



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

Directors Present:

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

Staff Present:

Charles Freeman, District Manager
Kipp Drummond, Comptroller/Treasurer
Jason McShane, Engineering/Operations Manager
Seth Defoe, Land and Water Resources Manager
Melissa Olheiser, Accountant II
Lori Gibson, Executive Assistant
Doris Rakowski, Executive Assistant

Other Persons Present:

John Crotty, Legal Counsel
John Bezdek, Legal Counsel, by telephone in executive session

APPROVAL OF AGENDA: Director McKenzie moved to approve the agenda. Director Rathbun seconded the motion. The motion carried unanimously.

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

Items approved on the consent agenda were:

1. Minutes, KID Board Meeting, September 17, 2019
2. Minutes, KID Board Special Meeting, October 3, 2019
3. Travel Authorization - WSWRA Annual Meeting
4. Pre Plat Alteration - Southcliffe - Dry
5. John Moffett - Release of Easement Interest
6. Final Plat - Clearwater Creek Ph. 8 - Dry
7. Vouchers/Warrant Approval

Accounts Payable:

Numbers:

	79541	through	79545	\$	84,424.41
	79546	through	79546	\$	142.50
	79547	through	79547	\$	2,384.58
	79548	through	79548	\$	6,790.63
	79549	through	79549	\$	387.15
	79550	through	79621	\$	417,264.29
	79622	through	79622	\$	142.50
	79623	through	79626	\$	50,055.47
Bank Drafts	FSA			\$	645.42
Bank Drafts	General			\$	1,330.65
Bank Drafts	AP			\$	86,816.30
Total Accounts Payable				\$	650,383.90

Payroll:

Numbers:

	34155	through	34155	\$	137.43
Direct Deposit		10/4/2019		\$	128,699.76
Total Payroll					\$ 128,837.19
Total Disbursements					\$ 779,221.09

Voided Checks: Check # 78653 Void & Reissue

PUBLIC COMMENTS: None

PRESENTATIONS:

Financial Statements - September 2019: Mr. Drummond presented highlights of preliminary report pages including:

- Balance Sheet- As of September 30, 2019
- Balance Sheet-Comparative-As of September 30, 2019 and 2018
- Statement of Revenues & Expenditures-Budget to Actual, Summary-Year to Date
- Cash Investment Report, as of September 30, 2019

Vice President Huffman moved to accept the September 2019 financial statements. Director Venkata seconded the motion. The motion carried unanimously.

PUBLIC HEARING: None

BOARD REPORTS: None

ACTION ITEMS:

Request for Proposals - Award Video Production Contract: Mr. Freeman presented the request to award a contract to Sandbox La Boîte à Films, Inc. for video production. He described the firm and noted that they had a Washington State crew that would be assigned to KID.

Mr. Freeman spoke about the importance of telling KID's story and the timing of media buys. He briefly reviewed the RFP process including submissions and review. He said the bid was for \$17,625 for the initial video development, not including media buys.

President Dennis said the quality of Sandbox's submittal was clearly higher than other submittals.

Mr. Freeman discussed creating a committee to develop the commercial, and requested that up to two board members be assigned on an ad hoc basis.

Director Rathbun moved to award a contract to the Sandbox La Boîte à Films, Inc. and direct the District Manager and Legal Counsel to enter into negotiations for the terms and conditions of aforementioned contract. Vice President Huffman seconded the motion. The motion carried unanimously.

Approximate cost to run the commercial was briefly discussed.

Rescind Policy 2.17, Cellular Telephone Allowance: Mr. Freeman presented the recommendation to rescind the policy of compensating employees for using personal phones for District business, to encourage the use of District equipment for District business.

Control of data service expenditures was briefly discussed.

Vice President Huffman moved to rescind Policy 2.17, Cellular Telephone Allowance. Director Venkata seconded the motion. The motion carried unanimously.

Water Allotment Request List pursuant to Procedure 3.2-2A Irrigation Water Allocation: Mr. McShane presented the list of irrigation water allotment requests, pursuant to Policy 3.2-2 Water Allotment and Procedure 3.2-2A Irrigation Water Allotment Allocation.

Director Venkata moved to accept the Irrigation Water Allotment Request List dated October 15, 2019. Director Rathbun seconded the motion. The motion carried unanimously.

Mr. McShane said there were no water allotments available and said that staff would take a recommendation that the program be closed to the Operations and Engineering Committee.

RESOLUTIONS:

Resolution 2019-34, 2020 Budget: Mr. Freeman reviewed his annual budget letter which was distributed at the meeting. He reported that 1.88% growth rate was estimated. Recommended irrigation operating rates increases, which were consistent with the rate model, were 2.25% for tiers 1 to 4, 4% for tiers 5 to 8, 5% for tiers 9 and 10, and 2.25% for tier 11.

Mr. Drummond noted that details were on a spreadsheet distributed at the meeting.

Mr. Freeman said the budget was balanced, with approximately \$10 million from assessments, \$2,055,087 from fees, transfers, interest, and miscellaneous revenues, and estimated capital assessments over \$2.3 million.

Expenditure Assumptions included:

- 2% COLA based on 85% of the US Western Cities consumer pricing
- Medical and dental benefit increase of \$124,040
- State PERS increased of \$38,644
- 2.9% Benton PUD and 8% City of Richland electricity rate increases expected
- Liability insurance decreased \$102,919 and co-pay decreased, due to fewer claims
- \$60,000 budgeted for campus improvements
- Chandler Electrification expenses budgeted at \$45,000
- \$300,000 budgeted for legal services for district water rights and supply
- \$92,000 budgeted for remaining Title Transfer cultural review and outreach
- No additional FTEs (full time employees) were requested
- Customer Service/Public Relations now a separate budget from the Finance Department
- \$60,000 to be paid back to Realty Reserves for the KID office building

In response to a question from Vice President Huffman, Mr. Freeman said Title Transfer would not change liability for KID. Discussion ensued regarding the Title Transfer process.

In response to a question from Director Venkata, Mr. Drummond spoke about the meaning of "cash basis accounting perspective" and "on a cash flow basis".

Mr. Freeman said the 2020 Lorayne J potable system transfer was on track, and the Lorayne J reserve balance would apply to cost of the new system and reduce the size of loan needed.

Director Rathbun moved to approve Resolution 2019-34, 2020 Budget Adoption. Vice President Huffman seconded the motion. The motion carried unanimously.

STAFF REPORTS:

Finance Manager: Mr. Drummond reported regarding:

- State audit of 2018 scheduled for November
- Clearwater Estate billing

Vice President Huffman reported a comment from a rate payer who was happy about the pump upgrade and with how well Teresa Horrocks explained the matter to him.

Engineering/Operations Manager: Mr. McShane reported regarding:

- Winterization and efforts to improve drainage of the pump system
- Kennedy Road patching
- Amon preserve crossing
- Finley property
- Cultural review for lining
- Surveyor position filled
- Openings for Staff Engineer and multiple Water Off Seasonal Employees
- Presentation to Washington State Department of Ecology all staff meeting

EXECUTIVE SESSION: At 9:58 a.m., on behalf of the presiding officer, Mr. Freeman announced that the Board would go into executive session for approximately 30 minutes starting at 10:00 a.m. and that staff reports would continue in open session following executive session. He announced that the purposes of the executive session were 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), and to discuss with legal counsel representing the agency potential litigation, in the form of litigation or legal risks of a proposed action or current practice that the agency has identified when public discussion of the litigation or legal risks is likely to result in an adverse legal or financial consequence to the agency pursuant to RCW 42.30.110(1)(i)(iii).

At 10:28 a.m., executive session was extended for ten minutes.

OPEN SESSION: At 10:38 a.m., the meeting returned to open session.

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, Final El Niño Advisory, and One-Month and Three-Month Outlook maps

Mr. Defoe reported regarding:

- Meeting with Amon Wasteway stake holders pursuant to memorandum of understanding
- WSWRA meeting – October 16
- GIS Analyst/Developer recruitment

District Manager Mr. Freeman reported regarding:

- Public Relations Coordinator recruitment
- Finley property lease
- Scout Energy proposal response
- Realty department activities

- Irrigation district elections workgroup
- K-Club food drive

WORKSHOP: None

There being no further business, President Dennis called for a motion to adjourn.

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

Attest:

Witness:



Dean Dennis, President
Minutes Approved November 5, 2019



Charles Freeman, Board Secretary

Prepared by Doris Rakowski