



## Minutes

**Meeting of the KID Board of Directors  
Carl W. Petersen Board Room  
Tuesday, March 21, 2017, 9:00 a.m.**

Vice President Dennis called the meeting to order at 9:00 a.m. and Mr. McShane called roll.

**Directors Present:**

Dean Dennis, Vice President  
Patrick McGuire  
Kirk Rathbun  
David McKenzie  
Gene Huffman, President, Absent

**Staff Present:**

Kipp Drummond, District Treasurer  
Jason McShane, Engineering/Operations Manager  
Lynda Rosenbaum, Real Property Manager  
Lori Gibson, Executive Assistant  
Doris Rakowski, Executive Assistant

**Other Persons Present:**

Brian Iller, Legal Counsel  
Chad Stuart, U. S. Bureau of Reclamation Yakima Field Office Manager

Vice President Dennis reported that President Huffman, Mr. Freeman and Mr. Defoe were absent on travel for the District. Mr. Iller noted the Board had approved their travel previously.

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

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

Items on the consent agenda were:

1. Minutes, KID Board Meeting, December 19, 2016
2. Minutes, KID Board Meeting, February 7, 2017
3. Minutes, KID Board Meeting, March 7, 2017
4. Preliminary Plat – The Reserve at Summerview Terrace – Dry
5. Vouchers/Warrant Approval

**Accounts Payable**

Numbers:	74445	through	74457	\$	107,492.41
	74458	through	74458	\$	9,831.57
	74459	through	74459	\$	1,359.05
	74460	through	74527	\$	95,715.46
	74528	through	74559	\$	97,072.51
	APPKT00395	through	APPKT00395	\$	29.92
	APPKT00397	through	APPKT00397	\$	77,372.36
	APPKT00398	through	APPKT00398	\$	1,087.55
	APPKT00401	through	APPKT00401	\$	1,016.11
	APPKT00405	through	APPKT00405	\$	771.19
<b>Total Accounts Payable</b>				<b>\$</b>	<b>391,748.13</b>

<b>Payroll</b>				
Numbers:	33562	through	33566	\$ 4,478.36
	33567	through	33568	\$ 3,720.78
	33569	through	33569	\$ 265.33
	33570	through	33571	\$ 4,123.31
Direct Deposit				
	33572	through	33572	\$ 2,049.24
Direct Deposit		2017-03-06	<u>\$ 112,216.75</u>	
Direct Deposit				
Direct Deposit				
<b>Total Payroll</b>				<u>\$ 126,853.77</u>

**Voided Checks:** No voided checks.

**PUBLIC COMMENTS:**

Richard E. Yrjanson, 5207 W. 14<sup>th</sup> Avenue, addressed the Board about maintenance of property at 14<sup>th</sup> Avenue in the Creekstone development. His concerns included restricting access to prevent trespass, littering and fires. He said weeds and tumbleweeds were an ongoing problem, and reported that several loads of loads of chips were left when trees were removed. Mr. Yrjanson provided a letter and pictures to Mr. McShane.

Mr. McShane displayed map of the property with the electric substation and confirmed that KID removed the trees. Mr. Yrjanson identified the area next to his house where tumbleweeds were dumped and said the property was now raw land with rocks dumped there.

Mr. McShane said KID had begun an effort to better maintain the property and offered to review the plan with Mr. Yrjanson. He said the wood chips were to be spread by the fence line and that the tumbleweeds were to be removed. He said the ground was cleared and sprayed with pre-emergent herbicide, and that KID planned to grade the property to make maintenance easier.

Discussion ensued regarding the gates.

Mr. McShane confirmed to Director Rathbun that the PUD substation was on an easement on KID property. He noted this was one of a number of District properties KID was working to maintain and hoped to get to this summer.

**PRESENTATIONS:**

**Chad Stuart, U. S. Bureau of Reclamation Yakima Field Office Manager:** Mr. Stuart provided updates regarding:

- Impact of harsh winter weather on maintenance at screen sites and head gates
- System status - snowpack and reservoirs were near 100%
- Federal hiring freeze - Positions from which people retired were not filled
- Proposed budget - No impact to operations or staffing were expected due to other funding sources
- Head gate automation - Would not be done by this irrigation season, but the expected full supply would offset this

- Hydro-pump - Repair was finished and would be tested March 28<sup>th</sup>
- Cle Elum pool raise permit - Application submitted. Mr. Stuart confirmed that the storage was to benefit fish only, not irrigation. Mr. McShane said it was good to see a fulfillment of the 1994 law, in which KID had a section that was not yet constructed.

Mr. McShane noted that KID was working with Teresa Merriman on the next modeling effort, especially regarding Chandler electrification and climate change. He said KID appreciated the continuing work on modeling.

Mr. Stuart said the original contract expired and they were now writing the scope of work, which could be a math exercise. Mr. McShane said he was anxious to see numbers tabulated and for climate change to be included. He noted that USBR staff was being very forthright on the scoping. Mr. McShane confirmed to Director McGuire that KID was more involved than in the original process, and that KID, Tom Ring of the Yakama Nation and Sean Gross from NOAA Fisheries had provided opinions on what needs to be in the next round of modeling.

The hiring freeze and staffing vacancies due to retirements were discussed. Mr. Stuart spoke about several positions that were impacted. He said the Chandler operators were stable but were on rotation to fill a power plant operations vacancy Oregon. Start up was briefly discussed.

Mr. Stuart confirmed to Mr. McShane that he spoke to Mr. Freeman about the Board's Resolution to explore title transfer. Mr. McShane said President Huffman, Mr. Freeman and Mr. Defoe were taking advantage of being at the conference in Washington D.C. to have general conversations about title transfer. He said KID looked for to a partnership with the USBR in determining if this would be advantageous.

Mr. McShane said KID was working continuously on Chandler electrification.

**PUBLIC HEARING:** None

**BOARD REPORTS:** None

**ACTION ITEMS:**

**Red Mountain Booster Pump Station Contract and Preliminary Approval:** Mr. McShane presented the request for pre-approval to award a contract following the bid opening tomorrow. He spoke briefly about the project and scheduling. He recommended approval to award a contract not exceeding the engineer's estimate of \$115,224.60.

Discussion ensued regarding offsetting revenues for the project and whether it would be charged to the Red Mountain area as a service charge. Mr. McShane said he would report back to the Board on this question. Discussion continued. Mr. McShane spoke about how the district could assign elements of charges for the Red Mountain area in way to recover operational costs appropriately. He confirmed that expense would be paid from the operating fund, but recovery of the costs was to be investigated.

**Director Rathbun moved to authorize Charles Freeman, District Manager, to award Contract PW 2017-02 Red Mountain Booster Pump Station where the low bidder is under the Engineer's Estimate of \$115,224.60. Director McGuire seconded the motion. All directors present voted in favor. The motion carried.**

## RESOLUTIONS:

**Resolution 2017-08, Approving Sale of Kennewick Industrial Park, KID #1046 & #1056 to KENYAKMB, LLC (Gensco):** Ms. Rosenbaum displayed a map of Kennewick Industrial Park and reviewed City of Kennewick conditions on the binding site plan, which had been approved. She spoke briefly about the planned project and the remaining lots, which were ready to sell with a late-comers agreement. She reported that the sale closed February 16, 2017 and asked the Board to approval of Resolution 2017-08 memorializing the sale.

**Director McKenzie moved to approve Resolution 2017-08, approving the sale of KID #1046 and #1056, KIP Block 1, Lots 4 and 5, to KENYAKMB, LLC, as assigned, for a total purchase price of \$689,990. Director Rathbun seconded the motion. All directors present voted in favor. The motion carried.**

## STAFF REPORTS:

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

- Foreclosures. Two of four foreclosures were resolved by payments from the owners, and a third was being paid by Wells Fargo. Mr. Drummond spoke about notices and contact with the owner of the fourth property, to whom he explained that if the delinquent assessment was not paid by the deadline, the property would be auctioned on Friday.
- Helping Hands. Information would be provided to the Finance Committee and presented at the next Board meeting. Mr. Drummond spoke about the “first come, first served” practice, repeat users and limited resources.
- Employee of the Quarter: Accounting Technician Perla Glead
- New Accountant: Melissa Olheiser did well on the accounting test and interview, and had good experience for the position.
- Vocantas phone system. Credit card payments were made successfully. The system was being changed to confirm the address number rather than account number for ease of customer use.
- Investigation of investment options. Choices would be taken to the Finance Committee.
- Options for medical insurance. Initial bids were not helpful for reducing costs, so research was continuing.

**Engineering/Operations Manager:** Mr. McShane displayed snowpack data and the USBR Yakima River 5 Reservoir graph and spoke about current conditions.

He also reported regarding:

- Progress on preparation of canals for water on
- Concrete crack sealing and preparation of Main Canal
- Work at headwork for testing at the Highland Feeder bypass.
- System testing underway for areas with water left from last year.
- USBR accountability WaterSMART grant records review. Concluded successfully with no recommendations or findings.
- Transient analysis for Chandler Electrification results
- Vegetation management. Contact herbicide and pre-emergent application.
- Red Mountain system. Decant chamber pumped and 12” of material removed. The 820 Reservoir would be cleaned, and the 1070 Reservoir had no significant sediment.
- Baseline testing and operational delivery/SCADA upgrade with Red Mountain integration. Sites were operational, but Historian recording would be by hand this year for baseline testing.

In response to a question from Director McGuire, Mr. McShane confirmed that the Main Canal and Badger West on should be ready on April 1<sup>st</sup>, Highland Feeder and Division IV on April 3<sup>rd</sup> and Badger East on April 6<sup>th</sup>.

**Land & Water Resources Manager:** None

**District Manager:** None

**WORKSHOP:** None

**EXECUTIVE SESSION:** At 10:10 a.m., Mr. Iller announced on behalf of the presiding officer that the Board would go into executive session for an estimated 15 minutes, following a short break, to consider the minimum price at which real estate will be offered for sale or lease, pursuant to RCW 42.30.110(1)(c). Mr. Iller said that action was expected in open session following executive session.

Executive session was extended for ten minutes at 11:30 a.m.

**OPEN SESSION:** The meeting returned to open session at 11:40 a.m.

**Authorizing Sale of Stoneridge, Block 1, Lot 12, KID #7125:** Ms. Rosenbaum presented the purchase offer from Yakima Federal Savings and Loan. She reviewed highlights of the offer terms and reported that legal counsel had reviewed the offer.

**Director Rathbun moved to approve the sale of KID #7125, Stoneridge Block 1, Lot 12, to Yakima Federal Savings and Loan, in the amount of \$889,057.00 and authorize the Board President and Secretary Manager as signature authorities to execute the Purchase and Sales Agreement with all terms and conditions contained therein. Director McKenzie seconded the motion. All directors present voted in favor. The motion carried.**

**Authorizing Sale of Stoneridge, Block 1, Lot 10, KID #7105:** Ms. Rosenbaum presented the purchase offer from Stewart Lake Enterprises, LLC. She reviewed highlights of the offer terms.

**Director McKenzie moved to approve the sale of KID #7105, Stoneridge Block 1, Lot 10, to Stewart Lake Enterprises, LLC., in the amount of \$581,175.00 and authorize the Board President and Secretary Manager as signature authorities to execute the Purchase and Sales Agreement with all terms and conditions contained therein. Director Rathbun seconded the motion. All directors present voted in favor. The motion carried.**

**Authorizing Sale of Kennewick Industrial Park, Block 2, Lot 2, KID #1027:** Ms. Rosenbaum presented the purchase offer from Vista Field Industrial Park, LLC. She reviewed highlights of the offer terms and reported that legal counsel had reviewed the offer.

Discussion ensued regarding who had built a road in the area. Mr. Rosenbaum confirmed that there was not an LID in which KID was involved for that road.

**Director McGuire moved to approve the sale of KID #1027, Kennewick Industrial Park, Block 2, Lot 2, to Vista Field Industrial Park, LLC., in the amount of \$339,768.00 and authorize the Board President and Secretary Manager as signature authorities to execute the Purchase and Sales Agreement with all terms and conditions contained therein.**

**Director Rathbun seconded the motion. All directors present voted in favor. The motion carried.**

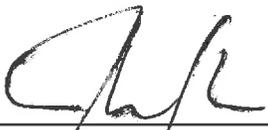
Director McGuire tendered his resignation, effective March 28<sup>th</sup>. He recalled his speech as a Board Candidate, when he spoke about the early forward thinking Boards which built the system. He said he ran for the Board because he thought the KID needed a forward thinking staff and forward thinking Board. Director McGuire said if you get into politics for a reason, you get out when the goal was achieved. He said Mr. Freeman, Mr. McShane, Mr. Defoe, Mr. Drummond and the Board were looking to the future and planning for the future.

**Director McGuire moved to adjourn the meeting. Director Rathbun seconded the motion. All directors present voted in favor. The motion carried.**

Attest:

Witness:

  
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Dean Dennis, Board Vice President  
Approved April 4, 2017

  
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Jason McShane,  
Engineering/Operations Manager

Prepared by Doris Rakowski