



Minutes

Meeting of the KID Board of Directors
 Carl W. Petersen Board Room
 Tuesday, August 15, 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
 Jim Holmes

Staff Present:

Chuck Freeman, District Manager
 Kipp Drummond, District Treasurer
 Jason McShane, Engineering/Operations Manager
 Lori Gibson, Executive Assistant
 Jonathan Haller, GIS Analyst/Developer
 Doris Rakowski, Executive Assistant

Other Persons Present:

Brian Iller, KID Legal Counsel

President Huffman reported that Director Rathbun would miss the meeting due to a business meeting scheduling conflict.

Director McKenzie moved to excuse Kirk Rathbun's absence. Vice President Dennis seconded the motion. All present voted in favor. The motion carried.

APPROVAL OF AGENDA: President Huffman added consideration of a Request for Qualifications (RFQ) for a Consultant/Broker for Medical/Benefits Insurance to the agenda.

Vice President Dennis moved to approve the amended agenda. Director McKenzie seconded the motion. All present voted in favor. The motion carried.

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

On the consent agenda were:

1. Minutes, KID Board Meeting, August 1, 2017
2. Organizational Chart Revision
3. Travel Authorization - Wonderware InTouch Training Class
4. Pre-Plat Alteration – The Village at Southridge – Wet
5. Final Plat – Southcliffe Phase 3 – Dry
6. Binding Site Plan 17-04 - BRL Development
7. Vouchers/Warrant Approval

Accounts Payable

Numbers:

| | | | | | |
|-------------------------------|---------|---------|-------|-----------|-------------------|
| | 75267 | through | 75295 | \$ | 55,298.07 |
| | 75296 | through | 75296 | \$ | 34,679.99 |
| | 75297 | through | 75297 | \$ | 12,655.23 |
| Bank Drafts | FSA | | | \$ | 630.61 |
| Bank Drafts | General | | | \$ | 1,293.01 |
| Bank Drafts | AP | | | \$ | 130,293.66 |
| Total Accounts Payable | | | | \$ | 234,850.57 |

Payroll

Numbers:

| | | | | |
|----------------------------|---------------|----------|---------------|----------------------|
| 33601 through 33602 | through 33602 | 33601 | \$ 7,057.42 | |
| | | 33602 | \$ 26.84 | |
| Direct Deposit | | 8/4/2017 | \$ 105,876.95 | |
| Total Payroll | | | | \$ 112,961.21 |
| Total Disbursements | | | | \$ 347,811.78 |

Voided Checks: No voided checks.

PUBLIC COMMENTS: None

PRESENTATIONS:

Financial Reports for July 2017: Mr. Drummond presented highlights of the July 2017 Financial Report pages including:

- Balance Sheet, as of July 31, 2017 - Final
- Statement of Revenues & Expenditures - Budget to Actual, Summary - Year to Date
- Fund Balance Change, as of July 31, 2017

Director McKenzie moved to approve the July 2017 Financial Reports. Director Holmes seconded the motion. All present voted in favor. The motion carried.

New Zealand Irrigation Trip Report: Mr. McShane reported on the trip to New Zealand to learn about irrigation practices. The trip was a door prize that KID won from an Irrigation Leader workshop, and Mr. McShane was assigned to go on behalf of the District.

Mr. McShane reported about topics including:

- Control of nitrates in ground water with effluent management at a Ngāi Tahu dairy farm
- New irrigation district infrastructure project at Rakaia River including a backwash facility, fish screening, and HDPE canal lining
- Managed aquifer recharge site with goal of flushing nitrates out of the system, with stilling pond to address canal sealing effect of glacial run-off
- Proposed and existing storage reservoirs. Minimization of risk by siting near river. Gravity in and out to avoid need for costly power usage.
- Avoidance of power costs by taking advantage of head to drive turbines
- In-channel hydropower generating station at dam. Privatization of previously state-owned dam facility. Lamprey fish ladder at dam.

Mr. McShane said he learned that offline storage could be more cost effective than inline storage and he found aquifer recharge to be an interesting idea. He noted that both ideas were now being studied for applicability to KID operations.

President Huffman called a five minute break at 9:57 a.m.
The meeting resumed in open session at 10:02 a.m.

PUBLIC HEARING: None

BOARD REPORTS: None

ACTION ITEMS:

Update Board Committee Assignments: President Huffman appointed Jim Holmes to the Operations and Engineering Committee.

RFQ for Consultant/Broker for Medical/Benefits Insurance: Mr. Freeman spoke about the District's health care insurance costs and the need for expert guidance in finding cost effective options while maintaining similar benefits. He described the proposed selection process, possible options and expected program costs.

Mr. Drummond spoke further about cost saving options, minimizing impact on employees, and timing of transition to any new program.

Mr. Freeman said he would contact Franklin County regarding their failed experiment with self insurance.

President Huffman spoke in favor of contracting an expert for guidance.

Mr. Freeman confirmed to Vice President Dennis that Group Health was one of the plans currently available to employees. Discussion ensued.

Mr. Freeman said budgeting for 2018 would assume status quo. He said any insurance change would be methodically reviewed by management and the Union.

Existing medical insurance benefits were discussed, as were benefits at other agencies.

Director Holmes moved to approve the issuance of an RFQ for a consultant and/or broker to advise KID on health care and benefit plans, administration and costs with the goal to be to hire the consultant/broker to a multi-year advisory contract to be approved by the Board of Directors. Director McKenzie seconded the motion. All present voted in favor. The motion carried.

RESOLUTIONS:

Resolution 2017-27, Project Acceptance and Release of Retainage for Public Works Contract PW2017-06 Emergency Trucking for BE Canal Breach: Mr. McShane reported that work was completed for public works contract PW2017-06 Emergency Trucking for BE Canal Breach (over-topping). He recommended project acceptance upon completion of all state requirements for retainage release of the \$1,075.14 withheld.

Vice President Dennis moved to approve Resolution 2017-27 Project Acceptance and Release of Retainage for Public Works Contract PW2017-06 Emergency Trucking for BE Canal Breach. Director McKenzie seconded the motion. All present voted in favor. The motion carried.

Resolution 2017-28, Project Acceptance and Release of Retainage for Public Works Contract PW2017-07 Emergency Trucking for BE Canal Breach: Mr. McShane reported that work was completed for public works contract PW2017-07 Emergency Trucking for BE Canal Breach (over-topping). He recommended project acceptance upon completion of all state requirements for retainage release of the \$1,481.30 withheld.

Director McKenzie moved to approve Resolution 2017-28 Project Acceptance and Release of Retainage for Public Works Contract PW2017-07 Emergency Trucking for BE

Canal Breach. Vice President Dennis seconded the motion. All present voted in favor. The motion carried.

Resolution 2017-29, Phased Plan for Title Transfer of USBR Owned Reserved and Transferred Works: Mr. Freeman presented the resolution to authorize staff to move forward with title transfer. He spoke about the approach discussed with the U. S. Bureau of Reclamation (USBR) at the visit of USBR Chief of Staff, James Hess. He said a memorandum of understanding (MOU) had not been received from the USBR in the expected time frame.

Mr. Freeman spoke about working with stake holders including the tribes. He briefly reviewed the map included in the packet and KID's consultant Thomas Knutson's communication with the U. S Senate Subcommittee on Water, Power and Oceans, Committee on Natural Resources.

In response to a question from Director Holmes, discussion ensued regarding the likelihood of congressional action on the legislation recently passed out of committee.

President Huffman spoke in favor of moving ahead on the process. Discussion continued.

In response to a question from Director McKenzie, the relation of Chandler Electrification to Phases 1 and 2 of Title Transfer was discussed.

Vice President Dennis moved to approve Resolution 2017-29, authorizing a two-phased approach for Title Transfer and authorizing the District Manager to move forward on Phase 1 and continue to research the merits of Phase 2. Director McKenzie seconded the motion. All present voted in favor. The motion carried.

STAFF REPORTS:

Finance Manager: Mr. Drummond distributed a report titled "Outstanding Realty Loans and Cash 12/31/16." He spoke about outstanding equity for the realty reserve fund. He clarified that the report was only about loans, not all property sold.

Mr. Drummond distributed a report titled "KID Accounts Payable [sic] - Assessments and late fees - 8/2/2107" and spoke about accounts receivable and collection of unpaid assessments and late fees.

Mr. Drummond distributed a report titled "Foreclosure Comparison" and spoke about the foreclosure process.

Engineering/Operations Manager: Mr. McShane displayed USBR's Yakima River comparison graph and spoke about reservoir storage levels and water use.

Mr. McShane displayed the District's field map and spoke about vegetation control efforts.

Mr. McShane spoke about Red Mountain filtration and the need to have customers report difficulties they encounter. He said Amiad's technical expert recommended chlorination and spoke about the importance of flushing to remove dead algae. Discussion ensued.

Mr. McShane displayed the District's outage map and spoke about current outages.

Mr. McShane displayed a map of the Adair Drive area and spoke about the pile alignment project, which was being completed before city pavement which would trigger a five year

moratorium on pavement cuts. He spoke about risk mitigation and design challenges to serve the area which had a large elevation difference.

At the request of President Huffman, Mr. McShane reported about the outage yesterday, caused by the screen at Main Canal Division 3.

At the request of Mr. Freeman, Mr. McShane reported about the known seepage near the head of the canal at Yakitat Road and the storm drainage culvert. He said staff would discuss drainage enforcement of this location with Benton County. Mr. Freeman said a bulldozer was staged there and the progress of the seepage was being staked.

Land & Water Resources Manager: None

District Manager: Mr. Freeman reported regarding:

- WSWRA conference call this week
- Closure of sale of real property to Dairy Queen
- Open house Thursday at 1:00 p.m.


WORKSHOP: None

EXECUTIVE SESSION: Mr. Iller recommended the executive session be cancelled. He reported that he emailed a proposed final decree for the Acquavella case to the Directors.

Vice President Dennis moved to adjourn the meeting at 11:22 a.m. Director McKenzie seconded the motion. All present voted in favor and the motion carried.

Attest:

Witness:



Gene Huffman, Board President
Approved September 5, 2017



Chuck Freeman, District Manager

Prepared by Doris Rakowski