



Minutes

President Huffman called the meeting to order at 9:02 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
Jason McShane, Engineering/Operations Manager
Seth Defoe, Land and Water Resources Manager
Kipp Drummond, Comptroller/Treasurer
Melissa Olheiser, Accounting Supervisor
Lynda Rosenbaum, Real Property Manager
Matt Berglund, Public Relations Coordinator
Lori Gibson, Executive Assistant to Engineering
Doris Rakowski, Executive Assistant

Other Persons Present:

John Crotty, Western Legal
Four members of the public

APPROVAL OF AGENDA: Director Dennis moved to approve the agenda. Director McKenzie 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. Travel Authorization – Government to Government Meet and Greet with CTUIR
2. Vouchers/Warrant Approval

<u>Accounts Payable:</u>				
Numbers:				
	83152	through	83234	\$ 686,410.27
	83235	through	83239	\$ 85,762.37
Bank Drafts	FSA			\$ 825.43
Bank Drafts	General			\$ 1,480.35
Bank Drafts	AP			\$ 180,561.47
Total Accounts Payable				\$ 955,039.89
<u>Payroll:</u>				
Numbers:				
		through		\$ -
Direct Deposit		11/20 & 11/22		\$ 145,768.26
Total Payroll				\$ 145,768.26
<u>Voided Checks:</u>				
	None			\$ -
Total VOID				\$ -
Total Disbursements				\$ 1,100,808.15

PUBLIC COMMENTS:

Patrick McGuire, 47909 E Badger Road, addressed the Board regarding his interest in a direct feed from the main canal for the next irrigation season. He also asked when he would be credited for the amount he was required to pay in advance for the short plat process. He noted that when he sold property this was not identified to the title company.

Mr. McShane spoke about three direct connections that had been made as part of a pilot program on the mail canal. He said staff could recommend additional direct connections after canal lining. Potential impacts to the system would have to be evaluated and analyzed, and conditions would come from the Board, so no answer was possible now.

Mr. McShane said he would get more details about the short plat this week.

Griffin Hanberg, candidate for Director Position 2 introduced himself to the Board and spoke briefly about why he decided run.

PRESENTATIONS:

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

- Balance Sheet, as of October 31, 2021
- Statement of Revenues & Expenditures – Budget to Actual, Period ending Oct. 31, 2021
- Statement of Revenues & Expenditures – Comparative, Period ending Oct. 31, 2021
- Fund Balance Change, as of October 31, 2021
- Cash Investment Report, as of October 31, 2021

Mr. Drummond said October and April were complicated months for financial reports due to assessment collections. He thanked Ms. Olheiser for her work preparing the reports.

Director McKenzie moved to accept the financial statements for the period ended October 31, 2021. Director Dennis seconded. The motion carried.

PUBLIC HEARING:

Board of Equalization: Mr. Freeman reported that the 2022 Roll of Rates, Charges and Assessments was presented to the Board on November 2, 2021, and since that date had been available for inspection, pursuant to RCW 87.03.250. He said legal notice was published in the Tri-City Herald on November 7 and 14, and in the Prosser Bulletin on November 10 and 17, pursuant to RCW 87.03.255.

Director Dennis moved to open the Board of Equalization. Director McKenzie seconded. The motion carried unanimously.

The Board opened the hearing to comments from the public. No comments were received.

Director Dennis requested to keep the hearing open until the close of the meeting. President Huffman said he would call for the hearing to close after action on resolutions.

BOARD REPORTS:

Director Dennis spoke about the Washington State Water Resources Association (WSWRA) meeting.

President Huffman spoke about the Security presentation given by Aaron Howell, and the Capital Improvement Program presentation given by Ben Woodard at the WSWRA meeting.

ACTION ITEMS:

Call Special Meeting – Government to Government Meet and Greet with Confederated Tribes of the Umatilla Indian Reservation (CTUIR): Mr. Freeman spoke about the planned meeting which had been rescheduled to January 12th. He asked the Board to call a special meeting to be held in Pendleton, Oregon. He noted that travel authorization had been approved on the consent agenda.

Director McKenzie moved to call a special meeting Pendleton, Oregon for a government to government meet and greet with the Confederated Tribes of the Umatilla Indian Reservation on January 12, 2022, or an alternate date to be determined. Director Dennis seconded. The motion carried unanimously.

RESOLUTIONS:

Resolution 2021-53, 2022 Budget Adoption: Mr. Freeman presented the proposed budget, produced in consultation with the Finance Committee.

Revenue Assumptions reviewed included:

- Operating rate increases of 1.50% for tiers 1 through 4, 3.25% for tiers 5 through 10, and 1.50% for tier 11
- Capital improvement assessment increase of 5%.
- New Water Reserve fund, and the Red Mountain Operating and Capital assessments increase 1.0% each.
- Operating budget projection of \$13,220,644, comprised of \$10,657,670 from general operating assessments, and \$2,562,974 in fees, transfers from reserves, interest, and miscellaneous revenues.
- Capital Upgrade & Improvement Fund revenue estimate of \$3,492,348
- Total combined fiscal year 2022 budget of \$16,712,992.

Expenditure Assumptions included:

- 3% cost of living (COLA) increase for all positions.
- Increased medical costs due to modest increase in PEBB rates and added positions.
- Cost trends for fuel, electrical rates, and insurance being followed closely.
- \$30,000 from Misc. Capital Work Non-Irrigation fund for improvements to the shop area.
- \$10,000 budgeted for Chandler Electrification Project expenses, mainly for legislative outreach with the focus shifting to the proposed storage reservoir.
- \$400,000 for design and environmental review for proposed storage reservoir project.
- \$20,000 budgeted for Title Transfer mitigation payment and project closeout.
- Nine new positions, previously approved by the Board, included in budget

Projected beginning Reserve Funds, as of the date of the meeting memo were:

KID Irrigation Operating Fund	\$3,500,000
Educational Benefit Fund	\$9,500
Capital Upgrade & Improvement Fund	\$2,675,000
Non-Infrastructure Capital Project Fund	\$40,000
Red Mountain Construction Fund	\$81,000
Central Storage Reservoir Development Fund	\$290,000
Carryforward (Operating) Reserve	\$103,000

Equipment Replacement Reserve	\$350,000
Realty Reserve	\$3,000,000
Water Rights & Supply Legal Reserve	\$325,000
New Water Infrastructure & Supply Fund	\$285,000
Private Line Area Conversion Fund	\$900,000
Risk Management Mitigation Reserve	\$68,000
Capital Contributions Reserve	\$800,000
Drought Mitigation Reserve	\$498,000
Conservation Capital Project Reserve	\$424,000
RM Loan Guarantee Fund	\$954,950
Elliot Lake Debt Service Fund	-
Red Mountain LID Debt Service Fund	\$240,000
 Total KID Funds	 \$14,543,450
 Lorayne J	 \$4,554

Mr. Freeman concluded that the district was financially healthy. He said staff continued to be as frugal as possible, though some projects were quite expensive.

There being no questions, President Huffman called for a motion.

Director Dennis moved to approve Resolution 2021-53, Adopting the 2022 budget. Director McKenzie seconded. The motion carried unanimously.

Board of Equalization, continued: Mr. Freeman called again for public comment and Mr. McShane reported that there were no requests to comment from members of the public present electronically.

President Huffman called for a motion.

Director Dennis moved to close the Board of Equalization. Director McKenzie seconded. The motion carried unanimously.

STAFF REPORTS:

Finance Manager: Mr. Drummond reported regarding:

- State audit progress
- Customer Service and Accounting staff activities

Engineering/Operations Manager: Mr. McShane reported regarding:

- Engineering and Operation activities
- Main canal lining at Bridge PR
- Delivery and use of the new compactor
- Red Mountain filter project
- Long supply lead times
- 24 of 120 rolls of liner being delivered to job site today
- Spraying and prepping for terrestrial and aquatic weed control

- Staff recruitment
- Truck purchases planned on normal replacement schedule
- Election next week to be in a heated tent
- K-Club Santa event
- Water supply framing meeting yesterday

Land & Water Resources Manager: Mr. Defoe displayed and discussed webpages including:

- usbr.gov Hydromet - Teacup diagram, and Water Year Graph
- nrcs.usda.gov - Washington SNOTEL Current Snow Water Equivalent (SWE) % of Normal map
- wrh.noaa.gov -Temperature and Precipitation graphs for Pasco, Washington
- cpc.ncep.noaa.gov - Monthly and Seasonal Temperature and Precipitation Outlook maps

Mr. Defoe also reported regarding:

- Reservoir EIS and pre-scoping outreach progress
- Title Transfer update
- Integrated Plan Quarterly meeting - December 8
- Lower River Thermal meeting - December 9

President Huffman commented that Lake Mead was at the lowest levels in history and Denver snow was the latest in history.

District Manager: Mr. Freeman reported regarding:

- IT and Capital Improvement presentation at the WSWRA meeting
- Mr. Freeman was elected to another 3-year term at WSWRA
- Comptroller/Treasurer recruitment
- National Water Resources Association (NWRA) Leadership Forum

WORKSHOP: None

EXECUTIVE SESSION: At 10:08 a.m., Mr. Freeman announced on behalf of the presiding officer that the board would go into executive session 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), to plan or adopt the strategy or position to be taken by the governing body during the course of any collective bargaining, professional negotiations, or grievance or mediation proceedings, or to review the proposals made in the negotiations or proceedings while in progress, pursuant to RCW 42.30.140(4)(b), and to review the performance of a public employee, pursuant to RCW 42.30.110(g), real property offered for sale or lease. Action was possible following executive session, which was expected to end at 11:10 a.m. unless extended.

Members of the public were placed in the Zoom waiting room during executive session.

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

At 11:20 a.m., open session resumed, and members of the public were readmitted.

Open Session:

Director McKenzie moved to amend the agenda to add approval of the Office Union Collective Bargaining Agreement, and amendment of the District Manager's salary. Vice President Rathbun seconded. The motion carried.

Office Union Collective Bargaining Agreement (CBA): Mr. Freeman presented the office bargaining group's negotiated CBA. Changes included:

- 3% COLA in years 1 to 3
- 2.25% to 3.5% COLA based on the US Cities (CPI-W) index for April in years 4 and 5
- Clothing allowance for engineering unchanged, employees working from home \$100 allowance, and other employees \$200 allowance
- Voluntary compensatory time allowed with management approval
- Health insurance cost share remains the same
- Attorneys drafting legal language regarding Janus decision

Director Dennis moved to approve the new five-year collective bargaining agreement between KID and the International Union of Operating Engineers Representing the District Office Staff, effective January 1, 2022. Vice President Rathbun seconded. The motion carried.

District Manager's Salary: President Huffman and Vice President Rathbun spoke in favor of increasing the top of the District Manager's pay range 2.5%, and to increase Mr. Freeman's salary to top of range, retroactive to November 2, 2021.

Director McKenzie moved to increase the top of the range for the District Manager's salary by 2.5%. Vice President Rathbun seconded. The motion carried.

Director McKenzie moved to increase Charles Freeman's salary to top of range, retroactive to November 2, 2021. Vice President Rathbun seconded. The motion carried.

Director Dennis moved to adjourn at 11:29 a.m. Vice President Rathbun seconded. The motion carried.

Attest:

Witness:



Gene Huffman, Board President
Minutes Approved January 18, 2022



Charles Freeman, Board Secretary

Prepared by Doris Rakowski