



**Minutes**

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

**Directors:**

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

**Staff Present:**

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

**Other Persons Present:**

John Crotty, Western Legal  
 8 members of the public

**APPROVAL OF AGENDA:** Mr. Freeman asked to amend the agenda to add an executive session for consideration of the minimum price at which real estate will be offered for sale or lease, pursuant to RCW 42.30.110(1)(c).

**Director Rathbun moved to approve the agenda as amended. Vice President McKenzie seconded. The motion carried.**

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

Items on the consent agenda were:

1. PLAT-003-2022-Belmont Business Lots 7 & 8-COWR
2. SUB-2022-0016-Southcliffe Ph 7
3. SUB-2022-0013-Pre Plat of Morain Street Townhomes
4. Vouchers/Warrant Approval

**Accounts Payable:**

Numbers:

84089	through	84090	\$	3,101.58
84091	through	84152	\$	210,495.21
84153	through	84159	\$	1,874.62
84160	through	84163	\$	1,488.94
84164	through	84168	\$	87,372.14
Bank Drafts	FSA		\$	-
Bank Drafts	General		\$	-
Bank Drafts	AP		\$	94,721.49
<b>Total Accounts Payable</b>			<b>\$</b>	<b>399,053.98</b>

**Payroll:**

Numbers:

	0	through	0	\$	-
Direct Deposit		6/21/2022		\$	145,399.90
<b>Total Payroll</b>			<b>\$</b>	<b>145,399.90</b>	

**Voided Checks:**

	None	\$	-
<b>Total Disbursements</b>		<b>\$</b>	<b>544,453.88</b>

**PUBLIC COMMENTS:**

**Patrick McGuire**, 47909 E Badger Rd: Mr. McGuire thanked President Huffman for the response to his email.

Mr. McGuire asked what happened to money paid for SH3701 Lot 2. He noted he had been coming to the board since October last year. He asked what happened and why he had to pay the assessment for Lot 2 that he no longer owned.

Mr. Dezember offered Mr. McGuire a copy of the letter he planned to send letter last week but the holiday intervened.

Mr. McGuire said he paid 125% for the short plat. He said he owned Lot 1, but Lot 1 paid for Lot 2 this year. L7 Ranch didn't receive a bill.

Mr. Freeman said KID was waiting for the data from Benton County, which was slow. He said the system would catch up and Mr. McGuire would receive credit and the Lot 2 owner would receive a bill. He said he was not being treated differently from others.

Mr. McGuire said KID knew of the sale and didn't correct it.

Regarding Resolution 2022-11, Mr. McGuire said KID did not follow the RCW for formation of an LID (Local Improvement District). He said there was no notice or public hearing.

Mr. McGuire said when Mr. McShane visited his farm, he said that KID saved about \$60,000. Mr. McGuire said there was a water delivery system which most would have kept rather than pay an additional \$2,500. He said it seemed like government-sanctioned extortion that he must sign or not get water. He added that some properties didn't have to sign to get water.

Mr. McGuire also asked why rate payers had to pay to give water to properties that did not pay, such as Kinsel's pond.

**PRESENTATIONS:**

**Financial Reports, May 2022:** Mr. Dezember presented highlights of report pages including:

- Balance Sheet, as of May 31, 2022
- Balance Sheet - Comparative, as of May 31, 2022 and 2021
- Statement of Revenues & Expenditures – Budget to Actual, Period ending May 31, 2022
- Statement of Revenues & Expenditures – Comparative, Period ending May 31, 2022
- Statement of Grant Revenue for Current Grants
- Cash Investment Report, as of May 31, 2022

**Director Rathbun moved to accept the financial statements for the period ended May 31, 2022. Director Hanberg seconded. The motion carried.**

**PUBLIC HEARING:** None

**BOARD REPORTS:** None

**ACTION ITEMS:** None

## **RESOLUTIONS:**

**Resolution 2022-31, Sole Source Purchase - Rubicon Battery Packs:** Mr. McShane presented the request to purchase replacement and additional proprietary battery packs for KID's Rubicon Gates for approximately \$6,200.

Director Rathbun Mr. McShane said the battery packs were 24 volt.

**Vice President McKenzie moved to approve Resolution 2022-31 Authorization to Waive Competitive Bidding and Award a Sole-Source Contract to Purchase Rubicon Battery Packs; pursuant to RCW 87.03.435(3)(c). Director Hanberg seconded. The motion carried.**

## **STAFF REPORTS:**

**Finance Manager:** Mr. Dezember reported regarding:

- Board retreat preparation, including conversations with Banner Bank and Piper Sandler

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

- Vegetation management
- Maintenance activities
- Visit to Watertronics factory which produces factory-assembled water pump stations

Mr. McShane spoke about KID's practice of applying assessments paid to future properties being subdivided. He said the city and county were the jurisdictional bodies for subdivisions. KID recommended approval conditions which the city or counties could adopt. He said Benton County required the assessment for the next year to be paid if the final plat was not filed by May. He reported that in 2007 or 2008, KID made its policy more conservative, so the current and next year's assessment were paid, to deal with issues from county delays. The prepaid assessment is applied to the new parent parcel. If a child parcel has not made it through the county, they will not have the assessment yet. He said KID expected to get it into KID's system by the end of the year if it was received by then. If it were received from the county later, KID could not include it, as with Mr. McGuire's situation. He reiterated that, when completed by the county sometime before December, the assessment would go to the parent parcel.

Regarding Mr. McGuire's comments about LID, Mr. McShane explained that an LID was a public financing mechanism for a public improvement, not an entity with whom the district had a relationship. For LID formation, unless written protest was received from a majority in the impacted area, the LID would be formed, all people in the boundary would be required to participate, and there would be a lien on the property with interest charged. In 2015, KID created a different financing option, and offered system improvements for surcharges with voluntary participation. Under this system, property owners elect whether to participate.

Mr. McShane spoke about KID's pilot program for on demand delivery to large farms. Approval or denial was based on challenges for the specific location, especially water level fluctuation based on demand and weather. He noted that the lining program allowed KID to deliver more water at the ends of canals and additional storage allowed KID to buffer levels. He spoke about challenges to serving multiple properties with an expanded pilot program. Mr. McShane said the on demand program was optional. While weir boxes were removed, there were added flow meters. Since the on demand program was optional, customers not wanting it can have the previous delivery method restored. This is not a forced action. He said KID hoped to be able to offer a continuation of the pilot program at other locations.

Mr. McShane said the Board decided to consolidate turnouts to reduce risk. Required piping and transmission facilities were costs associated to general rate paying base. Pumping systems were best recovered from properties owners receiving benefit.

Regarding cost of new infrastructure in the pilot program, Mr. McShane said it was best to look at application of cost for previous areas. Southridge improvements were centralized and not exclusively for their use; there were benefits to the full district. KID was applying the same principles for cost for district-wide programs.

Vice President McKenzie asked about fluctuation problems with on demand service, and whether reversion to weir boxes was an option.

Mr. McShane said the pilot program appeared to be working well. Converting back was possible, but to piped gravity delivery, not a weir box. He reported that no one had yet asked to do so.

Director Hanberg asked if there had been a case of majority opposition stopping an LID.

Mr. McShane said there had not been majority opposition to the on demand pilot program. He said he recalled majority opposition to a Columbia Irrigation District LID.

Mr. Crotty noted that this was not an LID.

Mr. McShane said KID could use an LID as a financial instrument in the future if appropriate. He said the Red Mountain system was financed by an LID, but recently surcharges offered more options.

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

- [usbr.gov](http://usbr.gov) - Hydromet - Major Storage Reservoirs in the Yakima River Basin (“Teacup”) diagram, and Water Year Graph
- [cpc.ncep.noaa.gov](http://cpc.ncep.noaa.gov) - Monthly and Seasonal Temperature and Precipitation Outlook maps, and El Niño/Southern Oscillation (ENSO) La Niña Advisory.
- [wrh.noaa.gov](http://wrh.noaa.gov) -Temperature and Precipitation graphs for Pasco, Washington.

Mr. Defoe also reported regarding:

- River Ops meeting tomorrow
- Waiting for crop harvest before conducting the archeological survey
- Interest in real properties, especially at Queensgate

**District Manager:** None

**WORKSHOP:** None

**EXECUTIVE SESSION:** At 10:00 a.m., Mr. Freeman announced on behalf of the presiding officer that the board would go into executive session beginning at 10:05 a.m., following a short break, 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), and to consider the minimum price at which real estate will be offered for sale or lease, pursuant to RCW 42.30.110(1)(c), for about 55 minutes, ending at 11:00 a.m. unless extended. No action was expected following the executive session.

Members of the public were moved to the Zoom waiting room.

At 11:00 a.m., executive session was extended for 30 minutes.

At 11:30 a.m., executive session was extended for 15 minutes.

At 11:45 a.m., executive session was extended for 5 minutes.

**OPEN SESSION:** At 11:50 a.m., the public was re-admitted, and open session resumed.

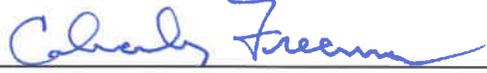
There being no further business, President Huffman called for a motion to adjourn.

**Director Rathbun moved to adjourn. Vice President McKenzie seconded. The motion carried.**

Attest:

Witness:

  
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Gene Huffman, Board President  
Minutes Approved August 16, 2022

  
\_\_\_\_\_  
Charles Freeman, Board Secretary

Prepared by Doris Rakowski