



## **Minutes**

Meeting of the KID Board of Directors  
Carl W. Petersen Board Room  
Tuesday, January 3, 2017, 9:00 a.m.

2016 President McKenzie called the meeting to order at 9:00 a.m. and Mr. Freeman called roll.

**Directors Present:**

David McKenzie  
Gene Huffman  
Patrick McGuire  
Dean Dennis  
Kirk Rathbun

**Staff Present:**

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

**Other Persons Present:**

Brian Iller, Legal Counsel

**APPROVAL OF AGENDA:** Mr. Freeman requested that confirmation of revised job descriptions be added to the agenda and spoke briefly about the reason for the request.

**Director Dennis moved to approve the agenda as amended. Director Rathbun seconded the motion and it carried unanimously.**

President McKenzie gave control of the meeting to Mr. Iller.

**Oath of Office:** Mr. Iller administered the oath of office to re-elected Directors, Rathbun and Dennis.

**Election of Board President and Vice President:** Mr. Iller called for nominations.

Director Rathbun nominated Director Huffman for President. Director Dennis seconded the nomination. No other nominations or discussion being offered, Mr. Iller called for a vote. Director Huffman was elected unanimously for President for 2017.

Director Huffman nominated Director Dennis for Vice President. Director McKenzie seconded the nomination. No other nominations or discussion being offered, Mr. Iller called for a vote. Director Dennis was elected unanimously for Vice President for 2017.

Mr. Iller gave control of the meeting to 2017 President Huffman.

**Consent Agenda: Director McKenzie moved to approve the consent agenda. Vice President Dennis seconded the motion and it carried unanimously.**

Items on the consent agenda were:

1. Minutes, KID Board Meeting, October 18, 2016
2. Preliminary Plat Plum Creek Village (Wet)
3. Amon Pump Lateral 1.9 Right-of-Way Abandonment and Relocation
4. Travel Authorization - Irrigation Leader 5th Annual Operations & Management Workshop
5. Columbia River Systems Operations (CRSO) Environmental Impact Statement (EIS) Scoping Comment Letter
6. Vouchers/Warrant Approval

**Accounts Payable**

Numbers: 73609	through	73675	\$	296,171.72	
73676	through	73722		266,006.12	
APPKT00319	through	APPKT00320		74,149.68	
APPKT00324				<u>75.78</u>	
<b>Total Accounts Payable</b>					<u>636,403.30</u>

**Payroll**

Numbers: 33483	through	33489	\$	4,702.10	
33490				85.60	
33491				457.47	
Direct Deposit		12/20/2016		<u>115,697.26</u>	
<b>Total Payroll</b>					<u>120,942.43</u>
<b>Total Disbursements</b>					<u>\$ 757,345.73</u>

**Voided Checks:** AP check #72633 was voided 12/21/16 due to employee losing their reimbursement check, reissued replacement check #73684.

**PUBLIC COMMENTS:** None

**PRESENTATIONS:** None

**PUBLIC HEARING:** None

**BOARD REPORTS:** None

**ACTION ITEMS:**

**Review of Policy 1.1 Conflict of Interest–Board Members/District Officers:** Mr. Freeman briefly reviewed Policy 1.1. He noted that all Board Members and District Officers needed to complete and turn in their disclosure statements.

**Confirmation of Bylaws:** Mr. Freeman reported that the only change to the bylaws was place of business.

**Director Rathbun moved to confirm the KID Bylaws. Vice President Dennis seconded the motion and it carried unanimously.**

**Confirmation and Appointment of District Officers and Board Secretary:** Mr. Freeman presented the recommendation to retain all current officers, but noted that the Auditing Officer would change upon Ms. Willis's departure from the District.

Mr. Iller corrected the name of the legal firm to Rettig Forgette Iller Adamson Law Office.

**Vice President Dennis moved to retain the Board Secretary and all District Officers previously appointed, with the correction of the name of the legal firm. Director Rathbun seconded the motion and it carried unanimously.**

- Board Secretary: Charles Freeman
- Assistant Secretary: Jason McShane
- Treasurer: Kipp Drummond
- Auditing Officer: Jenny Willis
- Assistant Auditing Officer: Kipp Drummond
- Claims Agent: Dana Hernandez
- Legal Firm: Rettig Forgette Iller Adamson Law Office
- Public Records Officer: Doris Rakowski

**Discussion of Appointments of Committee Members and Chairs:** President Huffman retained the current committee appointments:

- Operations & Engineering: Director McKenzie and Vice President Dennis, Chair
- Finance: Director McGuire and Director Rathbun, Chair
- Realty: Vice President Dennis and President Huffman, Chair

**Discussion of Appointment of Board Representatives to Meetings of Other Agencies:** Director McGuire asked not to be appointed to attend the Columbia Snake River Irrigators Association (CSRIA) meetings and Vice President Dennis offered to take the appointment.

President Huffman retained the current assignments with the requested change:

- Washington State Water Resource Association (WSWRA): Directors Rathbun & Dennis
- National Water Resource Association (NWRA): Directors Huffman & McGuire
- Tri-State meetings (WSWRA, Oregon Water Congress and Idaho Water Users Association): Directors McKenzie & Huffman
- Columbia/Snake River Irrigators Association (CSRIA): Directors Rathbun & Dennis
- Yakima Basin Integrated Water Resource Management Plan and/or related subcommittees: Directors McGuire & McKenzie
- Yakima River Joint Board (YBJB)/Defense Coalition: Directors McKenzie & Huffman
- Water Strategies: Directors Dennis & McGuire

**Development Agreement with City of Kennewick for Kennewick Industrial Park:** Ms. Rosenbaum spoke about the District's purchase and sale agreement with Gensco for a 3.3 acre portion of KID's Kennewick Industrial Park property. She said the City of Kennewick had required a development agreement for approval of the binding site plan. She asked for approval of the development agreement, which was on the agenda for tonight's City Council meeting.

In response to questions from Director McGuire, Ms. Rosenbaum confirmed that there was a bond and there would be no financial outlay from KID under the agreement terms. She also confirmed that the latecomers agreement would be a stipulation KID put on future sales.

Ms. Rosenbaum said the binding site plan would establish four saleable lots and increase value of the District's remaining lots. Two lots were a little landlocked but forming them in this binding site plan, avoided cost of a future binding site plan. Discussion ensued regarding access.

**Director McKenzie moved to authorize Charles Freeman, District Secretary/Manager, as signature authority, and approve KID to enter into a development agreement with the City of Kennewick to benefit the land sale to Gensco at Kennewick Industrial Park. Director Rathbun seconded the motion and it carried unanimously.**

**Clarify Authorization to Award Contract PC2016-43, 2016 Purchase of Compact Track Loader:** Mr. McShane reported an error in the dollar amount approved for the purchase of the Compact Track Loader due to an earlier draft of the memo being brought to the last meeting. He said the correct total for the Bobcat T770 approved was \$65,071.36 plus sales tax.

At Director Rathbun's request, Mr. McShane listed the attachments to be purchased.

**Director Rathbun moved to authorize the District Manager, Charles Freeman, to award Contract PC2016-432016 Purchase of Compact Track Loader to Bobcat of Pasco in the amount of \$65,071.36 plus sales tax. Director McKenzie seconded the motion and it carried unanimously.**

**Confirmation of Job Descriptions:** Mr. Drummond reported that the current Senior Accountant had given notice last. He said he reviewed similar positions and pay rates at other agencies and now recommended replacing the Senior Accountant position with Accountant I and II, though only one opening would be filled. He spoke briefly about differences between Accountant I and II and said this change would improve recruiting potential and flexibility.

In response to a question from Director Rathbun, Mr. Drummond spoke about desired candidate education and experience. He listed some advertising venues for the position.

Mr. Drummond said a salary range resolution would be brought to the next meeting.

In response to questions from Director McGuire, review of exempt employee salaries was discussed.

**Director Rathbun moved to affirm the attached job descriptions for Accountant I and Accountant II and to approve a salary range from \$57,257 up to \$75,989 for the Accountant I position and a salary range from \$61,895 up to \$86,638 for the Accountant II position. Director McKenzie seconded the motion and it carried unanimously.**

#### **RESOLUTIONS:**

**Resolution 2017-01, Rates, Charges and Assessments:** Mr. Freeman briefly reviewed the proposed 2017 rates, charges and assessments, listed on the attachment to the resolution.

Mr. Freeman confirmed to President Huffman that the overall increase was 3.5%. Mr. Drummond noted that surcharges did not change this year.

In response to a question from Director Rathbun, Mr. Freeman said the charges for the new Water Infrastructure and Supply Reserve Fund were expected to generate about \$156,000 this year. He noted this replaced in part the eliminated collection for repayment of the original USBR loan, which would be paid off with reserves for that purpose. The new reserve fund would be for new sources of water from the Yakima or Columbia rivers.

**Director McKenzie moved to adopt Resolution 2017-01 Setting the Rates, Charges and Assessments Roll Tiers and Tolls, and Surcharges applicable to certain locations or services, USBR debt payments, and excess water rates for 2017. Director Rathbun seconded the motion and it carried unanimously.**

**Resolution 2017-02, Project Acceptance and Release of Retainage for Public Works Contract PW2015-16 KID Administration Building Contract 3, Main Building:** Mr. McShane said all contract obligations had been met and staff recommended approval the resolution, contingent upon receipt of three required releases.

Mr. McShane confirmed to Director Rathbun that the warranty period was one year with additional time for latent defects. Discussion ensued regarding warranty work.

In response to a question from Director Rathbun, Mr. McShane said retainage was 5% of the total price, but in this case, a \$175,000 bond was posted in lieu of money withheld, so there would be no financial outlay at this time.

**Vice President Dennis moved to approve Resolution 2017-02 Project Acceptance and Release of Retainage for Public Works Contract PW2015-16 KID Administration Building Contract 3: Main Building. Director Rathbun seconded the motion and it carried unanimously.**

**STAFF REPORTS:**

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

- Recruitment of a new accountant
- Year end reporting and financial statements

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

- Work activities during the snowy weather
- Prepping for construction activities
- Engineering activities
- Interviewing candidates for an Instrumentation Technician
- Finalizing grant from WA State DOE for Amon Reservoir

Vice President Dennis commended the crew for their work along 27th Avenue which make it look very good. Rock in the area was discussed.

**Land & Water Resources Manager:** Mr. Defoe displayed online data from the USBR, NOAA and USDA and spoke about weather conditions, precipitation and snow pack, and water supply.

Mr. Defoe also reported regarding:

- Benton County Voluntary Stewardship Program meeting and submission of comments regarding drains and wasteways on several chapters of the plan
- Editorial regarding Rachel Road extension. Discussion ensued regarding road location and mitigation. Mr. Freeman confirmed to Director McGuire that Washington State Department of Transportation (WSDOT) would be asked what approvals and communications they had from KID regarding set aside during Hwy 240 construction.

**District Manager:** See Project Tracking.

**WORKSHOP:**

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

Water Right Management

- Lower River Modeling

- Lower River Sub-Committee
- Environmental Impact Statement (EIS) for Kachess Drought Relief Pumping Plant (KDRPP)
- Water Infrastructure Improvements for the Nation Act (WIIN Act)
- Debt repayment to the USBR. Discussion ensued regarding the process and possible need for additional staff. Mr. Freeman said he would report to the Board after the NWRA meeting and discussions with Kris Polly.
- Electrification of Chandler
- Lamprey
- Recalibration

Strategic Planning and Special Projects

- Comprehensive Plan
- Recapture/Reuse Well
- Badger Canyon Property Acquisition. Zoning was discussed.
- Badger Canyon Ground Water Management Act (GWMA)/Rule process. Director McGuire asked to discuss legal risks in executive session.

Finance

- Interactive Voice Response (IVR)
- Medical Plan
- Impacts of new Sick Leave and Minimum Wage laws

Administrative

- Finley Property. Discussion ensued regarding agreements with the Finley School District.
- Lorayne J Potable Water System acquisition by City of Richland
- City of Prosser

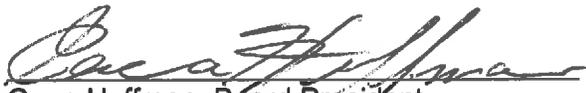
**EXECUTIVE SESSION:** At 10:37 a.m., Mr. Iller announced on behalf of the presiding officer that the Board would go into executive session to discuss potential litigation, in the form of litigation or legal risks of a proposed action or current practice pursuant to RCW 42.30.110(1)(i)(iii) regarding board member conduct and Badger Canyon issues for an estimated 15 minutes following a short break, with action possible but not expected in open session following executive session.

Open session resumed at 11:25 a.m.

**OPEN SESSION: Vice President Dennis moved to adjourn the meeting at 11:26 a.m. Director Rathbun seconded the motion and it carried unanimously.**

Attest:

Witness:



Gene Huffman, Board President  
Approved February 7, 2017



Chuck Freeman, District Manager

Prepared by Doris Rakowski