



Minutes

**Meeting of the KID Board of Directors
Carl W. Petersen Board Room
Tuesday, April 4, 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
Dana Hernandez, Customer Accounts Supervisor
Shelbea Voelker, Public Relations Coordinator
Melissa Olheiser, Accountant II
Lori Gibson, Executive Assistant
Doris Rakowski, Executive Assistant

Other Persons Present:

Brian Iller, KID Legal Counsel
Rich Romm, HUB International

APPROVAL OF AGENDA: At the request of Mr. Freeman, President Huffman added Approval of the March 21, 2017 minutes to the consent agenda. **Director Rathbun moved to approve the amended agenda. Director McKenzie seconded the motion. The motion carried unanimously.**

CONSENT AGENDA: **Director McKenzie moved to approve the amended consent agenda. Director Rathbun seconded the motion. The motion carried unanimously.**

On the consent agenda were:

1. Preliminary Plat Canyon Ranch Ph. 9 - Wet
2. Short Plat 17-01 - BMB - Wet
3. Short Plat 17-02 - BMB - Wet
4. Final Plat Southridge Ph. 4 - Wet
5. Vouchers/Warrant Approval
6. March 21, 2017 Minutes

Accounts Payable

| | | | | | |
|-------------------------------|------------|---------|------------|--|-----------------------------|
| Numbers: | 74560 | through | 74605 | | \$ 124,627.64 |
| | 74606 | through | 74669 | | \$ 400,506.22 |
| | APPKT00408 | through | APPKT00408 | | \$ 100,759.43 |
| | APPKT00409 | through | APPKT00409 | | \$ 512.16 |
| Total Accounts Payable | | | | | <u>\$ 626,405.45</u> |

Payroll

| | | | | | |
|----------------------------|-------|---------|------------|---------------|-----------------------------|
| Numbers: | 33573 | through | 33586 | | \$ 2,538.24 |
| | 33579 | through | 33586 | | \$ 5,916.02 |
| Direct Deposit | | | 2017-03-20 | \$ 142,991.75 | |
| Total Payroll | | | | | <u>\$ 151,446.01</u> |
| Total Disbursements | | | | | <u>\$ 777,851.46</u> |

Voided Checks: No voided checks.

PUBLIC COMMENTS: None

PRESENTATIONS:

Annual Board Liability Training: Mr. Romm gave a PowerPoint presentation, Board Liability and Creating Balance, and spoke about topics including:

- Determining liability - duty of ordinary care, breach of that duty, damage or injuries occurred, and proximate cause
- Current issues regarding organization liability
- Board liability from allegations of civil rights violations, employment issues or discrimination, errors and omissions, wrongful acts, and policy making
- Minimizing risk through following well written policies and procedures, seeking legal counsel advice, never making a decision knowing it is wrong, and acting within the scope of board member duties.
- Deliberating in many voices, but governing in one
- Differing roles, expectations and advice for the Board and Management
- Difficult things to learn, including
 - Knowing the director's role and that power is not individual
 - Realizing that change comes slowly
 - Understanding you cannot solve everyone's problems
- Forging group leadership
- Board Procedures, including:
 - Open Public Meeting Act
 - Executive Sessions
 - Public Records Act
- Confidentiality and professionalism
- Media policy
- Board meeting disturbances
- Establishing and maintaining a leadership team with effective communication and building trust
- Creating synergy - sum of the team's efforts is greater than the efforts of the individuals

PUBLIC HEARING: None

BOARD REPORTS: President Huffman said that while the Board sat in their comfortable chairs, we have a crew out there in the wind and the rain and the snow, trying to get our canals in shape so we can deliver water to our customers. He said he'd like to thank them for all the work they've done this shortened season.

President Huffman said he was out with Mr. McShane to look at all the projects, and couldn't believe all the things they had done in such a short time to get us where we are today. We usually have a fairly open winter and time to get stuff done, but they compressed it into a short period this year and worked a lot of overtime hours with only a few minor incidents. He said his hat was off to them for everything they've done and he appreciated it.

Director Rathbun added that with the pump outage, his thoughts were with the staff fielding the phone calls for the next ten days.

President Huffman said that, in addition to the crews out there working, we also have the staff in here and engineering doing the prep work. He said everybody was a team, from the top to the bottom of the organization. He said he really appreciated it and that it made life easier for the Board.

The Board all agreed with the sentiments.

ACTION ITEMS:

Director Position 2 Vacancy: Mr. Freeman spoke about the process for requesting an appointment of a director to fill the vacancy on the Board.

Vice President Dennis moved to approve the proposed application for candidates for appointment to Position 2 of the KID Board of Directors and to instruct the District Manager to issue a press release and place advertisements according to the schedule presented. Director McKenzie seconded the motion. The motion carried unanimously.

Appointment of Finance Committee Member: Mr. Freeman requested that the Board President select a Board member to sit on the Finance Committee.

President Huffman appointed Director McKenzie to the Finance Committee.

Appointment of Audit Officer: Mr. Drummond spoke briefly about the role of the Audit Officer. He recommended that the new Accountant II, Melissa Olheiser, be appointed Auditing Officer.

Director Rathbun moved to appoint Melissa Olheiser as Auditing Officer. Director Dennis seconded the motion. The motion carried unanimously.

Short Plat 2016-10 Review Comments, Letter from Robert Farnkoff, and Authorization to Establish Surcharge Area: Mr. Freeman reported that the Operations and Engineering Committee had reviewed this issue twice. He spoke briefly about Mr. Farnkoff's Short Plat 2016-10 and the District's short plat requirements. He referred to a letter from Mr. Farnkoff which requested that the Board approve a variance to KID's short plat requirements due to the "excessive financial and disproportional burden for one property owner."

Mr. Freeman said staff recommended that a surcharge area be established pursuant to Policy 2.41, which would equitably allocate the irrigation distribution system costs to the properties in the service area. He spoke about terms of the service agreement Mr. Farnkoff would be required to sign. Mr. Freeman noted that KID had not established a master plan for this area, so staff recommended that the transmission system component of the surcharge be waived.

Vice President Dennis praised engineering for putting together a fair plan.

Vice President Dennis moved to authorize staff to establish a surcharge service area and approve Short Plat 2016-10 upon Mr. Farnkoff entering into a Service Agreement with KID. Director McKenzie seconded the motion. The motion carried unanimously.

Amendment to Land Agreement between Finley School District and KID: Ms. Rosenbaum reviewed the history of the Transfer of Land Agreement between KID and the Finley School District for the KID land surrounding the Finley Elementary School. She said the original plan was for a residential only development next to the school grounds. KID staff worked with the Finley School District to create an amendment to the agreement that would work for both agencies and would allow land to be used for agricultural purposes.

She reported that KID, its legal counsel, and Finley School District had reviewed the proposed Amendment to the Transfer of Land Agreement, which would be presented at the next School District Board meeting.

In response to a question from Director Rathbun, Ms. Rosenbaum spoke further about the property and confirmed that the two parcels adjacent to the school property would be required to be used for organic farming.

Director McKenzie moved to authorize Gene Huffman, Board President and Charles Freeman, District Secretary/Manager as signature authorities and approve the Amendment to Transfer of Land Agreement with the Finley School District. Director Rathbun seconded the motion. The motion carried unanimously.

Policy 2.5 Helping Hands Program, Revision 2: Mr. Freeman spoke about the Helping Hands Program and the concern that some new applicants would be turned away due to lack of funds while other people were using the program for multiple years.

Ms. Hernandez spoke about an assumption, expressed by some people who had used the program in the past, that they should have priority for the funds in the future.

Mr. Freeman said the proposed changes to Policy 2.5, Helping Hands Program, included limiting recipients to four years of assistance and prioritizing assistance to those people who had received assistance the least often.

Director Rathbun and President Huffman spoke in favor of the revision.

In response to a question from Director McKenzie, discussion ensued regarding the funding structure for the program.

Director Rathbun moved to approve Policy 2.5 Helping Hands Program, Revision 3. Vice President Dennis seconded the motion. The motion carried unanimously.

RESOLUTIONS: None

At 10:20 a.m., President Huffman called a short break.

At 10:30 a.m., the meeting reconvened in open session.

STAFF REPORTS:

Finance Manager: Mr. Drummond reported regarding:

- Receipts from assessments to date
- Interactive Voice Recognition (IVR) system use to communicate with customers
- New Accountant II, Melissa Olheiser

Engineering/Operations: None

District Manager: Mr. Freeman reported regarding:

- Repairs of the broken pump at Chandler
- Overtopping of canal near Finley with limited damage
- 1200 feet of Badger East Canal lined yesterday
- Highland Feeder Canal shotcrete installed
- Messaging regarding test water in canals and ponds
- Non-Chandler supplied systems starting up over the next few days
- Red Mountain Booster Pumps. A single bids came in too high, so staff recommended rejecting the bid in favor of in-house completion of the project.
- Cleaning of sediment from reservoirs at Red Mountain

- Title transfer. Three interviews were given regarding title transfer. Mr. Freeman spoke about progress on the investigation of title transfer.
- Media assistance with projects including the 100 year anniversary special issue magazine and open house
- Meetings in Washington D.C. regarding title transfer and electrification. Discussion ensued.

Land & Water Resources Manager: On behalf of Mr. Defoe, Ms Rosenbaum reported that Mike Frey and Brad Crawford were responding to IT needs and had updated the online map regarding start up. She also noted that the District would go into escrow on three properties.

Ms. Rosenbaum distributed a first draft of “Evaluation of Land Parcels for Lease or Sale for Vineyard Development, Kennewick Irrigation District, Near Finley, Washington.” Director Rathbun requested a review of the process in advance of an auction to lease the land in Finley.

Mr. Freeman introduced the new Public Relations Coordinator, Shelbea Voelker.

WORKSHOP: None

EXECUTIVE SESSION: None

Director Rathbun moved to adjourn the meeting at 10:49 a.m. and Vice President Dennis seconded the motion. The motion carried unanimously.

Attest:

Witness:



 Gene Huffman, Board President
 Approved April 18, 2017



 Chuck Freeman, District Manager

Prepared by Doris Rakowski