



**Minutes**

President Dennis called the meeting to order at 9:00 a.m. and Mr. McShane called roll.

**Directors Present:**

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

**Staff Present:**

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

**Other Persons Present:**

Brian Iller, KID Legal Counsel

**APPROVAL OF AGENDA:** President Dennis added Contract Extension – SePRO and Engaging with RH2 Engineers on Title Transfer NEPA/Cultural/Hazmat work to the agenda.

**Vice President Rathbun moved to approve the agenda as amended. Director Huffman seconded the motion. The motion carried unanimously.**

**CONSENT AGENDA: Director McKenzie moved to approve the consent agenda. Vice President Rathbun seconded the motion. The motion carried unanimously.**

Items approved on the consent agenda were:

1. Minutes, KID Board Meeting, September 4, 2018
2. Short Plat - SP 18-09 - Saling-Arden - Dry
3. Binding Site Plan - BSP 18-06 - Preszler - Dry
4. Short Plat - SP 2017-04 - Bush - Dry
5. Travel Authorization - National Water Resources Association Annual Conference
6. Vouchers/Warrant Approval

**Accounts Payable**

Numbers:

	77500	through	77504	\$	12,263.38
	77505	through	77505	\$	15,923.05
	77506	through	77506	\$	2,192.50
	77507	through	77576	\$	92,780.86
Bank Drafts	FSA			\$	201.09
Bank Drafts	General			\$	2,263.21
Bank Drafts	AP			\$	97,119.46
<b>Total Accounts Payable</b>				<b>\$</b>	<b>222,743.55</b>

**Payroll**

Numbers:

	34044	through	34044	\$	1,168.00
	34045	through	34047	\$	478.03
Direct Deposit		9/5/2018		\$	144,988.43
<b>Total Payroll</b>				<b>\$</b>	<b>146,634.46</b>
<b>Total Disbursements</b>				<b>\$</b>	<b>369,378.01</b>

Voided Checks: None.

**PUBLIC COMMENTS:** None

**PRESENTATIONS:**

**Financial Reports for August 2018:** Mr. Drummond presented highlights of pages including:

- Balance Sheet as of August 31, 2018
- Summary of Revenues & Expenditures – Budget to Actual, Summary – Year to Date
- Fund Balance Change, as of August 31, 2018.
- Cash Investment Report, as of August 31, 2018

**Director Huffman moved to accept the August 2018 financial report. Director McKenzie seconded the motion. The motion carried unanimously.**

**PUBLIC HEARING:** None

**BOARD REPORTS:** Vice President Rathbun reported briefly about the Washington D.C. trip.

**ACTION ITEMS:**

**Policy 2.47, Water Rights & Supply Legal Reserve Fund:** KD presented the proposed policy to establish a fund to be used to defend the district's water rights and water supply.

Mr. Drummond confirmed to Director Huffman that this action would create the fund but there was no request at this time to add money to the fund.

**Vice President Rathbun moved to approve the adoption of Policy 2.47 Water Rights & Supply Legal Reserve Fund and the creation of Fund 468 – Water Rights Legal Reserve Fund. Director Huffman unanimously**

**Contract Extension – SePRO:** Mr. McShane presented the requested contract extension and spoke briefly about the products, their application and effectiveness at KID, and the warranty.

Mr. McShane confirmed to Vice President Rathbun that less material was needed than in the past, due to the canal lining covering the dirt in which vegetation could root.

**Director Huffman moved to approve Addendum 1 to Contract PC2017-81 Sole Source Purchase – SePRO in the amount of \$144,348.04 and authorize Charles Freeman to execute the agreement. Vice President Rathbun seconded the motion, which carried unanimously.**

**Engaging with RH2 Engineers on Title Transfer NEPA/Cultural/Hazmat work:** Mr. Defoe presented the need to engage a contractor for NEPA, cultural and Hazmat survey work required for title transfer, as specified in a memorandum of understanding (MOA) between the U. S. Bureau of Reclamation (USBR) and KID. He reported that KID requested qualifications from qualified firms, ranked the respondents, and found RH2 to be the most qualified firm.

Mr. Defoe said he was mistaken that \$136,000 was the amount left in the fiscal year 2018 budget for title transfer activities, but said it remained a reasonable do-not-exceed amount. He said he would review the budget and spending needs, and come back to the Board if necessary.

Discussion ensued regard scope of work and controlling costs. Mr. Defoe said the scope of work would be developed in coordination with the USBR, RH2 and KID.

Mr. McShane confirmed to Director McKenzie that only the 40 acres at Amon might need to be surveyed, but since the parcel was created recently, a physical survey would likely not be needed. He said any land surveying would be done by KID staff under JUB Engineering's supervision.

**Director McKenzie moved to authorized KID staff to enter into negotiations with RH2 Engineers on a contract not to exceed \$136,000 for the purpose of completing a NEPA, cultural, and Hazmat study as required for the title transfer project. Director Huffman seconded the motion. The motion carried unanimously.**

**Vice President Rathbun moved to authorize Charles Freeman to execute a negotiated contract with RH2 Engineers. Director McKenzie seconded the motion. The motion carried unanimously.**

#### **RESOLUTIONS:**

**Resolution 2018-27, Center Village Voluntary Mitigation Agreement and Final Plat – Center Village – Wet:** Mr. McShane briefly presented the terms of the Voluntary Mitigation Agreement.

In response to a question from Vice President Rathbun, Mr. McShane spoke briefly about the location of the project and options for service.

Mr. McShane confirmed to Director Huffman that KID would install the pumping plant, and noted that such installations were where KID had been realizing large cost savings.

**Vice President Rathbun moved to approve Resolution 2018-27 approving Center Village Voluntary Mitigation Agreement and moved to approve the Center Village Final Plat contingent upon developer's compliance with KID's conditions of approval. Director McKenzie seconded the motion. The motion carried unanimously.**

**Resolution 2018-36, Sole Source Purchase – DemTech Welder Parts:** Mr. McShane presented the request for a sole source purchase of DemTech welder replacement parts. He said it was a sole source purchase because DemTech was the only manufacturer and distributor for the needed parts.

**Director Huffman moved to approve Resolution 2018-36 Authorized to Waive Competitive Bidding and Award a Sole Source Contract to Purchase DemTech Wedge Welder Parts, pursuant to RCW 87.03.435(3)(c). Vice President Rathbun seconded the motion. The motion carried unanimously.**

Discussion ensued regarding sole source purchasing requirements.

**Resolution 2018-37, 2018 Budget Revision 2:** Mr. Drummond presented the second requested revision to the 2018 budget. He said increased spending items were one-time and the \$211,631.92 total would come from the carry-forward operating fund. These included support of Chandler Electrification, legal costs, public relations, Land and Water Resources department overtime, and courier packets. There were several increases and decreases to operating budget line items, as well.

**Director Venkata moved to approve Resolution 2018-37, Amendment #2 to the 2018 budget. Vice President Rathbun seconded the motion. The motion carried unanimously.**

**STAFF REPORTS:**

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

- Trudy Nugent hired as Accounting Technician
- Zero-based budgeting for 2019 underway
- Planned attendance of Washington Financial Officers Association (WFOA) conference

**Engineering/Operations Manager:** None

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

- usbr.gov - Yakima River Five Reservoir Diagram and Water Year Graph
- noaa.gov - Pasco weather station Precipitation and Temperature graphs and Three-Month Outlook maps

Total water supply available and fish spawning conditions were discussed.

Upcoming meetings:

- Tri-State meeting - Friday
- WSWRA meeting - tomorrow
- YRBWEP IP workgroup meeting - Thursday

**District Manager:** On behalf of Mr. Freeman, Mr. McShane reported regarding:

- Calibration of head end diversions
- Hills West Phase 2
- Aquatic vegetation control
- Pre-watering for off-season canal lining
- WaterSMART grants to be announced soon
- Toyota Tundra

**WORKSHOP:** None

Mr. McShane and Director Huffman thanked Mr. Iller for his service to the district.

Mr. Iller thanked the Board for the honor and privilege of serving the district and wished the district the best going forward. He said he was proud of the work he had done for the district on the Acquavella case. He spoke about the transition and availability of his firm to answer any questions.

President Dennis thanked Mr. Iller. Mr. Iller left the meeting.

**10:15 A.M. - EXECUTIVE SESSION:** At 10:07 a.m., Mr. McShane announced on behalf of the presiding officer that the Board would go into executive session to discuss with legal counsel representing the agency potential litigation, in the form of litigation that the agency reasonably believes may be commenced by or against the agency, the governing body, or a member acting in an official capacity, pursuant to RCW 42.30.110(1)(i)(ii) related to a SEPA determination and to discuss with legal counsel pending litigation as authorized by RCW 42.30.110(1)(i) related to Acquavella litigation, beginning at 10:15 a.m., for approximately 30 minutes.

Joe Brogan, KID legal counsel, was contacted by telephone for the executive session.

At 10:45 a.m., executive session was extended for 15 minutes.

**OPEN SESSION:** At 11:00 a.m., the meeting resumed in open session.

**Director Huffman moved to adjourn. Director McKenzie seconded the motion. The motion carried unanimously.**

Attest:

Witness:



Dean Dennis, Board President  
Minutes Approved October 2, 2018



Jason McShane, Assistant Board Secretary

Prepared by Doris Rakowski