



Board of Directors Meeting
Tuesday, February 19, 2019, 9:00 a.m.
Carl W. Petersen Board Room
2015 S. Ely St., Kennewick, WA 99337

Minutes

Vice President Huffman called the meeting to order at 9:00 a.m. and Mr. Freeman called roll.

Directors Present:

Gene Huffman, Vice President
Kirk Rathbun, via telephone
David McKenzie
Raman Venkata

Directors Absent:

Dean Dennis, President

Other Persons Present:

John Crotty, Counsel

Staff Present:

Charles Freeman, District Manager/Board Secretary
Jason McShane, Engineering/Operations Manager
Kipp Drummond, District Treasurer
Seth Defoe, Land & Water Resources Manager
Lynda Rosenbaum, Real Property Manager
Melissa Olheiser, Accountant II
Lori Gibson, Executive Assistant
Doris Rakowski, Executive Assistant

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

APPROVAL OF AGENDA: Vice President Huffman added Final Plat – The Ridge at Candy Mountain – Dry to action items.

Director McKenzie moved to approve the amended agenda. Director Venkata seconded the motion. All present voted in favor and the motion carried.

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

Items approved on the consent agenda were:

1. Minutes, KID Board Meeting, February 5, 2019
2. Policy 3.1-6 Time Tracking, Revision 1
3. Confirm Electrician I Job Description
4. Revised Travel Authorization - Irrigation Leader Chile Irrigation Education Tour
5. Final Plat - The Reserve at Summerview Terrace, Phase 1 - Dry/Out of District
6. Short Plat 2019-01 Hayden Homes - Lattin Meadows

PUBLIC COMMENTS: None

PRESENTATIONS:

January 2019 Financial Reports: Mr. Drummond presented highlights of preliminary report pages including:

- Balance Sheet-As of January 31, 2019 - DRAFT
- Balance Sheet-Comparative, As of January 31, 2019 and 2018 - DRAFT
- Statement of Revenues & Expenditures-Budget to Actual, Summary-Year to Date
- Statement of Revenues & Expenditures-Actual, Comparative – 1 Month Ended
- Fund Balance Change, as of January 31, 2019 – DRAFT
- Cash Investment Report, as of January 31, 2019

Mr. McShane confirmed to Director McKenzie planned overtime expenditures were being revised due to the weather, but no budget revision action was needed at this time.

Director McKenzie moved to accept the summary of the January 2019 Draft financial statements. Director Venkata seconded the motion. All present voted in favor and the motion carried.

PUBLIC HEARING: None

BOARD REPORTS:

ACTION ITEMS:

Vouchers/Warrant Approval: Mr. Drummond presented the vouchers and warrants.

Accounts Payable

Numbers:

78302	through	78303	\$	343.00
78304	through	78381	\$	220,016.22
78382	through	78383	\$	1,462.00
Bank Drafts	FSA		\$	230.97
Bank Drafts	General		\$	624.70
Bank Drafts	AP		\$	120,568.29
Total Accounts Payable			\$	343,245.18

Payroll

Numbers:

34123	through	34126	\$	4,341.62
Direct Deposit	2/5/2019		\$	148,545.21
Total Payroll			\$	152,886.83
Total Disbursements			\$	496,132.01

Voided Checks: Ck# 78303 – Void

Director McKenzie moved to approve the Vouchers and Warrants as presented. Director Venkata seconded the motion. All present voted in favor and the motion carried.

Employee Handbook, Revision 4: Mr. Freeman reviewed the proposed revisions line by line. He said training on the handbook would be provided at the March All-Staff Training.

Mr. Freeman confirmed to Vice President Huffman that the district was following the Washington State Paid Family and Medical Leave law.

Director McKenzie moved to approve the Employee Handbook, Revision 4. Director Venkata seconded the motion. All present voted in favor and the motion carried.

Final Plat – The Ridge at Candy Mountain – Dry: Mr. McShane spoke about the location of the projects and said staff recommended approval.

Director McKenzie move to approve the proposed Final Plat of The Ridge at Candy Mountain. Director Venkata seconded the motion. All present voted in favor and the motion carried.

RESOLUTIONS:

Resolution 2019-06, 2019 COLA and Authorized Positions and Salary Ranges Revision:

Mr. Drummond reviewed the collective bargaining agreement provisions for calculating cost of living adjustments (COLA) and reported that the adjustment for 2019 needed to be corrected.

Mr. McShane noted that the Board approved by consent agenda changing the name of the Pump and Control Specialist position to Electrician I. He said this resolution would authorize the pay range.

Director Venkata moved to approve Resolution 2019-06, 2019 COLA and Authorized Positions and Salary Range Revision. Director McKenzie seconded the motion. All present voted in favor and the motion carried.

Resolution 2019-07, Red Mountain New Allocations Assessment Clarification: Mr. McShane presented the resolution to correct an error at publication of 2018 assessments, at which time these properties were not added to the assessment role. He said the property owners knew about the assessments and that they would receive bills for both 2018 and 2019.

Discussion ensued. Mr. McShane confirmed that there would be no late fees due to KID's error, but if the bills were not paid by the new due date, late fees would accrue.

Director McKenzie moved to approve Resolution 2019-07 Red Mountain New Allocation Assessment Clarification. Director Venkata seconded the motion. All present voted in favor and the motion carried.

Resolution 2019-08, Condemnation of Reservoir Site for Central Storage: Mr. Freeman reported that staff had been working with consultants and property owners on acquisition of a site for central storage. He said the proposed action to condemn the reservoir site was needed to get the best value for ratepayer money and the property owners were aware of the proposal. He presented the proposed resolution by line.

Mr. McShane displayed photographs and spoke about a reservoir in New Zealand, similar to the size and scale the proposed KID reservoir. He displayed a local map and spoke about the proposed KID project.

In response to a question from Director Venkata, Mr. McShane spoke further about New Zealand reservoirs.

Director Venkata moved to approve Resolution 2019-08, Condemnation of Reservoir Site for Central Storage. Director McKenzie seconded the motion. All present voted in favor and the motion carried.

STAFF REPORTS:

Finance Manager: Mr. Drummond reported regarding:

- 2019 Assessment billing
- 2019 Inventory

Engineering/Operations Manager: Mr. McShane reported regarding:

- Changes to work plan due to persistent snow, including work on KID campus, inventory, and engineering design work

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

- usbr.gov - Yakima River Five Reservoir Diagram, Water Year Graph
- usda.gov - SNOTEL Data
- noaa.gov - Pasco weather station Precipitation and Temperature graphs for the water year and the calendar year, ENSO Alert System Status: El Niño Advisory, and One-Month and Three-Month Outlook maps

Mr. Defoe said USBR's first Total Water Supply Available (TWSA) forecast for the year was expected in March.

District Manager: Mr. Freeman reported regarding:

- Upcoming travel
- Planned March 11th and 12th training

WORKSHOP: None

EXECUTIVE SESSION: At 10:09 a.m., Mr. Freeman announced on behalf of the presiding officer that the Board would go into executive session at 10:15 a.m. following a short break, to consider the selection of a site or the acquisition of real estate by lease or purchase, pursuant to RCW 42.30.110(1)(b), to discuss with legal counsel representing the agency potential litigation, in the form of legal risks of a proposed action or current practice, pursuant to RCW 42.30.110(1)(i)(iii), and to discuss with legal counsel representing the agency litigation, pursuant to RCW 42.30.110(1)(i), for approximately 45 minutes. He noted that action was possible following executive session.

OPEN SESSION: At 11:03 a.m., the meeting returned to open session.

Director McKenzie moved to amend the agenda to add an action on a real estate Purchase and Sale Agreement approval. Director Venkata seconded the motion. All present voted in favor and the motion carried.

Purchase and Sale Agreement: Mr. McShane reported that the property condemned for the central storage project was under a LUPA (Land Use Petition Act) lawsuit with Benton County. He said Benton County, the developer, and KID were eager for the lawsuit to be resolved, and as such a Purchase and Sale Agreement was being put before the Board.

Mr. McShane reviewed details of the proposed Purchase and Sale Agreement, including a \$3.5 million cash purchase price, particulars regarding in-place irrigation equipment, seller and purchaser costs, and the proposed closing date between September 1 and December 1, 2019. He said he expected execution of this amicable agreement today, if approved by the Board.

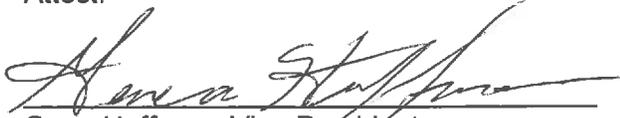
Mr. McShane spoke about project benefits to the district. He described the investigation of potential sites for a reservoir, projected water savings, and electrification of Chandler Pumping Station. He said the proposed reservoir was a part of a solution to address KID's concerns.

Vice President Huffman spoke in favor of the agreement.

Director McKenzie moved to approve the purchase and sale agreement between Czebator and Peterson Properties, LLC, Badger Coulee Estates, LLC, and KID. Director Venkata seconded the motion. All present voted in favor and the motion carried.

Director McKenzie moved to adjourn at 11:14 a.m. Director Rathbun seconded the motion. All present voted in favor and the motion carried.

Attest:



Gene Huffman, Vice President
Minutes Approved March 5, 2019

Witness:



Charles Freeman, Board Secretary

Prepared by Doris Rakowski