



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
Kipp Drummond, Comptroller/District Treasurer
Ben Woodard, Asst Engineering/Operations Manager
Seth Defoe, Land & Water Resources Manager
Lynda Rosenbaum, Real Property Manager
Dana Hernandez, Customer Account Supervisor
Melissa Olheiser, Accountant II
Lori Gibson, Executive Assistant to Engineering
Doris Rakowski, Executive Assistant

Director McKenzie moved to approve President Dennis’s absence to attend Senator Cantwell’s press event on behalf the District. Director Venkata seconded the motion. All present voted in favor and the motion carried.

APPROVAL OF AGENDA: Vice President Huffman added a presentation by Chad Stuart and an action item entitled “PLA Conversion – Union Street Development Co., Inc.” to the agenda.

Director McKenzie moved to approve the agenda as amended. 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, March 5, 2019
2. Travel Request – USBR Stakeholders Workshop in Denver, Colorado
3. BPS 19-01 – Permit Surveying – Dry
4. SP 2019-01 – AAA Renovation – Wet
5. SP 2019-02 – Konko – Wet
6. Vouchers/Warrant Approval

Accounts Payable

Numbers:

	78452	through	78452	\$	10,416.64
	78453	through	78453	\$	12,979.72
	78454	through	78501	\$	64,618.06
Bank Drafts	FSA			\$	2,358.67
Bank Drafts	General			\$	1,342.25
Bank Drafts	AP			\$	75,431.61
Total Accounts Payable				\$	167,146.95

Payroll

Numbers:

	34132	through	34134	\$	2,570.24	
Direct Deposit			3/5/2019	\$	108,562.31	
Total Payroll						<u>\$ 111,132.55</u>
Total Disbursements						<u>\$ 278,279.50</u>

Voided Checks: None

PUBLIC COMMENTS: None

PRESENTATIONS:

Chad Stuart, U. S. Bureau of Reclamation Yakima Field Office Manager: Mr. Stuart provided updates regarding:

- Passage of Integrated Plan legislation and ongoing implementation
- Yakima Project biological opinions regarding bull trout and steelhead
- 1994 YRBWEP authorized Cle Elum storage project, water right and operating plan
- New water contract with Tribe for Coho hatchery north of Ellensburg
- Cle Elum juvenile fish passage intake secant structure, helix, and tunnel.
- 2024 construction window for Kachess Dam outfall tube erosion Safety of Dams project
- Expected 90% supply for 2019
- Planning kick off meeting with KID for design review process

Mr. Stuart answered questions regarding budgeting at his office, scheduling of the Cle Elum juvenile fish passage project, and readiness to implement the newly passed Title Transfer legislation.

Mr. Freeman offered to take a message to Washington D.C. regarding Cle Elum funding if needed.

Resuming regular meetings about Chandler Electrification was discussed.

Mr. Freeman thanked Mr. Stuart for his leadership in the Yakima office.

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

- Balance Sheet-As of February 28, 2019 - DRAFT
- Cash Investment Report, as of February 28, 2019
- Statement of Revenues & Expenditures-Budget to Actual, Summary-Year to Date
- Statement of Revenues & Expenditures-Actual, Comparative – 2 Months Ended
- Fund Balance Change, as of February 28, 2019 – DRAFT

Director McKenzie moved to accept the February 2019 preliminary financial statements. Director Venkata seconded the motion. All present voted in favor and the motion carried.

PUBLIC HEARING: None

BOARD REPORTS: None

ACTION ITEMS:

PLA Conversion – Union Street Development Co., Inc.: Mr. Woodard referred to the memo distributed at the meeting and presented the request to approve KID’s process plan for meetings on possible conversion of the Union Street Development Company’s private line area to a pressurized system and to have KID take over the system. He reviewed the draft process sheet, including public meetings, involvement of the property owners in the decision on whether to go ahead with the conversion, and steps after property owner approval. He spoke about mitigation of a confined space entry and pump station safety concerns and presented a proposed timeline.

Director Rathbun confirmed to Mr. Freeman that he would recuse himself from voting on the matter, as he was a homeowner in the area.

Roger Gray (Union Street Development Co.) spoke positively about the process to date. He spoke about project costs to this point. He recommended counting ballots received on a one vote per parcel basis and not counting non-votes as yes, and asked to shorten the voting timeline.

Mr. Gray asked about financing options, as the company was out of money and had not assessed the neighborhood this year in anticipation of project completion. He requested that Lincoln Park Commercial subdivision could be included in the project. He noted that the purchase and sale agreement could be completed quickly.

Mr. Freeman concurred with Mr. Gray’s thoughts on balloting.

How to pay for correcting the confined space issue was discussed.

Director Venkata spoke with Mr. Woodard preventing debris from blocking the flow. Director Venkata recommended contacting the EPA to request they help with funding to defray costs.

Mr. Woodard said the expected conversion cost of \$23,000, the rebuilt pump age and condition, and funding options were discussed. Mr. Freeman noted that people within areas converted previously paid the upgrade costs for their conversions.

Director McKenzie moved to approve KID staff to follow the presented process sheet for preparation of the PLA meetings to discuss conversion to KID. Director Venkata seconded the motion. Director McKenzie, Director Venkata and Vice President Huffman voted in favor of the motion. Director Rathbun abstained from voting. The motion carried.

PC2019-12 Bob Olson Intertie (Materials Only): Mr. Woodard spoke about the plan to intertie the Amon pump and new electrical pumps with the 36-inch pipeline installed in Bob Olson Parkway, to supply filtered, pressurized water to the Southridge Masterplan Area. He said bids had been solicited, and were expected not to exceed \$80,000.00.

Director McKenzie moved to authorize the District Manager, Charles Freeman, to execute Contract PC2019-12 Bob Olson Intertie Only) to the lowest responsible bidder, in an amount not to exceed \$80,000.00. Director Venkata seconded the motion. All present voted in favor and the motion carried.

City Richland Interlocal agreement for Lorayne J: Mr. Freeman presented the interlocal cooperation agreement, previously approved by the Richland City Council, which would accomplish the longstanding goal of transferring ownership of the Lorayne J water system to the City of Richland. He reviewed agreement terms, including excluded property.

Mr. Freeman spoke about division of the Department of Health loan repayment responsibility. He reviewed the possible project schedule. He confirmed that legal counsel reviewed the agreement and said staff recommended approval. The last public meeting was briefly discussed.

Director Venkata moved to approve the Interlocal Agreement with the City of Richland for the transfer of the Lorayne J water system and authorize the District Manager and Board President to sign on behalf of the District. Director McKenzie seconded the motion. All present voted in favor and the motion carried.

At Mr. Freeman's request, the agenda was reordered to consider of the Water On 2019 Letter next, followed by the scheduled 10:30 a.m. executive session, then further open session.

Water On 2019 Letter: Mr. Freeman presented the letter to be sent to Chuck Garner of the U.S. Bureau of Reclamation, requesting a delayed start-up of water delivery.

Director McKenzie moved to approve the issuance of the letter to Chuck Garner of the US Bureau of Reclamation dated March 19, 2019. Director Venkata seconded the motion. All present voted in favor and the motion carried.

EXECUTIVE SESSION: At 10:24 a.m., Mr. Freeman announced on behalf of the presiding officer that the Board would go into executive session at 10:30 a.m. following a short break, to discuss with legal counsel representing the agency litigation, pursuant to RCW 42.30.110(1)(i), and to consider the selection of a site or the acquisition of real estate by lease or purchase, pursuant to RCW 42.30.110(b) for approximately 30 minutes. Mr. Freeman noted that the second citation was a correction from the agenda, which mistakenly had the citation for sale or lease pricing.

OPEN SESSION: At 11:00 a.m., the meeting returned to open session.

ACTION ITEMS, continued:

Clearwater Creek Irrigation Purveyor Agreement: Mr. Woodard spoke about the Clearwater Creek Subdivision, which included 312 lots and Kennewick School District's Amon Creek Elementary School. He said the KID Board of Directors reserved a water allocation for the area in 2014, giving KID the option to become the irrigation purveyor. He reported that the developer, the City of Richland (current irrigation purveyor), and KID agreed that KID should become the area's irrigation purveyor.

Mr. Woodard presented the proposed Clearwater Irrigation Purveyor Agreement between KID, City of Richland, and Hayden Homes. He reviewed terms and obligations of the agreement and planned payments for the infrastructure improvements.

Mr. Woodard a 10-year transition from City of Richland rates to KID assessment rates was proposed for 117 of 175 lots in the development which had open City of Richland accounts.

Mr. Woodard said Richland City Council would consider the agreement tonight. He said that if the agreement was approved, KID would begin assessing this year and reimburse Richland for service to the area until KID's infrastructure was in place. He confirmed to Director McKenzie that there was no intertie with domestic water in the area.

Director McKenzie moved to approve the Clearwater Creek Irrigation Purveyor Agreement, and direct staff to prepare a resolution setting forth the rates, charges, and assessments per this Agreement. Director Venkata seconded the motion. All present voted in favor and the motion carried.

RESOLUTIONS: None

STAFF REPORTS:

Finance Manager: Mr. Drummond reported regarding:

- Assessment collections
- Physical inventory
- Credit card use surcharge

Engineering/Operations Manager: Mr. Woodard reported on behalf of Mr. McShane regarding:

- Earthwork and canal lining
- Pre-emergent vegetation control applications
- Concrete work
- Pressurized Service Area testing

Mr. Woodard thanked the Board, Mr. Defoe, and the Land and Water Resource Department for work preparatory to the Clearwater Creek Purveyor Agreement.

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

- usbr.gov - Yakima River Five Reservoir Diagram, Water Year Graph
- noaa.gov - Pasco weather station Precipitation and Temperature graphs
- usda.gov – Snow pack map
- noaa.gov - ENSO Alert System Status: El Niño Advisory, SST Anomaly map, and One-Month and Three-Month Outlook maps

District Manager: Mr. Freeman reported regarding:

- Washington State Water Resource Association meeting – March 20
- Employee of Quarter awarded to Customer Service Department
- Planned meetings in Washington DC including Subcommittee on Water, Oceans, and Wildlife and David Palumbo, USBR Deputy Commissioner
- KID's intent to call on storage if river levels did not meet demand noted in Water on letter
- Water off work progress
- Cultural review with USBR for main canal screen installation

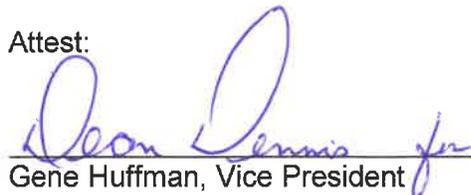
Mr. Freeman confirmed to Vice President Huffman that cultural review would be required regardless of completion of title transfer, as state law would prevail.

At Mr. Freeman's request, Ms. Rosebaum reported regarding work on appraisals for the potential property purchase.

WORKSHOP: None

Director McKenzie moved to adjourn at 11:29 a.m. Director Venkata seconded the motion. All present voted in favor and the motion carried.

Attest:


Gene Huffman, Vice President

Minutes Approved April 2, 2019

Witness:


Charles Freeman, Board Secretary

Prepared by Doris Rakowski