



**Minutes**

President Rathbun called the meeting to order at 9:00 a.m. and Mr. Freeman called roll. Due to the COVID-19 office closure, all participants were present remotely via the Zoom platform.

**Directors:**

Kirk Rathbun, President  
David McKenzie, Vice President  
Gene Huffman  
Arland Ward

**Staff Present:**

Charles Freeman, District Manager  
Jason McShane, Engineering/Operations Manager  
Seth Defoe, Land and Water Resources Manager  
Kipp Drummond, Comptroller/Treasurer  
Matt Berglund, Public Relations Coordinator  
Lori Gibson, Executive Assistant to Engineering  
Melissa Olheiser, Accounting Supervisor  
Lynda Rosenbaum, Real Property Manager  
Ben Woodard, Assistant Engineering/Ops Manager  
Doris Rakowski, Executive Assistant

**Other Persons Present:**

John Crotty, Western Legal  
One member of the public

**APPROVAL OF AGENDA:** The revised agenda distributed prior to the meeting was displayed.

**Director Huffman moved to approve the agenda. Director Ward seconded the motion. All present voted in favor and the motion carried.**

**CONSENT AGENDA: Vice President McKenzie moved to approve the consent agenda. Director Ward seconded the motion. All present voted in favor. The motion carried.**

Items on the consent agenda were:

1. Minutes, KID Board Meeting, October 20, 2020
2. Site Plan 2020-108: 4880 Rau Ln – Dry
3. Binding Site Plan 20-05: 7960 W 10th Ave – Wet
4. Final Plat – Southridge Phase 6
5. Vouchers/Warrant Approval

**Accounts Payable:**

Numbers:

81381	through	81382	\$	142,256.24
81383	through	81383	\$	749.17
81384	through	81384	\$	142.50
81385	through	81389	\$	92,796.72
81390	through	81446	\$	190,409.76
Bank Drafts	FSA		\$	-
Bank Drafts	General		\$	-
Bank Drafts	AP		\$	92,615.69
<b>Total Accounts Payable</b>			<b>\$</b>	<b>518,970.08</b>

**Payroll:**

Numbers:

	-	through	-	\$	-	
Direct Deposit		10/20/2020		\$	136,545.84	
<b>Total Payroll</b>						<b>\$ 136,545.84</b>
<b>Total Disbursements</b>						<b>\$ 655,515.92</b>

**Voided Checks: None**

**PRESENTATIONS:**

**Financial Reports, September 2020:** Mr. Drummond presented highlights of displayed report pages including:

- Balance Sheet, as of September 30, 2020
- Statement of Revenues & Expenditures - Budget to Actual, Period ending Sept. 30, 2020
- Fund Balance, as of September 30, 2020
- Cash Investment Report, as of September 30, 2020

**Director Huffman moved to approve the September 2020 Financial Reports. Director Ward seconded the motion. All present voted in favor and the motion carried.**

**PUBLIC HEARING:** None

**BOARD REPORTS:** None

**ACTION ITEMS:**

**2021 Roll of Rates, Charges and Assessment and Notice of Equalization:** Mr. McShane presented the Roll of Rates and Charges and Assessments for 2021 to the Board, and reported that the board of equalization would be held on December 1st this year. Dates and locations for posting the required legal notice were discussed.

Mr. Crotty spoke about revising the notice to make clear how people could inspect the Roll of Rates and Charges and Assessments, and participate in the remote meeting at which the board of equalization would be held due to COVID-19 concerns.

The need to make appointments to examine the Roll, due to COVID restrictions, and managing the Zoom meeting to allow possible continuances were discussed.

**President Rathbun moved to give notice by publication of legal notices in the Prosser Bulletin on November 11, 2020 and in the Tri-City Herald on November 8, 2020 that the 2021 Roll of Rates, Charges and Assessments has been filed with the KID Board of Directors and that the Board of Directors, acting as a board of equalization, will meet on December 1, 2020 at 9:00 a.m. to equalize rates and charges and assessments. Director Huffman seconded the motion. All present voted in favor and the motion carried.**

**Election 2020 – Candidates:** Mr. McShane displayed a copy of the meeting memo as revised after the statutory deadline for candidate submissions. He reported that the candidates for Position 3, in order received, were David McKenzie and John Trumbo. The election would be held on December 8<sup>th</sup> and the required notices would be placed on November 23<sup>rd</sup>. No board action was required.

It was noted that the memo was updated on November 2<sup>nd</sup>, not November 3<sup>rd</sup>, as incorrectly stated in the memo.

**Southridge Phase 6 Irrigation Upsizing:** Mr. McShane displayed a map and spoke about the Southridge master plan, the pipeline design, and needed upsizing of pipe. The costs to upsize the pipeline would be paid by KID. He said this was consistent with KID actions over the last ten years.

In response to a question from President Rathbun, Mr. McShane spoke further about the upsizing beyond the requirement for mitigation of the impact of the developer's subdivision. The SEPA process was briefly discussed.

**Director Ward moved to approve \$92,468.09 plus tax to be used for upsizing pipe in the Southridge Development Subdivision from the Capital Upgrade and Improvement Fund. Vice President McKenzie seconded the motion. All present voted in favor and the motion carried.**

**Amendment No. 1 to Red Mountain Receivables Agreement with Department of Ecology:** Mr. Freeman presented the amendment to modify the existing agreement on the repayment schedule. He noted Mr. McShane's work authoring the amendment.

Mr. McShane spoke about the Red Mountain project and the loan of capital funds, which project participants would repay. He noted that 50% of the repayment was to be kept by KID for District projects related to the Ecology's office of the Columbia River's mission, such as canal lining. He reported that due to staff change, repayments to KID for two projects had been missed. This amendment would recover this by reducing payback by \$956,624. Additionally, KID would receive payment first until KID's resources were recovered.

The purpose of the amendment and the repayment schedule were reviewed. The repayment table, which included no payment until June 2021, then \$100,000 twice yearly until 2040, was displayed and discussed.

**Director Huffman moved to approve Amendment No. 1 to the Receivables Agreement between the State of Washington Department of Ecology and Kennewick Irrigation District, and authorize Kirk Rathbun, KID Board President, to execute the document. Director Ward seconded the motion. All present voted in favor and the motion carried.**

**RESOLUTIONS:**

**Resolution 2020-35 Sole Source Purchase – Rubicon Gates:** Mr. McShane presented the proposed sole source purchase for an additional temporary check station and gate frame, and a slip meter which would be repurposed after the initial use. The expected cost was under \$50,000.

**Director Ward to approve Resolution 2020-35 Authorization to Waive Competitive Bidding and Award a Contract to Purchase a Rubicon Automated Control and Metering Gate and frame Pursuant to RCW 87.03.435(3)(c), and authorize Charles Freeman, District Manager, to execute the contract, and to approve funding the purchase from the Capital Fund in an amount not to exceed \$50,000. Vice President McKenzie seconded the motion. All present voted in favor and the motion carried.**

**STAFF REPORTS:**

**Finance Manager:** Mr. Drummond reported regarding the annual audit and the upcoming board of equalization.

**Engineering/Operations Manager:** Mr. McShane provided updates regarding capital projects work, including lining.

Director Huffman thanked staff for bringing water to KID's Finley property so it could be leased.

President Rathbun thanked the field crew for their work through the water year under difficult conditions with the COVID pandemic.

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

- Reservoir storage (as reported by usbr.gov Yakima River Five Reservoir Diagram, and Water Year Graph)
- La Niña Advisory (as reported by noaa.gov ENSO Diagnostic Discussion)
- One-month and three-month temperature and precipitation outlook (as reported by noaa.gov Climate Prediction Center)
- Title transfer memorandum of agreement status
- Canal lining SEPA (State Environmental Policy Act) publication
- Title transfer SEPA
- River Operations meeting – November 4<sup>th</sup>
- Biweekly Title Transfer call – November 5<sup>th</sup>
- Lower River Leadership Group meeting – November 6<sup>th</sup>
- National Water Resources Association annual conference to be online
- YRBWEP (Yakima River Basin Water Enhancement Project) YBIP (Yakima Basin Integrated Plan) Strategic Planning Workshop, to include the Lower River Workgroup – November 12<sup>th</sup>

**District Manager:** Mr. Freeman reported regarding:

- 2020 water year
- Water off all staff event via Zoom
- Annual service awards ceremony via Zoom
- Title Transfer

**WORKSHOP:** None

**EXECUTIVE SESSION:** At 9:59 a.m., Mr. Freeman announced on behalf of the presiding officer, that the Board would go into executive session following a 5 minute break, to consider the minimum price at which real estate will be offered for sale or lease, pursuant to RCW 42.30.110(1)(c), and to discuss with legal counsel potential litigation, in the form of litigation or legal risks of a proposed action or current practice pursuant to RCW 42.30.110(1)(i)(iii), for approximately 30 minutes, unless executive session was extended. Open session action was possible and expected after executive session.

Mr. McShane said public attendees would be returned to the waiting room and would be readmitted when open session resumed.

At 10:35 a.m., executive session was extended for 10 minutes.

**OPEN SESSION:** At 10:45 a.m., the meeting resumed in open session. President Rathbun called for a motion to revise the agenda to include lease of the KID Finley property.

**Director Huffman moved to amend the agenda to include consideration of Lease of the KID Finley Property. Director Ward seconded the motion. All present voted in favor and the motion carried.**

**Lease of the KID Finley Property:** Ms. Rosenbaum reviewed past actions associated with KID's approximately 315 acres of agricultural land in the Finley area, including 2014 plans for assign a water allocation to the property, a dryland grazing lease that ended in 2016, the 2017 resolution to approve leasing the land by auction, and the unsuccessful auction that followed. She spoke about Resolution 2018-04 to include lease negotiation as an option, and reported that after advertising, KID entered into negotiations for a farm lease with Morrell Farms, LLC, and legal counsel for both parties.

Ms. Rosenbaum reviewed terms of the proposed negotiated lease, including:

- Early access for lessee to begin ground-breaking and pivot installation
- Lessee responsible for all operating costs associated with lease including, improvements, utilities and lease hold taxes
- 15-year term of lease, commencing January 1, 2021, terminating December 31, 2036

Ms. Rosenbaum reported that the 15-Year Lease income would be approximately \$1,356,095.

**Director Ward moved to approve the Lease Agreement with Morrell Farms, LLC and authorize the Board President and District Manager as signature authorities to execute the Lease Agreement with all terms and conditions contained therein. Vice President McKenzie seconded the motion. All present voted in favor and the motion carried.**

**At 10:55 a.m., Vice President McKenzie moved to adjourn. Director Ward seconded the motion. All present voted in favor and the motion carried.**

Attest:

Witness:



Kirk Rathbun, President  
Minutes approved December 1, 2020



Charles Freeman, Board Secretary

Prepared by Doris Rakowski