



Minutes

Meeting of the KID Board of Directors
 Carl W. Petersen Board Room
 Tuesday, November 21, 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
 Jim Holmes
 David McKenzie

Absent: Kirk Rathbun

Staff Present:

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

Other Persons Present:

Brian Iller, KID Legal Counsel

APPROVAL OF AGENDA: Director Dennis moved to approve the agenda as revised. Director Holmes seconded the motion and it carried unanimously.

CONSENT AGENDA: Director McKenzie moved to approve the consent agenda. Director Dennis seconded the motion and it carried unanimously.

On the consent agenda were:

1. Minutes, KID Board Meeting, November 7, 2017
2. Minutes, KID Board Special Meeting, November 13, 2017
3. Travel Request - NWRA Leadership Forum
4. Travel Request - Irrigation Leader Operations and Management Workshop
5. Vouchers/Warrant Approval

Accounts Payable

Numbers:

	75740	through	75740		\$ 12,950.01
	75741	through	75787		\$ 147,575.06
Bank Drafts	FSA				\$ 1,120.80
Bank Drafts	General				\$ 1,058.74
Bank Drafts	AP				\$ 91,159.29
Total Accounts Payable					\$ 253,863.90

Payroll

Numbers:

	33619	through	33627		\$ 7,184.75
	33628	through	33628		\$ 5,644.97
Direct Deposit			2017-11-06		\$ 117,283.38
Total Payroll					\$ 130,113.10

Total Disbursements **\$ 383,977.00**

Voided Checks: None

PUBLIC COMMENTS: None

PRESENTATIONS:

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

- Balance Sheet - Final, as of October 31, 2017
- Statement of Revenues & Expenditures - Budget to Actual, Summary - Year to Date
- Statement of Revenues & Expenditures - Budget to Actual, Comparative - 10 Months Ended
- Grant & Matching Funds Schedule for the Period Ended October 31, 2017
- Fund Balance Change, as of October 31, 2017

He informed the Board that he expected to bring some budget revisions to the next meeting.

Director McKenzie moved to approve the Financial Reports for October 2017. Director Dennis seconded the motion. All present voted in favor. The motion carried.

PUBLIC HEARING: None

BOARD REPORTS: None

ACTION ITEMS:

Title Transfer Memorandum of Agreement - Chad Stuart, USBR: Seth Defoe welcomed Chad Stuart, USBR Yakima Field Office Manager. Mr. Stuart addressed the Board.

Mr. Stuart provided updates on several topics, including the following:

- The Chandler pumping plant was expected to undergo scheduled maintenance beginning November 24, 2017
- Staffing levels at the Yakima Field Office were improving
- Precipitation levels were at 130% of average
- Snow surveys had not yet begun
- Brenda Burman had been confirmed as the Commissioner of the USBR
- The Bureau had been working through their public affairs department to correct a statement made on a news interview regarding the possible failure of the Tieton Dam

Mr. Stuart reviewed the Title Transfer MOA. He indicated that documentation of the costs would be provided soon. He explained that the MOA covered only transferred works, although reserved works could be pursued by KID at a later date. He said KID could assist in drafting most required documents, although all documents must be official federal documents. He reviewed the budget, and explained that contract costs and mitigation for any cultural sites were not included. He said if title transfer was ultimately not brought to fruition, the Bureau of Reclamation would owe KID their portion of the costs as specified in the MOA. He said that since there were no funds appropriated for this project, an advance payment from KID of \$115,000 would be required to begin working on title transfer.

President Huffman inquired how the USBR would treat this project in terms of priority, to which Mr. Stuart responded that the critical pieces would be done outside of their staff so review would not take very long, and that his office would continue to keep it a high priority.

Mr. Freeman expressed KID's appreciation for the work the Yakima Field Office did on the MOA, and said KID was looking forward to working with Mr. Stuart and his staff on title transfer. President Huffman also expressed his appreciation. Mr. Stuart responded that his office was also looking forward to working on the project, and pointed out that title transfer provides great benefits to both USBR and KID.

Director Holmes moved to authorize Chuck Freeman, KID District Manager, to sign the Memorandum of Agreement Number R18MA13703 between Kennewick Irrigation District and Bureau of Reclamation, Pacific Northwest Region, Columbia-Cascades Area office. Director McKenzie seconded the motion. All present voted in favor. The motion carried.

Election 2017 - Appoint Election Board, Designate Polling Place & Notice of Election: Mr. Freeman said RCW 87.03.085 required the Board of Directors to appoint an inspector and two judges to constitute a board of election. He reported that Bob Gudgel, Bette Gudgel and Karen Woofter had acted as the election board in the several past elections and had confirmed to staff that they were available to serve for this election.

Director Dennis moved to appoint Bob Gudgel as inspector, and Bette Gudgel and Karen Woofter as judges for the 2017 election. Director McKenzie seconded the motion. All present voted in favor. The motion carried.

Mr. Freeman said RCW 87.03.085 required the Board of Directors to designate the election polling place and recommended continuing the practice of designating the KID Office as the sole polling place.

Director Dennis moved to designate the KID Office as polling place for the 2017 Election. Director Holmes seconded the motion. All present voted in favor. The motion carried.

Mr. Freeman said RCW 87.03.085 also required that fifteen days before the election the Board Secretary cause notices of the time and place of holding the election to be posted in three public places and in the office of the Board. He said the proposed notice to be posted Monday, November 27, 2017 was provided in the Board packet.

Director McKenzie pointed out that Recommended Motion #3 in the staff memo incorrectly had 2016 instead of 2017. This was corrected to 2017.

Director McKenzie moved to instruct the Secretary of the Board to cause notices of the time and place for the 2017 election to be posted in three public places and in the KID Administrative Office, on or before November 27, 2017. Director Dennis seconded the motion. All present voted in favor. The motion carried.

RESOLUTIONS:

Resolution 2017-41, Sole Source Purchase - Endothall: Mr. McShane reported that the aquatic weed control chemical endothall has been used for several years by KID, and was sold directly to consumers by the manufacturer, United Phosphorus. He recommended purchase of this chemical through sole source.

Director Dennis moved to approve Resolution 2017-41 Authorization to Waive Competitive Bidding and Award a Sole Source Contract to Purchase Endothall Aquatic Herbicide Formulation Pursuant To RCW 87.03.535(3)(c). Director McKenzie seconded the motion. All present voted in favor. The motion carried.

Resolution 2017-45, Approving Sale of Vista Field, Phase IV, Lot 2, KID #1041B: Ms. Rosenbaum briefly reviewed the \$962,132 real property sale to Springview, LLC. She reported that the original lot size was 3.12 acres and Springview, LLC requested to purchase 2.85 acres. Pursuant to the Purchase and Sale Agreement, at closing, Springview reimbursed KID \$3,092.39 for the Boundary Line Adjustment. Ms. Rosenbaum said the final recording date and closing of the sale occurred on November 7, 2017, and asked the Board to memorialize the sale by Resolution 2017-45.

Ms. Rosenbaum also indicated that there are two final sales currently in progress that would close in 2018. After that we would be leasing our property only.

Director McKenzie moved to approve Resolution 2017-45 approving the sale of KID #1041B Vista Field, Phase IV, Lot 2, to Springview, LLC, for a total purchase price of \$962,132.00. Vice President Dennis seconded the motion. All present voted in favor. The motion carried.

Resolution 2017-46, Sole Source Purchase - SePRO: Mr. McShane reported that SePRO Corporation's treatment and monitoring program had become an essential part of the District's aquatic vegetation management program, primarily as a pre-emergent program. He noted that in coordination with SePRO there were canal sections that were treated more aggressively last year and this action had positive results. As such, this aggressive treatment would be continued as part of the program for this year. He explained that one benefit of the pre-emergent program was that there was not a concern about the chemical re-entering the river system. He also mentioned that as canals were lined, there should be a reduction in these chemical treatment costs. Mr. McShane said the total program cost was \$152,515.28, plus applicable tax and shipping.

Director Dennis inquired as to the shelf life of the product. Mr. McShane explained that the product would be completely used up, so there would be no residual. KID currently did not have the storage space available to purchase chemical in advance.

Director Holmes moved to approve Resolution 2017-46 Authorization to Waive Competitive Bidding and Award a Sole Source Contract to Purchase SePRO Aquatic Vegetation Program; Pursuant to RCW 87-033-435(3)(c). Director McKenzie seconded the motion. All present voted in favor. The motion carried.

STAFF REPORTS:

Finance Manager: Mr. Drummond reported that the State auditor had been here over the past two weeks and should finish tomorrow, and that the audit appeared to be going well. He reported that the finance department was currently working on year-end items and on implementing the purchasing component of InCode. He added that customer service staff was assisting with administrative and engineering clean-up projects.

Engineering/Operations Manager: Mr. McShane reported that the WaterSMART 2013 lining projects were in the final stages, and the WaterSMART 2016 lining projects were commencing. He said our staff had been focusing on personal interaction in coordinating with property owners regarding encroachment removal at the project sites, and that this had had a positive result.

Mr. McShane reported that the customer connections on Zinser Street in the Jamesville Benefit Area were installed, with landscaping still to be completed.

Mr. McShane reported that the vegetation management pre-emergent program was underway, and Ramon Chavarria, Scott Blakely, and Joe Amend (who is working as temporary Vegetation Control Specialist) had done a good job of coordinating this program with construction projects.

Mr. McShane reviewed the status of the various campus improvement projects. He reported the mechanic shop had been moved back up to the upper shop, and work in the lower shop had begun. He said they hoped to have the framing and garage door in the bullpen completed within the next couple of weeks, and that this project would help protect materials from temperature swings. He reported that the anticipated start date for moving the dirt onto the expansion area was December 6, 2017.

Mr. McShane added that we had hired 14 of a possible 36 seasonal employees.

Land & Water Resources Manager: Mr. Defoe displayed the usbr.gov reservoir diagram and comparative graph, and reported on storage levels. He displayed the noaa.gov Yakima weather station precipitation and temperature graphs and spoke about weather conditions, explaining that the La Nina Watch had been escalated to a La Nina Advisory. He displayed the noaa.gov 3-class Three-Month Outlook maps and spoke about the climate outlook, explaining that there was a good chance of cooler and wetter weather, which tended to increase the snow pack.

Mr. Defoe also reported regarding upcoming meetings.

District Manager: Mr. Freeman reported that our liability insurance was renewed, with the premium increasing 34% and our deductible increasing to \$200,000.

Mr. Freeman reported that Lorayne J system records requested by Mr. Martini had been provided. He said that if annexation was approved, the City may be able to obtain a grant for the project.

Mr. Freeman reminded the Board that it was time to nominate a staff member for non-represented Employee of the Year, and that nominations for union-represented Employee of the Year were underway.

Mr. Freeman reported on the NWRA meeting in Tucson, Arizona, and said that staff had positive meetings with USBR staff about Chandler electrification, adding that KID relationships with USBR staff were generally positive and continually improving. He reported that KID would have a Chandler electrification presentation to the Integrated Plan Joint Board in January.

WORKSHOP: None

EXECUTIVE SESSION:

Director Dennis moved to amend the agenda to include an executive session. Director McKenzie seconded the motion and it carried unanimously.

At 10:31 a.m., on behalf of the presiding officer, Mr. Iller announced that the Board would go into executive session at 10:40 a.m. for an estimated 20 minutes, to discuss with legal counsel pending litigation regarding Acquavella pursuant to RCW 42.30.110(1)(i), 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 water supply. He said action was possible following executive session, though not expected.

OPEN SESSION: At 11:02 a.m., the meeting returned to open session.

Director McKenzie moved to adjourn the meeting at 11:02 a.m. Director Holmes seconded the motion and it carried unanimously.

Attest:

Witness:



Gene Huffman, Board President
Approved December 5, 2017



Chuck Freeman, District Manager

Prepared by Lori Gibson