



## Minutes

Meeting of the KID Board of Directors  
 Carl W. Petersen Board Room  
 Tuesday, May 16, 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  
 Lynda Rosenbaum, Real Property Manager  
 Jason McShane, Engineering/Operations Manager  
 Kipp Drummond, District Treasurer  
 Lori Gibson, Executive Assistant  
 Shelbea Voelker, Public Relations Coordinator  
 Doris Rakowski, Executive Assistant

**Other Persons Present:**

Brian Iller, KID Legal Counsel

**APPROVAL OF AGENDA: Director McKenzie moved to approve the agenda. Vice President Dennis seconded the motion. All present voted in favor. The motion carried.**

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

On the consent agenda were:

1. Minutes, KID Board Meeting, May 2, 2017
2. Land Sale Cancellation, Kennewick Industrial Park Block 2, Lot2
3. Revised Easement for KID Building Hydrant Tap
4. Vouchers/Warrant Approval

**Accounts Payable**

Numbers:

	74830 through 74830	\$	52,310.12
	74831 through 74831	\$	2,760.34
	74832 through 74832	\$	20,700.11
	74833 through 74833	\$	160.33
Bank Drafts	5/5/2017	\$	121,707.62
<b>Total Accounts Payable</b>		<b>\$</b>	<b>197,638.52</b>

**Payroll**

Numbers:

	33594 through 33594	\$	1,051.23
Direct Deposit	5/5/2017	\$	116,614.12
<b>Total Payroll</b>		<b>\$</b>	<b>117,665.35</b>
<b>Total Disbursements</b>		<b>\$</b>	<b>315,303.87</b>

**Voided Checks:** No voided checks.

**PUBLIC COMMENTS:** None

**PRESENTATIONS:** None

**PUBLIC HEARING:** None

**BOARD REPORTS:** None

**ACTION ITEMS:** None

**RESOLUTIONS:** None

**STAFF REPORTS:**

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

- Unauthorized business in Seattle was claiming to take payments for the KID. A press release was issued yesterday warning that they were not authorized. Mr. Freeman instructed Mr. Drummond to report this to the Washington State Auditor.
- Year-end Financial reports to be filed with state would be reviewed with Board.
- Finance Committee meeting Thursday, May 11<sup>th</sup>. Topics discussed included a proposed IT policy regarding updates, KID's investment program, and creating a program to accelerate updating private line areas to pressurized service areas.

In response to a question from Vice President Dennis, Mr. Drummond spoke further about the unauthorized payment company and an incident a payment made through them.

**Engineering/Operations Manager:** Mr. McShane displayed the outage map and spoke about more timely information for customers due to the improved update process. He spoke briefly about the current service order volume. He also reported that the pre-emergent vegetation control treatment was done and crews were switching to contact herbicide applications.

**Land & Water Resources Manager:** On behalf of Mr. Defoe, Mr. McShane spoke briefly regarding climate, snow pack, and river flow. He reported that 100% supply was expected.

In response to a question from Vice President Dennis, Mr. McShane spoke further about the outage map update process. Discussion ensued.

**District Manager:** None

**WORKSHOP:** None

**EXECUTIVE SESSION:** At 9:18 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, pursuant to RCW 42.30.110(1)(c), and to discuss with legal counsel 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) as it relates to title transfer, ESA issues, WSGA issues, and potable water systems, for an estimated 30 minutes until about 9:50 a.m. He said action was possible following executive session, but was not expected.

At 9:50 a.m., executive session was extended for ten minutes.

At 10:00 a.m., executive session was extended for ten minutes.

**OPEN SESSION:** Following a short break, the meeting returned to open session at 10:18 a.m.

**Offer to Purchase KID #7115 (Portion), Stoneridge, Block 1, Lot 11A:** Ms. Rosenbaum presented the offer to purchase from In Slide Out, LLC. She briefly reviewed the terms and conditions.

At President Huffman's request, Ms. Rosenbaum spoke briefly about the Realty Committee's review of the offer.

Director Rathbun noted that KID did not develop property, but was monitoring the utility work to avoid isolating other property. Ms. Rosenbaum spoke about stewardship of KID real property resources.

Ms. Rosenbaum confirmed to Vice President Dennis that the property was dry land with no KID water allotment.

**Vice President Dennis moved to approve the sale of a 1.6 acre portion of KID #7115, Stoneridge Block 1, Lot 11A, to In Slide Out, LLC, in the amount of \$949,608.00 and authorize the Board President and Secretary Manager as signature authorities to execute the purchase and sale agreement with all terms and conditions contained therein. Director Rathbun seconded the motion. All present voted in favor and the motion carried.**

**Director Rathbun moved to adjourn the meeting at 10:23 a.m. Director McKenzie seconded the motion. All present voted in favor and the motion carried.**

Attest:

Witness:

  
Gene Huffman, Board President  
Approved June 6, 2017

  
Chuck Freeman, District Manager

Prepared by Doris Rakowski