



Minutes

Meeting of the KID Board of Directors
 And Canvassing of the 2015 KID Board Election
 Carl W. Petersen Board Room
 Monday, December 18, 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
 Kirk Rathbun

Staff Present:

Chuck Freeman, District Manager
 Kipp Drummond, District Treasurer
 Jason McShane, Engineering/Operations Manager
 Seth Defoe, Land & Water Resources Manager
 Shelbea Voelker, Public Relations Coordinator
 Jonathan Haller, GIS Analyst-Developer
 Lori Gibson, Executive Assistant
 Doris Rakowski, Executive Assistant

Other Persons Present:

Brian Iller, KID Legal Counsel
 Bette Gudgel, KID Election Judge
 Bob Gudgel, KID Election Inspector

APPROVAL OF AGENDA: President Huffman added Supplement to the Agreement with Water Strategies to the agenda.

Vice President Dennis moved to approve the agenda as modified. Director McKenzie seconded the motion and it carried unanimously.

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

On the consent agenda were:

1. Minutes, KID Board Meeting, December 5, 2017
2. Travel Request - Commercial Real Estate Leases Conference
3. Final Plat - Cherry Creek Phase 3
4. Preliminary Plat - Lauria Meadows
5. Vouchers/Warrant Approval

Accounts Payable

Numbers:

	75909	through	75921		\$	88,200.47
	75922	through	75923		\$	13,140.53
	75924	through	75924		\$	1,793.16
	75925	through	75925		\$	100.00
Bank Drafts	FSA				\$	1,356.59
Bank Drafts	General				\$	6,785.25
Bank Drafts	AP				\$	85,847.85
Total Accounts Payable					\$	197,223.85

Payroll

Numbers:

	33641	through	33651	\$	3,192.19	
Direct Deposit			2017-12-05	\$	120,969.18	
Total Payroll						\$ 124,161.37

Total Disbursements **\$ 321,385.22**

Voided Checks: None

CANVASSING OF ELECTION: Mr. Freeman presented the ballots cast in person on Election Day, which had been counted, certified and preserved, and the unopened returned absentee ballots. He said Election Inspector Bob Gudgel and Election Judge Bette Gudgel were present. He recommended continuing the practice of delegating counting the ballots to the election board.

Director Rathbun to delegate counting of the ballots to the election board. Director McKenzie seconded the motion and it carried unanimously.

The meeting continued while the election board members counted ballots.

PUBLIC COMMENTS: None

PRESENTATIONS:

Financial Reports for November 2017: Mr. Drummond presented highlights of financial report pages including:

- Balance Sheet as of November 30, 2017 - Final
- Balance Sheet - Comparative
- Statement of Revenues & Expenditures - Summary - Budget to Actual
- Fund Balance Change through November 30, 2017
- Cash Investment Report as of November 30, 2017

Director Rathbun moved to accept the November 2017 financial reports. Director Holmes seconded the motion and it carried unanimously.

PUBLIC HEARING: None

BOARD REPORTS: None

ACTION ITEMS:

Policy 3.1-8, Vacation Cash Out: Mr. Freeman briefly reviewed the District's past practices and the proposed changes to the Employee Economic Emergency Program policy, which drew from language in the previous policy, the Employee Handbook and the Collective Bargaining Agreements. He reported that the Finance Committee had reviewed the changes.

Mr. Drummond said there was no additional liability from the change because, once vacation leave was earned, it was an employee right and would be paid to the employee when utilized the leave or left the District under positive circumstances.

President Huffman and Director Rathbun spoke in favor of approval.

Vice President Dennis moved to approve Policy 3.1-8, Vacation Cash Out Programs, Revision 1. Director Rathbun seconded the motion and it carried unanimously.

Supplement to the Agreement with Water Strategies: Mr. Freeman briefly reviewed about the District's contractual relationship with Water Strategies and some of the services provided by the firm. He spoke about need for continued services next year, especially in regard to Chandler electrification.

Discussion ensued regarding benefits received by the District from Water Strategies.

Director McKenzie moved to approve the continuation of the Supplement to the Agreement for consulting services with Water Strategies LLC. Director Holmes seconded the motion and it carried unanimously.

RESOLUTIONS:

Resolution 2017-~~48~~ 49, Approving Voluntary Mitigation Agreement - Irving Square Development: Mr. McShane briefly described the proposed piping extension from the 4th Avenue project and improvement of the PSA154 pumping plant to meet the subdivision's needs. The remaining developer's contribution would be \$6,974.33.

The Growth Management Act, infill projects and corresponding improvements to irrigation infrastructure were discussed.

Director Rathbun moved to approve Resolution #2017-49 approving Irving Square Voluntary Mitigation Agreement. Vice President Dennis seconded the motion and it carried unanimously.

It was noted that while the resolution number on the agenda was wrong, the motion was correct.

Action on Final Plat - Irving Square Phase I: Mr. McShane requested final plat approval.

Director McKenzie moved to approve the Final Plat for Irving Square Phase 1. Director Rathbun seconded the motion. All present voted in favor. The motion carried.

STAFF REPORTS:

Finance Manager: Mr. Drummond reported regarding:

- 2017 State Audit
- Foreclosure process
- Finance Committee meeting
- Minimum wage increase and sick leave for temporary employees
- Planned fund reporting improvements

Vice President Dennis said the auditor spoke highly of KID staff. Discussion ensued.

Engineering/Operations Manager: Mr. McShane reported regarding:

- Rubicon gate structure design
- Division IV Canal lining activities
- Clearing, earthwork and canal prism shaping at Candy Mountain
- Pre-emergent vegetation control program

In response to questions from the Board, Mr. McShane spoke about the design of a concrete section of Division 4 and plans for additional Rubicon gates.

CANVASSING OF ELECTION, continued: Mr. Freeman presented the results of the count:

Candidates for Position 2	Ballots Cast at Polling Place	Absentee Ballots Cast	Combined Total
Raman M. Venkata	564	549	1,113
John H. Trumbo	14	10	24
Total returns cast	578	559	1,137

Mr. Freeman read from RCW 87.03.100, "...if any person be of the opinion that the vote of any precinct has not been correctly counted, he may appear on the day appointed for the board of directors to open and canvass the returns, and demand a recount of the vote of the precinct that is so claimed to have been incorrectly counted." He asked if anyone present was of such an opinion regarding the absentee or regular return counts. There was no demand for recount.

President Huffman called a short break at 9:46 a.m. Open session resumed at 9:57 a.m.

President Huffman offered congratulations to Director Elect Venkata and thanked Director Holmes for his help on the Board.

Director Holmes expressed his appreciation for working with the Board and staff. He said it was remarkable working with an organization where there was such an obvious demonstration of people trying to do the right thing together. He admired the technical feat of delivering water to thousands of customers with many different kinds of systems. He said he was most impressed by the focus on customer satisfaction and said KID took customers by the hand and lead them through their difficulty.

As an engineer, Director Holmes said he looked for the single point of failure, which appeared to be the pipe under the river. He recommended a failure mode study of the ways it could fail, then development of a set of methods to recover from the assumed failure modes.

Director Holmes thanked the Board and said it had been a pleasure working with the District.

Director Rathbun moved to accept the certification of the 2017 election. Director McKenzie seconded the motion and it carried unanimously.

STAFF REPORTS, continued:

Land & Water Resources Manager: Mr. Defoe displayed the usbr.gov Yakima River Basin Reservoir diagram and said a record dry December was possible. He displayed the usda.gov Washington SNOTEL site and spoke about rebuilding the snow pack. He displayed noaa.gov Temperature and Precipitation Charts for Oct 2017-Sept 2018, maps and the Sea Surface Temperature Anomalies for 06 Dec 2017 graphic. He spoke about the forecast during the current La Niña advisory.

Mr. Defoe also reported regarding purchase of eight receivers to help with a Lower Yakima River Smolt Survival Study. He offered to invite a study biologist speak to the Board.

District Manager: Mr. Freeman thanked the Finance department for the good State audit. He also reported regarding:

- Helping Hands Program. 30% of KID delinquency fees go to Helping Hands. Mr. Freeman encouraged other agencies to do the same.
- Mandatory staff training on ethics, whistleblower policy, diversity and sexual harassment - January 17, 2018

- Benton County Land Use Planning Appeal (LUPA) concerning use of applied irrigation water from the upper gravels aquifer in Badger Coulee. Mr. Freeman said Department of Ecology agreed with KID's position.
- Early closure at noon on Friday, December 22nd and Friday, December 29th
- Yakima Basin Joint Board meeting - December 15th

At President Huffman's request, Mr. Freeman spoke about KID's need for a slope easement to encroach on City of Kennewick property to fill KID property with the dirt stored on campus. He said the question would go to the City Council. If it failed, Mr. Freeman said KID may need to fill to the east and cancel the Zintel Canyon lease agreement with the City of Kennewick.

Vice President Dennis congratulated Ms. Voelker and K-Club for organizing the service awards banquet.

Mr. Freeman congratulated the employees of the year, Nikki Liudahl, Operations Department Administrative Assistant, and Dana Hernandez, Customer Accounts Supervisor.

WORKSHOP: None

EXECUTIVE SESSION: At 10:20 a.m., on behalf of the presiding officer, Mr. Iller announced that the Board would go into executive session to review the performance of a public employee, pursuant to RCW 42.30.110(g), for an estimated 20 minutes, following a short break. He said action in open session was possible following executive session.

Executive session was extended for ten minutes at 10:50 a.m. and for ten minutes at 11:00 a.m. At 11:12 a.m., the meeting returned to open session.

OPEN SESSION: President Huffman announced that all Board members had positive comments about Mr. Freeman's job performance during his review.

Director Rathbun recommended a 5% increase, to put Mr. Freeman's compensation in the middle of the salary range. Following discussion, the effective date of the increase was determined to be today. President Huffman noted that Mr. Freeman's review was late last year.

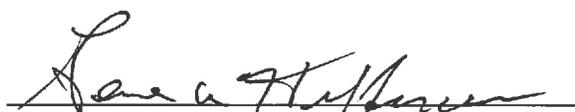
Mr. Drummond confirmed to Director Rathbun that the COLA increase was separate.

Director Rathbun moved to give District Manager Mr. Freeman salary raise of 5%, effective today. Director McKenzie seconded the motion and it carried unanimously.

Director McKenzie moved to adjourn the meeting. Vice President Dennis seconded the motion and it carried unanimously.

Attest:

Witness:


Gene Huffman, 2017 Board President
Approved January 2, 2018


Chuck Freeman, District Manager

Prepared by Doris Rakowski