



Minutes

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

Directors:

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

Staff Present:

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

Other Persons Present:

Rich Romm, HUB International
 John Crotty, Western Legal
 One member of the public

APPROVAL OF AGENDA: Director Dennis moved to approve the agenda. Director Ward seconded. The motion carried.

CONSENT AGENDA: Director McKenzie moved to approve the consent agenda. Director Dennis seconded. The motion carried.

Items on the consent agenda were:

1. PVA 21-05 - Village at Southridge - Southridge Village LLC
2. PVA 21-06 - Southcliffe Ph 8 Preliminary Plat Alteration – Bauder
3. FP 21-08 - Apple Valley Phase 5B - Tri Cities Dev Co LLC
4. SP 21-08 – 1101 W 2nd Ave – Mercer
5. Travel Authorization – Title Transfer and Private Financing of Capital Projects Workshop
6. Vouchers/Warrant Approval

Accounts Payable:

Numbers:

83038	through	83039	\$	2,588.70
83040	through	83044	\$	88,174.13
83045	through	83099	\$	166,398.70
Bank Drafts	FSA		\$	935.40
Bank Drafts	General		\$	940.42
Bank Drafts	AP		\$	1,603,227.53
Total Accounts Payable			\$	1,862,264.88

Payroll:

Numbers:

	through	\$	-
Direct Deposit	10/20/2021	\$	144,941.22
Total Payroll		\$	144,941.22

Voided Checks:

None		\$	-
Total VOID		\$	-
Total Disbursements		\$	2,007,206.10

PUBLIC COMMENTS: None

PRESENTATIONS: None

PUBLIC HEARING: None

BOARD REPORTS: None

ACTION ITEMS:

Liability Insurance: Mr. Freeman introduced Rich Romm of HUB International.

Mr. Freeman reported that a notice of intent to leave was provided to CIAW last year to give the district the option to change insurance carriers if desired. He spoke briefly about claim history, claims management, and differences between CIAW and Water Plus.

Mr. Romm spoke about factors to compare in choosing between CIAW/Clear Risk and Water Plus, including:

- Customer pool and board constitution
- Provider-customer relationship
- Claims management
- On-site service or lack thereof
- Deductibles and coverage limits
- Insurance industry environment
- Rates

Mr. Romm suggested the option of renewal with CIAW/Clear Risk and submittal of another intent to withdraw letter to keep options open at the next renewal. He said that another year of good performance would strengthen the district's negotiation position next year.

Discussion of the selection factors ensued. It was noted that additional expense and KID staff time would be needed for claims management if Water Plus were selected.

Mr. Freeman spoke about staff training, and KID's improved claims history and control of water.

Mr. McShane spoke about Clear Risk's advice and pre-litigation program.

KID's unique characteristics and CIAW's offer were further discussed.

Vice President Rathbun moved to authorize the District Manager to submit a notice of our intent to terminate with Clear Risk/CIAW consistent with the requirements of the pool and renew for another year with CIAW. Director Ward seconded. The motion carried.

Election 2021 – Candidates: Mr. Freeman reviewed the nomination process and reported that the nominations received by the statutory deadline were Dean Dennis and Griffin Hanberg for Position 2 (in the order received) and Gene Huffman for Position 5. He said that since President Huffman was unopposed for Position 5, the board should declared him elected pursuant to RCW 87.03.075.

Director Dennis and Griffin Hanberg would be on the ballot for the election to be held December 14th from 1:00 p.m. to 8:00 p.m. The election notice would be posted on November 29th as required.

Mr. Freeman spoke briefly about absentee voting.

President Huffman recused himself from voting on his reelection. Vice President Rathbun called for a motion.

Director McKenzie moved to declare Gene Huffman elected to Director Position 5. Director Dennis seconded. The motion carried.

Mr. Freeman noted that a tent was ordered for an outdoor polling place, as was done last year.

2022 Roll of Rates, Charges and Assessment and Notice of Equalization: Mr. Freeman presented the Roll of Rates, Charges and Assessments to the Board. He noted that the board of equalization was being held by Zoom meeting due to the office closure. He reviewed the legal notices which had been placed pursuant to statute. He said the roll included 25,452 accounts and over \$13.8 million in revenue.

Mr. McShane noted that the printed roll would be held in his office due to Mr. Freeman's remote work status and said electronic copies could be provided upon request.

Vice President Rathbun moved to give notice by publication of legal notices in the Prosser Bulletin on November 10, 2021, and in the Tri-City Herald on November 7 and 14, 2021, that the 2022 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 at 9:00 a.m. on December 7, 2021, to equalize rates and charges and assessments. Director Ward seconded. The motion carried.

Confirm Environmental Consultant Contract - Grette Associates LLC: Mr. Defoe spoke regarding a lack of KID expertise for scientific analysis of the lower river in house and stated that KID depends on scientific input about impacts of potential action within the Yakima River basin, specifically the lower river on things like river flows and its impact to both instream and out of stream uses.

Mr. Defoe spoke about the expertise which Grette Associates would apply to lower Yakima River issues. He recommended they be engaged to help with Integrated Plan issues and KID-planned projects. He said \$30,000 was budgeted for 2022 and about \$5,000 for 2021.

Mr. Freeman noted that he had already signed the contract but brought it to the Board as it was expected to become a long-term relationship. He said money previously spent on YBJB dues could be redirected to this contract to protect KID interests. He spoke about KID's experience with Grette Associates to date.

President Huffman spoke about importance to lower river interests, and discussion followed. Importance of making decisions based on real science, not political science, was discussed.

In response to a question from Vice President Rathbun, Mr. McShane spoke about the System Operations Advisory Committee (SOAC) and releases of water, flow modeling, skimming rules, and the importance of having the best information and interpretive data. He said that while KID asked to be involved, they were told that these were internal fisheries discussions. He noted that the Tribes and the Yakima Basin Joint Board were involved. He said Grette Associates would bring credibility to KID's involvement. Winter water storage and skimming, and the need for skimming rules for NEPA (National Environmental Policy Act) completion were discussed.

Mr. McShane spoke about the K-DRRP water supply flow framing process on-going.

The November 1st meeting of the Water Supply Technical Work Group was discussed. KID asked if looked at climate change data and what it meant regarding flood potential. Staff said the USBR Boise RiverWare modeling group was working hard but had not added to their team.

Director McKenzie moved to affirm the contract for environmental and fisheries biology consulting services between KID and Grette Associates, LLC. Vice President Rathbun seconded. The motion carried.

Irrigation Upsizing through Apple Valley Phases 5A, 5B, and 6A: Mr. McShane presented information KID's latest proposed pipeline upsizing in the Southridge area. He displayed a map showing the location of the recommended change and spoke about the flow through the upper pressure zone which would supply pressurized service to the west area of the subdivision.

Location and capacity of the pipes was discussed.

Vice President Rathbun moved to approve \$93,731.95 plus tax to be used for upsizing pipe in Apple Valley Phases 5A, 5B, and 6A from the Capital Upgrade and Improvement Fund. Director Ward seconded. The motion carried.

RESOLUTIONS:

Resolution 2021-45, Approving the Sale for Vista Field, Phase IV: Ms. Rosenbaum presented terms of the negotiated agreement, including price, interest, and extensions. She reported that the sale had closed on September 27th and asked the board to memorialize sale.

Director McKenzie moved to approve Resolution 2021-45, approving the sale of KID #1041A Vista Field, Phase IV, Lot 1 to Summer's Hub, LLP, for a total purchase price of \$1,327,271.00. Vice President Rathbun seconded. The motion carried.

Resolution 2021-46, WaterSMART Grants: Water and Energy Efficiency Grants for Fiscal Year 2022 and Funding Opportunity No. R22AS00023: Mr. McShane spoke about the grant application, increased production capability, and in-kind equipment matching funds.

Mr. McShane displayed maps of area of the Main Canal to be lined (from mile post 4.9 to 8.7). The canal design at the lining location and adjacent areas was discussed.

Out of pocket expenses, including in kind equipment and labor, were discussed.

Vice President Rathbun moved to approve Resolution 2021-46 and appoint Charles Freeman as authorized representative and signature authority in matters relating to the WaterSMART Grants: Water and Energy Efficiency Grants for Fiscal Year 2022 and Funding Opportunity R22AS00023. Director Ward seconded. The motion carried.

President Huffman called a five-minute break at 10:27 a.m. The meeting resumed in open session at 10:32 a.m.

STAFF REPORTS:

Finance Manager: Mr. Drummond reported regarding:

- Collection of 2021 Assessments
- 2020 Audit by the state auditors

Engineering/Operations Manager: Mr. McShane extended greetings from former Director Raman Venkata.

He reported regarding:

- Water shutdown, draining, and winterization
- Water ponding winter storage activities
- Maintenance and off-season program
- Red Mountain demolition to prepare for Amiad filter installation
- Skimming rules and evaluation of integrated plan storage projects
- Preparation of bridge-to-bridge area for canal reconstruction
- Meetings in Washington DC

In response to questions about lining availability, price, and whether more material should be purchased, Mr. McShane spoke about the recently approved purchase contract terms. He said it might be better to put it out to bid again and spoke about possible concerns about product availability.

Alternative lining products were discussed. Mr. McShane said only one manufacturer produced MicroSpike HDPE and distributed it through several vendors. He said he was not comfortable recommending products without MicroSpikes due to safety concerns.

Vice President Rathbun moved to amend the agenda to add an action on additional purchase of lining material. Director McKenzie seconded. The motion carried.

Vice President Rathbun moved to approve an increase of 25% to Purchase Contract 2021-69 to Northwest Linings in the amount of 24 additional rolls. Director McKenzie seconded. The motion carried.

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

- Water supply storage 120.5% of average
- La Niña advisory conditions
- NOAA winter outlook released; wetter and cooler than average
- Purchaser termination of the August 17th sale of Kennewick Industrial Park Lot 2
- Central Storage early scoping and EIS activities

District Manager: Mr. Freeman reported regarding:

- Camille Touton's nomination approved out of committee
- November 18th awards event from 11:30 a.m. to 1:00 p.m.
- Larry Martin emailed stating WSWRA not to continue Mr. Myrum's service next year
- NWRA annual meeting next week

WORKSHOP: None

EXECUTIVE SESSION: At 11:03 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 will be offered for sale or lease, pursuant to RCW 42.30.110(1)(c), 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, pursuant to RCW 42.30.110(1)(i)(iii), for approximately 15 minutes from 11:05 a.m. until 11:20 a.m. unless extended. Action was possible in open session following executive session.

The member of the public was moved to the Zoom waiting room.

At 11:20 a.m., executive session was extended for 10 minutes.

OPEN SESSION: At 11:30 a.m., the meeting resumed in open session and the member of the public was readmitted to the meeting.

There being no further action, President Huffman called for a motion to adjourn.

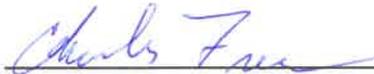
Director Dennis moved to adjourn. Director Ward seconded. The motion carried.

Attest:

Witness:



Gene Huffman, Board President
Minutes Approved December 20, 2021



Charles Freeman, Board Secretary

Prepared by Doris Rakowski