Board motion to auction Red Mountain properties separated out the large parcels. He asked if the motion needed to be readdressed for the parcels approved for segregation today. Ms. Storms said she would look into it.

WORKSHOP: None

EXECUTIVE SESSION: None

Vice President McGuire moved to adjourn the meeting at 9:54 a.m. and Director Hermanson seconded the motion. The motion carried unanimously.

Attest:


Gene Huffman, Board President
Approved October 15, 2013

Witness:


Chuck Freeman, District Manager

Prepared by Doris Rakowski