



Board of Directors Meeting
 Tuesday, July 2, 2019, 9:00 a.m.
 Carl W. Petersen Board Room
 2015 S. Ely St., Kennewick, WA 99337

President Dennis called the meeting to order at 9:02 a.m. and Mr. Freeman called roll.

Directors Present:

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

Staff Present:

Charles Freeman, District Manager
 Melissa Olheiser, Acting Comptroller/Treasurer
 Perla Gleed, Accounting Technician
 Jason McShane, Engineering/Operations Manager
 Seth Defoe, Land and Water Resources Manager
 Lori Gibson, Executive Assistant to Engineering
 Shelbea Voelker, Public Relations Coordinator
 Doris Rakowski, Executive Assistant

Other Persons Present:

John Crotty, Counsel

APPROVAL OF AGENDA: Mr. Freeman noted that an updated memo for consent agenda item, Travel Authorization - NWRA Western Water Seminar, was distributed, which asked for travel authorization for the Engineering/Operations Manager, in addition to the Public Relations Coordinator. He also asked to add action items for an Amended Final Plat – Apple Valley Ph. 3 – Wet and to Confirm Treasurer’s Declaration of Account Delinquencies from 2015.

Vice President Huffman moved to approve the agenda with the addition of Amended Final Plat – Apple Valley Ph. 3 – Wet and Confirm Treasurer’s Declaration of Account Delinquencies from 2015. Director Rathbun seconded the motion. The motion carried unanimously.

CONSENT AGENDA: Director McKenzie moved to approve the consent agenda as amended. Vice President Huffman seconded the motion. The motion carried unanimously.

Items approved on the consent agenda were:

1. Minutes, KID Board Meeting, June 18, 2019
2. Revised Travel Authorization - NWRA Western Water Seminar
3. Vouchers/Warrant Approval

Accounts Payable:

Numbers:

78987	through	79066	\$	175,762.66
79067	through	79067	\$	328.56
79068	through	79068	\$	243.95
79069	through	79069	\$	2,987.32
79070	through	79070	\$	7,589.58
79071	through	79075	\$	92,668.60
79076	through	79082	\$	2,391.15
Bank Drafts	FSA		\$	-
Bank Drafts	General		\$	-
Bank Drafts	AP		\$	78,952.92
Total Accounts Payable			\$	360,924.74

Payroll:

Numbers:

	34146	through	34147	\$	849.20	
Direct Deposit		6/20/2019		\$	115,625.97	
Total Payroll						\$ 116,475.17
Total Disbursements						\$ 477,399.91

Voided Checks: None.

PUBLIC COMMENTS: None

PRESENTATIONS:

Financial Statements - May 2019: Ms. Olheiser presented highlights of preliminary report pages including:

- Balance Sheet-Comparative-As of May 31, 2019 and 2018
- Statement of Revenues & Expenditures-Budget to Actual, Summary-Year to Date
- Statement of Revenues & Expenditures-Actual, Comparative – 5 Months Ended
- Grant & Matching Funds Schedule for the Period Ended May 31, 2019
- Fund Balance Change, as of May 31, 2019
- Cash Investment Report, as of May 31, 2019

Director Rathbun moved to accept the May 2019 financial statements. Director McKenzie seconded the motion. The motion carried unanimously.

PUBLIC HEARING: None

BOARD REPORTS: None

ACTION ITEMS:

Benton County Fire District #1 - Fire Protection Services Contract Update: Ms. Rosenbaum reported that neither KID nor Benton County Fire District #1 could locate a signed copy of the 1998 contract for Fire Protection Services. She said the proposed contract was unchanged from the existing agreement and KID legal counsel had reviewed the contract.

Discussion ensued. Mr. Freeman confirmed that costs from this contract would be from the general fund, not realty, in the future.

Director Rathbun moved to authorize Charles Freeman, District Manager to sign the updated Fire Protection Contract with Benton County Fire District #1. Director Venkata seconded the motion. The motion carried unanimously.

Interlocal Cooperative Project Agreement between Kennewick Irrigation District and City of Kennewick for the P1906 - W. 36th Avenue Sidewalk Project: Mr. Freeman presented the interlocal agreement requested by City of Kennewick to allow their contractor move KID's pipe during a sidewalk project. He said the City's engineer's estimate for the one-time agreement was \$10,966.43 plus change orders. Mr. Freeman said KID would be onsite.

In response to a question from Director Rathbun, Mr. Freeman spoke about quarterly meetings with the City, and working within the City's schedule on projects that impact KID facilities.

Mr. Freeman confirmed to Vice President Huffman that KID's inspector would be onsite and KID staff would be there to observe.

In response to Director Venkata's question, Mr. Freeman reviewed the project estimate and noted overhead was not included.

Director Venkata moved to approve the Interlocal Cooperative Agreement between Kennewick Irrigation District and City of Kennewick for the P1906 – W 36th Ave Sidewalk Project, and authorize Charles Freeman, District Manager, to execute said Agreement, as well as any applicable change orders. Director Rathbun seconded the motion. The motion carried unanimously.

Amended Final Plat – Apple Valley Ph. 3 – Wet: Mr. Freeman presented the minor change pertaining to slope easements requested by the City of Kennewick.

Vice President Huffman moved to approve the Amended Final Plat Apple Valley Ph. 3. Director Rathbun seconded the motion. The motion carried unanimously.

Confirm Treasurer's Declaration of Account Delinquencies from 2015: Ms. Olheiser presented the report regarding the four properties remaining under foreclosure.

Ms. Olheiser's authority to sign as Acting Comptroller/Treasurer was briefly discussed.

Mr. Crotty reviewed the Board's statutory roll, pursuant to RCW 87.06.030, to review properties under foreclosure and compare the delinquent amount with cost of foreclosure, to determine if it was in the District's best interest to proceed with each foreclosure.

Mr. Crotty said legal questions could be discussed in executive session and Director McKenzie said he had such questions. Director McKenzie asked to table action until after executive session.

Ms. Gleed reviewed each of the four cases, including the level of delinquency, property values and contact efforts.

President Dennis tabled further action until after executive session.

RESOLUTIONS:

Resolution 2019-16, Clearwater Creek Assessment: Mr. McShane spoke about the subdivision. He said KID assessments would be phased in for existing City of Richland customers, and other customers in the subdivision would be assessed KID rates directly.

Director Rathbun moved to approve Resolution 2019-16 approving Clearwater Creek Assessment. Vice President Huffman seconded the motion. The motion carried unanimously.

Mr. McShane said 2019 assessments would be due in full on October 31, 2019, and he confirmed that this had been communicated to customers twice to date, and would be noticed to them again.

Resolution 2019-22, Sole Source – Rubicon Battery Packs: Mr. McShane asked the Board to confirm the sole source purchase of additional spare battery packs, previously approved by the District Manager. He said these were proprietary batteries and sold only by Rubicon.

The need to for the Board to confirm the sole source purchase, and the shelf life of the batteries were discussed.

Vice President Huffman moved to approve Resolution 2019-22 Authorization to Waive Competitive Bidding and Award a Sole-Source Contract to Purchase Rubicon Battery Packs; pursuant to RCW 87.03.435(3)(c). Director McKenzie seconded the motion. The motion carried unanimously.

Resolution 2019-23, Sole Source – Battery for C3 Submersible Fluorometer: Mr. McShane asked the Board to confirm the sole source purchase of an additional spare battery pack, previously approved by the District Manager. He said Turner Designs was the sole manufacturer of the C3 Submersible Fluorometer and Parts.

Sole source purchasing and competitive bidding threshold requirements were discussed.

Director Rathbun moved to approve Resolution 2019-23, “Authorization to Waive Competitive Bidding and Award a Sole Source Contract to Purchase a Battery for a C3 Submersible Fluorometer from Turner Designs; pursuant to 87.03.435(3)(c). Director Venkata seconded the motion. The motion carried unanimously.

Resolution 2019-24, Authorization of Collection of Surcharges for PLA properties in the West 22nd Place Benefit Area: Mr. McShane spoke about the West 22nd Place benefit area, in relation to the Smithee short plat approved at the last meeting, and presented the resolution to authorize collection of surcharges for properties which connected to the new system.

In response to a question from Director Venkata, Mr. McShane spoke about the pipe size.

Director McKenzie moved to approve Resolution 2019-24, Authorization of Collection of Surcharges for PLA Properties in the West 22nd Place Benefit Area. Director Venkata seconded the motion. The motion carried unanimously.

STAFF REPORTS:

Finance Manager: Ms. Olheiser reported that Mr. Drummond was doing well, but his return date was not known. The date of the next Finance Committee meeting was discussed, but not set.

Engineering/Operations Manager: Mr. McShane reported regarding:

- Endothall treatment and vegetation management
- U. S. Bureau of Reclamation (USBR) diversion measurement accuracy issues
- Tribal and Fisheries groups request that KID participate in a Tribal sockeye study
- Highlift Canal vegetation management
- Rubicon gate installation plans
- Badger East activities for the previous Water Smart Grant and the time extension for the new Water Smart Grant
- Progress on geotechnical and electrical work for Chandler electrification, and planned kick off meeting with USBR
- Quarterly City of Kennewick meeting tomorrow

Land & Water Resources Manager: Mr. Defoe reported regarding:

- Reservoir storage levels, snowpack, and temperature and precipitation forecasts
- New prorationing number expected tomorrow

- Resignation of GIS Analyst/Developer. Mr. Defoe commended Jonathan Haller's contributions with GIS and cultural resource issues. Position to be reviewed, then posted.
- Meeting with Washington Department of Fish and Wildlife about facilitating escape for animals that enter canals
- SEPA comments on the Roza Irrigation District piping project were confirmed received
- Concerns about water put into State Trust and the USBR upholding their responsibility that KID come to no harm from conservation efforts

District Manager: Mr. Freeman reported regarding:

- New advertisement regarding the benefits of Chandler electrification

WORKSHOP: None

EXECUTIVE SESSION: At 10:10 a.m., on behalf of the presiding officer, Mr. Freeman announced that the Board would go into executive session to consider the minimum price at which real estate would be offered for sale or lease, pursuant to RCW 42.30.110(1)(c), to discuss with legal counsel matters relating to agency enforcement actions pursuant to 42.30.110(1)(i), and to discuss with legal counsel potential litigation, in the form of legal risks of a proposed action or current practice pursuant to RCW 42.30.110(1)(i)(iii), starting at 10:15 a.m., for approximately 40 minutes. He said open session action was expected following executive session.

At 10:51 a.m., executive session was extended for 30 minutes.

At 11:23 a.m., the meeting returned to open session.

OPEN SESSION:

Confirm Treasurer's Declaration of Account Delinquencies from 2015: Mr. Freeman briefly reviewed the properties with 2015 delinquencies. He recommended that the Board not foreclosure on the mow strip at 1349 Apple Cider Court, owned by the Apple Cider Court Homeowner Association, but freeze the account with the outstanding balance to be reviewed at a future date. He recommended that the Board authorize preparation of certificates of delinquency for the three delinquent residential properties, 1209 N. Arthur Street, 1907 W. 5th Street, and 2111 S. Rainer Street.

Director Rathbun moved to authorize the Treasurer to prepare the Certificates of Delinquency for three parcels out of the four that were presented, excluding the parcel at 1349 Apple Cider Court. Vice President Huffman seconded the motion. The motion carried unanimously.

At 11:25, there being no further action before the Board, **Vice President Huffman moved to adjourn. Director McKenzie seconded the motion. The motion carried unanimously.**

Attest:

Witness:



Dean Dennis, President
Minutes Approved July 16, 2019



Charles Freeman, Board Secretary

Prepared by Doris Rakowski