



**Minutes**

President Huffman called the meeting to order at 9:05 a.m. and Mr. Freeman called roll. Due to the COVID-19 office closure, participants were present remotely via the Zoom platform.

**Directors:**

Gene Huffman, President  
Kirk Rathbun, Vice President  
David McKenzie  
Dean Dennis  
Arland Ward (joined in progress)

**Staff Present:**

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

**Other Persons Present:**

John Crotty, Western Legal  
6 members of the public

**Director McKenzie moved to excuse Director Ward. Vice President Rathbun seconded the motion. All present voted in favor and the motion carried.**

**APPROVAL OF AGENDA: Director Dennis moved to approve the agenda. Director McKenzie seconded the motion. All present voted in favor and the motion carried.**

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

Items on the consent agenda were:

1. Minutes, KID Board Meeting, February 2, 2021
2. Pre-Plat: Ridgeline Estates
3. Pre-Plat: Walnut Heights
4. Vouchers/Warrant Approval

**Accounts Payable:**

Numbers:

	81861	through	81861	\$	4,883.91
	81862	through	81918	\$	110,942.43
Bank Drafts	FSA			\$	201.97
Bank Drafts	General			\$	527.29
Bank Drafts	AP			\$	102,570.56
<b>Total Accounts Payable</b>				<b>\$</b>	<b>219,126.16</b>

**Payroll:**

Numbers:

	34351	through	34354	\$	1,807.56
Direct Deposit		2/5/2021		\$	137,994.46
<b>Total Payroll</b>				<b>\$</b>	<b>139,802.02</b>

**Voided Checks:**

None	\$	-
Total VOID	\$	-
Total Disbursements	\$	<u>358,928.18</u>

**PUBLIC COMMENTS:**

**Dan Martini**, 3001 Bruce Lee Lane, addressed the Board about his disagreement with the recent letter to Lorayne J residents. He objected to:

- Repayment of the 20-year Department of Health loan functionally changing the area's loan to a 10-year loan and doubling the payment
- \$1,200 penalty for the 10-year payment option
- Repayment in full at the time a property changed hands

Mr. Martini said the assessment should stay with the property upon transfer, and suggested a 20-year payment option to match the 10-year option. He also asked about the amount of the loan and how much of the reserve account was applied to the loan.

Mr. Freeman said staff would call Mr. Martini with explanations.

**PRESENTATIONS:**

**Records Retention Training:** Mr. Freeman introduced the records retention training and Mr. Crotty spoke briefly about use of KID devices for district business. Due to technical difficulties, the training video did not play correctly and training was postponed until the March 2<sup>nd</sup> meeting.

**Financial Reports, January 2021:** Mr. Drummond presented highlights of report pages including:

- Balance Sheet, as of January 31, 2021
- Statement of Revenues & Expenditures - Budget to Actual, Period ending Jan. 31, 2021
- Fund Balance, as of January 31, 2021

**Vice President Rathbun moved to accept the Financial reports for January 2021. Director McKenzie seconded the motion. All present voted in favor and the motion carried.**

**PUBLIC HEARING:** None

**BOARD REPORTS:** None

**ACTION ITEMS:** None

**RESOLUTIONS:**

**Resolution 2021-02, Authorization for Collection of Surcharges for Lorayne J Potable Water System Service Area; and Resolution 2021-04, Authorization for a Draw from the Banner Bank Loan for the Lorayne J Project:** Mr. Freeman briefly reviewed Lorayne J system history including:

- Need for potable water from City of Richland emergency intertie since October 2015
- 2019 annexation by City of Richland
- Determination to consolidate Lorayne J with City of Richland's potable water system
- City of Richland's receipt of a \$1,842,130 Department of Health 50% forgivable loan for construction of a new potable water system for the Lorayne J area

- 2019 Interlocal Cooperation Agreement for Transfer of the Lorayne J Water System and Service Area to the City of Richland.

Mr. Freeman said the entire loan amount was expected to be expended for construction of the potable system and improvements. The Lorayne J Potable Operations Fund balance of \$353,113.10 was applied toward construction costs. The \$567,951.90 balance, paid by KID, would be recovered through a surcharge to each Lorayne J system area property.

The three methods described in proposed Resolution 2021-02 for repayment of the surcharge were discussed. It was noted that these were similar to surcharge arrangements for other areas.

Mr. McShane spoke about the benefits of the deferment option, payment in full at the time property changed hands, and the pay-in-full discount.

Vice President Rathbun thanked Mr. Martini and staff for their comments. He said the offered options were good, and that he would not be in favor of a longer term. He spoke about the importance of getting district funds back into circulation for the benefit of the District as a whole.

President Huffman said it was important to have terms consistent with other projects.

**Vice President Rathbun moved to approve Resolution 2021-02, Authorization of Collection of Surcharges for Lorayne J Potable Water System Service Area, and to approve Resolution 2021-04, Authorization for a draw from the Banner Bank Loan for the Lorayne J Project. Director McKenzie seconded the motion. All present voted in favor and the motion carried.**

**Resolution 2021-08, Sole Source – Used Equipment:** Mr. McShane displayed materials supporting purchase of a used 2013 Kenworth T800W truck with a used 2017 SmithCo side dump trailer. He presented business need and sole source justification including:

- Purchase would off-set anticipated rental or contracted costs of comparable equipment
- Unit condition, wear, and accessories
- Availability of this used equipment was a special market condition in which purchase price would be best established through direct negotiations

President Huffman noted the side dump trailer dumped on both sides. He said this was a good value in his opinion.

Mr. McShane spoke about the Iron Horse Equipment company and the previous driver.

**Director McKenzie moved to approve Resolution 2021-08, Authorization to Waive Competitive Bidding and Award a Sole Source Contract to Purchase a Used 2013 Kenworth T800W Truck with a Used 2017 SmithCo Side Dump Trailer from Iron Horse Equipment; Pursuant to 87.03.435(3)(c), with funds for this purchase to come from the Equipment Replacement Reserve Fund. Vice President Rathbun seconded the motion. All present voted in favor and the motion carried.**

**Resolution 2021-09, On Demand Delivery:** Mr. McShane displayed the proposed resolution. He spoke about canal design characteristics and function. He said canal lining and enlargement improved storage and ability to move water rapidly, so more customers could be served on demand.

Mr. McShane said KID policy had not allowed new on demand systems since November 2009, but on demand delivery was now feasible in limited circumstances and would be more efficient. He recommended offering on demand service in four locations, which he displayed on a map. Mr. McShane reviewed details of the proposed resolution and spoke about implementation. He also noted that these property owners had requested the change to on demand service.

Mr. McShane said the storage component charge for Equivalent Irrigation Units (EIU), was consistent with the Southridge and Clodfelter Master Plans. He said farms used water on a rotational basis, not peak flow as in residential areas. He reviewed the proposed calculation to account for this difference in assignment of EIUs for the surcharge calculation. He said the surcharge would be a one-time payment, required for connection to on demand service.

In response to Vice President Rathbun, Mr. McShane confirmed the surcharge would be in lieu to building a new pond, where moving a pond was required due to canal lining. Mr. McShane spoke about which costs would be paid by KID and the customers.

Mr. McShane agreed with President Huffman that KID's canal would become the storage facility.

Discussion ensued regarding the desirability of on demand service and use of auxiliary ponds on some farms with on demand service.

**Vice President Rathbun moved to approve Resolution 2021-09, Authorization for Collection of Surcharges for Properties in the MC 10.2-1, MC 11.0-1, MC 11.3-1, and MC 11.9-1 Service Areas with proceeds of the surcharge to be reimbursed to the Central Storage Reservoir Development Fund. President Huffman seconded the motion. All present voted in favor and the motion carried.**

#### **STAFF REPORTS:**

**Finance Manager:** Mr. Drummond reported briefly regarding:

- Assessment billing progress
- Local Government Investment Pool (LGIP)

Director Ward joined the meeting.

**Engineering/Operations Manager:** Mr. McShane reported regarding:

- Impact of snow on Operations activities and preparations for melt
- Canal lining plans
- Construction activities
- February 24<sup>th</sup> special meeting preparations
- Yakima Basin Integrated Plan meeting outburst by other district's manager and KID's response
- Yakima Basin Integrated Plan meeting discussions

**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 – La Niña Advisory status, Three-Month Outlook maps, and Precipitation and Temperature graphs for the water year and the calendar year
- nracs.usda.gov – Snow water equivalent map

Mr. Defoe also reported regarding:

- MOA progress - USBR Tribes SHPO

- IT, GIS, and Realty activities

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

- Special meeting preparations next Wednesday at 9
- Monitoring Snake River dam removal legislative proposal
- Virtual All staff meeting plan
- WSWRA legislative meeting – substitute irrigation district elections bill

Mr. Berglund reported regarding:

- Planning canal safety presentation for Columbia Basin Dive and Rescue
- Trash Pick Up Day – March 3<sup>rd</sup>, 9:00 to 11:00 a.m.
- Polar Plunge fund raiser for Special Olympics
- Minute Man Press newsletter – Canal safety ad

Dan Martinez requested an email from Mr. Drummond regarding the loan payment to City of Richland and the transfer. Mr. Freeman said the resolution, which included the requested information would be emailed and that staff would follow up with a phone call.

**WORKSHOP:** None

**EXECUTIVE SESSION:** None

**Vice President Rathbun moved to adjourn at 10:56 a.m. Director McKenzie seconded the motion. The motion carried unanimously.**

Attest:

Witness:



Gene Huffman, Board President  
Minutes Approved March 2, 2021



Charles Freeman, Board Secretary

Prepared by Doris Rakowski