



## Minutes

Meeting of the KID Board of Directors  
 Carl W. Petersen Board Room  
 Tuesday, March 20, 2018, 9:00 a.m.

President Dennis called the meeting to order at 9:01 a.m. and Mr. Freeman called roll. Mr. Freeman noted that Director Venkata had not arrived at the meeting.

**Directors Present:**

Dean Dennis, President  
 Kirk Rathbun, Vice President  
 David McKenzie  
 Raman Venkata

**Via telephone:**

Gene Huffman

**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  
 Melissa Olheiser, Senior Accountant  
 Jonathan Haller, GIS Analyst/Developer  
 Lori Gibson, Executive Assistant  
 Doris Rakowski, Executive Assistant

**Other Persons Present:**

Brian Iller, KID Legal Counsel

**APPROVAL OF AGENDA:** The agenda was revised to include Irrigation Pipeline Upsizing in Jolianna Heights, Resolution 2018-09, Chandler Pumping Facility Electrification Construction Funding Alternatives, and approval of a Travel Request for Mr. McShane to travel to Washington D.C.

**Vice President Rathbun moved to approve the revised agenda (rev. 2). Director McKenzie seconded the motion. All present voted in favor and the motion carried.**

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

Items on the consent agenda were:

1. Minutes, KID Board Meeting, March 6, 2018
2. Organizational Chart Revision
3. Water On Request Letter to USBR
4. Jose A. Chavallo - Release of Easement Interest
5. Binding Site Plan 2018-101 - Roden
6. Short Plat - SP 2018-03 - Jaya Holdings
7. Final Plat - Clearwater Creek Phase 6
8. Final Plat - Southridge Estates Phases 1 & 2
9. Vouchers/Warrant Approval

**Accounts Payable**

Numbers:

	76434	through	76437		\$ 90,442.98
	76438	through	76438		\$ 331.66
	76439	through	76439		\$ 23,177.44
	76440	through	76505		\$ 117,039.27
Bank Drafts	FSA				\$ 1,322.45
Bank Drafts	General				\$ 1,898.49
Bank Drafts	AP				\$ 78,303.64
<b>Total Accounts Payable</b>					<b>\$ 312,515.93</b>

**Payroll**

Numbers:

	34003	through	34004	\$	930.36	
Direct Deposit			3/5/2018	\$	115,875.72	
<b>Total Payroll</b>						<b>\$ 116,806.08</b>
<b>Total Disbursements</b>						<b>\$ 429,322.01</b>

**Voided Checks:** No Voided Checks.

**PUBLIC COMMENTS:** **Mike Phillips** said he thought many people did not understand what KID has to do. He spoke about the difficulty of managing bills for people on low fixed incomes. He noted that his KID bill went up each year since 2011, but social security just increased by two percent for the first time since 1975. He asked the Board to look at the cost to customers and consider price breaks for people with limited income or on welfare, and the elderly.

President Dennis thanked Mr. Phillips and invited him to look at the District's website to learn more about KID's work.

Mr. Phillips said he understood the cost of materials and wages, but older people needed a break with the cost of living increasing.

Director Venkata joined the meeting.

**PRESENTATIONS:**

**Preliminary Financial Reports for February 2018:** Mr. Drummond said financial statements would be draft until completing of 2017 year-end reporting. He reviewed highlights of report pages including:

- Balance Sheet, as of February 28, 2018-DRAFT
- Statement of Revenues & Expenditures-Budget to Actual, Summary-Year to Date-DRAFT
- Funds Balance Change as of February 28, 2018-DRAFT

**Director Rathbun moved to accept the February 28, 2018 financials. Director Huffman seconded the motion and it carried unanimously.**

**PUBLIC HEARING:** None

**BOARD REPORTS:** None

**ACTION ITEMS:**

**Travel Request:** Mr. Freeman asked for approval for Mr. McShane to travel to Washington D.C. to attend meetings with U.S. Bureau of Reclamation (USBR) and others to be determined. Mr. McShane would not be registered for the NWRA Federal Water Issues Conference.

**Vice President Rathbun moved to approve the travel request for Mr. McShane to attend meetings in Washington D.C. from April 8-12, 2018. Director McKenzie seconded the motion and it carried unanimously.**

**Irrigation Pipeline Upsizing in Jolianna Heights:** Mr. McShane described the proposed upsizing at the Jolianna Heights subdivision, which would further master planning efforts in South Richland. The expected cost to the district was \$238,988.36 plus tax.

Mr. McShane spoke about the project's benefit and the draft master plan, which would go to the Operations and Engineering Committee this month.

Mr. McShane confirmed to Vice President Rathbun that KID's cost of \$238,988.36 was for the difference between the subdivision's cost of \$130,000 and the total cost with upsizing. He said the developer would install the pipe.

Planning for the ability to serve areas along Gage Blvd was discussed further.

In response to a question from Vice President Rathbun, Mr. McShane said cost would be recovered in a manner similar to the Southridge project with a cost per unit connection. He said the formal plan would go to the Operations and Engineering Committee then the Board.

In response to a question from Director Venkata, Mr. McShane said there were 12 pumping stations in the area. He spoke about taking certain pumping stations offline after the upsizing was complete. Mr. McShane confirmed that the project would span multiple years as development proceeded. He spoke further about economies of scale and other efficiencies.

In response to a question from Director McKenzie, Mr. McShane spoke about reimbursement and accounting for this type of project. Mr. Drummond spoke about the interest to be collected.

**Vice President Rathbun moved to approve \$238,988.36 plus tax to be used for upsizing pipe in Jolianna Heights Subdivision from the Capital Upgrade and Improvement Fund. Director McKenzie seconded the motion and it carried unanimously.**

#### **RESOLUTIONS:**

**Resolution 2018-07, 2018 Authorized Positions and Salary Range Revision:** Mr. Freeman briefly reviewed the September 5, 2017 authorization of temporary employees and complete projects. He listed pending projects and requested extension of the employment period of through December 31, 2018 for one Temporary Carpenter, two Temporary Welder/Fabricators, one Temporary System Electrician and five Temporary Landscaper/Street Restoration Workers.

Mr. Freeman said a benefit of hiring temporary employees having was a pool of potential candidates for filling open regular positions.

Mr. Freeman spoke briefly about budgeting for the positions and said they would be paid from the Capital Upgrade and Improvement Fund.

Mr. McShane spoke further about budgeting. He said the projects listed were budgeted, but the labor was needed and would cost less than \$200,000 of the \$2.35 million in the Capital Upgrade and Improvement Fund budget.

Mr. Drummond clarified that this authorization would cost no new money, but was how already budgeted work would be accomplished.

Mr. McShane confirmed that some regular positions were unfilled. He said payroll funds not spent while those positions were vacant would help offset the cost of the temporary employees.

**Director McKenzie moved to approve Resolution 2018-07, 2018 Authorized Positions and Salary Range. Director Huffman seconded the motion and it carried unanimously.**

**Resolution 2018-08, Water Allotment Relegation Request of Assessments Removed:** Mr. McShane reviewed the history of Mr. Wick's request and said Mr. Wick had met relegation requirements under the previous program.

**Vice President Rathbun moved to approve Resolution 2018-08 Water Allotment Relegation Request for Assessments Removed–Gerald Wick. Director McKenzie seconded the motion and it carried unanimously.**

**Resolution 2018-09, Chandler Pumping Facility Electrification Construction Funding Alternatives:** Mr. Freeman reviewed the draft resolution, including a brief history of action on the project. He noted that about \$20 million in funding authorization remained, and the preliminary engineering estimate of cost for electrification was \$23,070,000.

Mr. Freeman spoke about potential project funding and possible repayment options. He asked for authorization to enter into negotiation with the USBR. He said the resolution, if approved, would be shared with congressional delegations and other irrigation districts. Mr. Freeman said the USBR must contract to give something of like value to KID for KID to provide funding.

In response to a question from Mr. Venkata, Mr. Freeman said the project was liked at the national level of the USBR, but there was opposition at the local level. He noted Governor Inslee received a copy of a recent letter regarding shifting positions of the area office, because he was a sponsor of the legislation authorizing the project.

Mr. Freeman said Mr. Drummond met with bond counselors and financial advisors, and a high bond rating was expected. Mr. Drummond confirmed that bond terms would likely be favorable.

Mr. Freeman said the project was important to the district during droughts. Mr. McShane added that without Chandler Electrification drought conditions would worsen for KID and other districts in turn. Mr. Freeman said, without the Chandler Electrification project to mitigate harm to the District from up-Basin conservation, KID would have to come out against other conservation projects in the Basin.

President Dennis spoke briefly about the Board's efforts to protect the District rate payers.

**Director McKenzie moved to approve Resolution 2018-09, Funding Alternatives for the Construction of the Chandler Pumping Facility Electrification. Vice President Rathbun seconded the motion and it carried unanimously.**

**STAFF REPORTS:**

**Finance Manager:** Mr. Drummond distributed and reviewed a report titled Payroll Recap.

Mr. Drummond also reported regarding:

- Water Master training at 6:00 p.m.
- Two cases remaining under the foreclosure process mandated by statute

**Engineering/Operations Manager:** Mr. McShane reported regarding:

- Operational testing underway
- Customer Service and Public Relations getting the word out about operational testing
- USBR testing Chandler pumps - March 26<sup>th</sup>
- Lining and Concrete work being completed on Badger East

- Division 4 Rubicon gate installation
- Impact of City of Kennewick's work on Metaline
- Nine maintenance teams planned this startup season

**Land & Water Resources Manager:** Mr. Defoe displayed and discussed web pages including:

- usbr.gov - Yakima River Five Reservoir Diagram and Water Year Graph
- usda.gov - Washington SNOTEL graph
- noaa.gov - Yakima weather station Precipitation and Temperature graphs
- noaa.gov - La Nina advisory
- noaa.gov - 3-class Three-Month Outlook maps

Mr. Defoe also reported regarding:

- Update on KID contribution of receivers to Lower Yakima Smolt Survival Study
- Input on Benton County critical ordinance update
- Meeting with Tapteal Greenway - March 22<sup>nd</sup>

**District Manager:** Mr. Freeman reported regarding:

- City of Richland meeting - Bridle Drive and drainage way code enforcement - March 21<sup>st</sup>
- Title transfer presentation to Kennewick City Council - March 27<sup>th</sup>
- USBR Commissioner Brenda Burman at Chandler - April 27<sup>th</sup>
- Planned retirement of Assistant Operation/Maintenance Manager Kingsley Berg
- Healthcare insurance option analysis
- WaterSMART grant call for water conservation projects

**WORKSHOP:** None

**EXECUTIVE SESSION:** At 10:28 a.m., on behalf of the presiding officer, Mr. Iller announced that, following a ten minute break, the Board would go into executive session for an estimated 30 minutes, to discuss with legal counsel representing the agency pending litigation related to the Acquavella case and district water rights, pursuant to RCW 42.30.110(1)(i), and legal risks of a proposed action related to electrification of Chandler pursuant to RCW 42.30.110(1)(iii) to starting at approximately 10:40 a.m. He said action was possible following executive session, but was not expected.

Executive session was extended for 15 minutes at 11:10 a.m.  
Open session resumed at 11:26 a.m.

**Vice President Rathbun moved to adjourn the meeting at 11:26 a.m. Director McKenzie seconded the motion and it carried unanimously.**

Attest:



Dean Dennis, Board President  
Minutes Approved April 3, 2018

Witness:



Chuck Freeman, District Manager

Prepared by Doris Rakowski