



**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  
 Ben Woodard, Asst Engineering/Operations Manager  
 Seth Defoe, Land and Water Resources Manager  
 Stuart Dezember, Comptroller/District Treasurer  
 Melissa Olheiser, Accounting Supervisor  
 Dana Hernandez, Claims Agent  
 Zach Petsch, GIS Analyst/Developer  
 Lori Gibson, Executive Assistant to Engineering  
 Doris Rakowski, Executive Assistant

**Other Persons Present:**

John Crotty, Western Legal  
 Six members of the public

A moment of silence was observed for the passings of Kelly Rathbun and Lynda Rosenbaum.

**APPROVAL OF AGENDA:** Mr. Freeman asked to add Short Plat 20-06 - Katcher, and 8575 W. 12th Ave. - Penalties, Interest and Assessments to the agenda.

**Director Rathbun moved to approve the agenda as amended. Director Ward 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. Minutes, KID Board Meeting, July 5, 2022
2. Minutes, KID Board Meeting, July 19, 2022
3. Minutes, KID Board Meeting, August 2, 2022
4. SUB-2022-0015-Valley View Final Plat
5. Vouchers/Warrant Approval

**Accounts Payable:**

Numbers:

	84310	through	84315	\$ 89,116.04
	84316	through	84370	\$ 234,827.55
Bank Drafts	FSA			\$ 1,092.15
Bank Drafts	General			\$ 1,964.17
Bank Drafts	AP			\$ 138,265.40
<b>Total Accounts Payable</b>				<b>\$ 465,265.31</b>

**Payroll:**

Numbers:

	0	through	0	\$ -
Direct Deposit		8/5/2022		\$ 134,063.76
<b>Total Payroll</b>				<b>\$ 134,063.76</b>

**Voided Checks:**

	82554	VOID and to be Relssued	\$ (29.46)
<b>Total Disbursements</b>			<b>\$ 599,299.61</b>

## **PUBLIC COMMENTS:**

**Bev Wardlow**, 2109 S Dayton St. Ms. Wardlow address the board regarding:

- Why her bill increased by \$50 last year.
- A recent outage and water pressure that impacted her service. She commended Kim Scharnhorst for helping her receive service.
- Water on start dates for CID and Pasco earlier than KID.
- Dirty water resulting in weed growth. Ms. Wardlow advised that KID clean its filters and clear the lines more often.
- Objections to the credit card use convenience charge.

Director Ward noted that if lawn services don't clean their equipment, they can spread weeds.

Mr. Freeman said KID did not raise rates for four years previously.

Director Rathbun noted that KID delivered raw river water.

Ms. Wardlow said she felt like she was paying for lines for other people.

**John Trumbo**, 3501 S Garfield Place: Mr. Trumbo asked if the meeting was being recorded and was told no. He asked if the minutes would be detailed or just actions and Mr. Freeman referred him to minutes posted on the website.

Mr. Trumbo asked if the KID website had been updated for the next election and was told no.

Mr. Trumbo said Ms. Wardlow would not get answers in the meeting and thanked Director Ward for trying to help.

Mr. Trumbo said City of Kennewick had limitations on raising rates but irrigation districts did not.

Mr. Trumbo asked if KID announced a drought and was told that the district was not in a drought.

Director Ward thanked Ms. Wardlow and Mr. Trumbo for addressing the board. He said the board took economic issues such as fixed income into consideration, as well as district costs and projects, when approving budget and assessments. He said the board talked constantly about water, service, and affordability.

## **PRESENTATIONS:**

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

1. Balance Sheet, as of July 31, 2022
2. Statement of Revenues & Expenditures – Budget to Actual, Period ending July 31, 2022
3. Cash Investment Report, as of July 31, 2022

Ms. Wardlow asked why customers were charged so much there was so much money in the bank.

Director Rathbun said there were considerations for emergency planning, addressing operational needs, and planning to finance capital plans.

Ms. Wardlow said KID could foreclose if assessments were not paid and asked the Board to at least give back the credit card use fee.

Discussion ensued. Mr. Freeman reported it cost \$60,000 per year for the ability to accept payments by credit card. The fee was implemented because it was not fair for customers who did not use credit cards to pay for those who chose to do so.

Vice President McKenzie said he had seen several inflationary times but cost never comes down.

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

**PUBLIC HEARING:** None

**BOARD REPORTS:** None

**ACTION ITEMS:**

**Short Plat SP-2022-00300-03216 S Auburn St. – Kimball:** Mr. Woodard said this action was planned for April 5, but Mr. Kimball requested a variance, and the board tabled the action. He reported that after review and discussions with Mr. Kimball, the O&E Committee and staff recommended no change to KID's requirements and that the variance not be approved. He said staff spoke to Mr. Kimball about options to delay initial upfront capital costs (i.e., Installation Agreement (bond) and Voluntary Mitigation Agreement).

Mr. Woodard recommended approval of the short plat contingent upon the developer meeting KID's conditions of approval.

Mr. Woodard confirmed to President Huffman that Mr. Kimball was frustrated with the decision. Mr. Woodard said it was the right decision for the district because staff needed to not overextend KID service. Once approved, Mr. Kimball could move forward with his short plat. Requirements for Mr. Kimball were consistent with those for anyone else.

**Director Ward moved to approve the proposed Short Plat SP-2022-0030 contingent upon the developer's compliance with KID's conditions of approval set forth in the April 5th, 2022, board memo. Director Rathbun seconded. The motion carried.**

**Policy 1.17, Public Relations (New):** Mr. Dezember presented the proposed policy, which would provide direction for the expenses and the utilization of board and staff resources to carry out the Public Relations objective. The policy would provide approval for financial support of sponsoring events and several organizations, as well as expenses for public education. The policy would give direction on objectives and how to evaluate requests for sponsorship.

Mr. Dezember said Public Relations expenses were included in the KID budget for 2022.

Mr. Freeman thanked Mr. Dezember for identifying the need for this policy.

**Director Ward moved to approve Policy 1.17, Public Relations. Director Rathbun seconded. The motion carried.**

**Policy 3.3-3, Use of District Facilities, Revision 2:** Mr. Freeman reported that the policy was being updated for format only. The updates to the procedures would be substantive, defining that use of the facilities by other entities must be for purposes in alignment with the goals of the district.

**Director Rathbun moved to approve Policy 3.3-3, Use of District Facilities, Revision 2. Vice President McKenzie seconded. The motion carried.**

**Letter of Support for NOAA Fish Passage Grant:** Mr. Freeman reported that the Yakama Nation requested a letter in support of their application to NOAA's "Restoring Fish Passage through Barrier Removal" grant program. Grant proceeds would be used to improve salmon and lamprey passage in the lower Yakima River.

Mr. Freeman read the proposed letter. He noted KID's previous support for fish studies. KID wanted decisions based on science, not political science. He said if action were taken on fish passage, it should not come at a cost to KID ratepayers.

Mr. Freeman noted that if approved by the board, the letter would be sent though it was needed yesterday. The Yakama Nation may use the support letter for future grant applications.

President Huffman reiterated that it was important that the projects did not hurt KID's water supply. Discussion followed.

**Vice President McKenzie moved to authorize President Huffman to sign the attached qualified letter of support to the Yakama Nation NOAA Fish Passage Grant. Director Ward seconded. The motion carried.**

**Short Plat 20-06 – Katcher:** Mr. Woodard presented the short plat originally submitted in 2012. He said the City-required conditions had been met and it was now ready for approval. He said staff had inspected confirmed that KID conditions were met. He recommended approval.

**Director Rathbun moved to approve the Proposed Short Plat Short Plat 20-06 - Katcher contingent upon the developer's compliance with KID's conditions of approval. Director Ward seconded. The motion carried.**

**8575 W. 12th Ave – Penalties, Interest and Assessments:** Mr. Dezember reported that when Ms. Espinda purchased her home (property) in July of 2018 KID inadvertently did not update the ownership change and the 2019, 2020 and 2021 irrigation assessments were provided to the builder of the home, not the new property owner.

In March of this year (2022) KID was notified by the builder that the assessment should be provided to the new owner (Ms. Espinda). Upon receiving this information, KID changed the ownership of the property to Ms. Espinda and mailed her a welcome packet.

On July 5, 2022, KID mailed her a letter alerting her that her property was at risk of foreclosure as the 2019 assessments had not been paid.

Ms. Espinda asked that all penalties and interest be waived, as well as all irrigation assessments prior to 2022.

Mr. Dezember noted that KID Policy 2.16, Section 3.5 set the threshold for the Treasurer to write-off penalties and interest in this type of situation at \$100.00, so board approval was needed to remove the penalties and interest. He said staff recommended the Board remove all the penalties and interest for this property totaling \$548.18.

Mr. Dezember recommended Ms. Espinda be allowed additional time to pay the remaining irrigation assessments (totaling \$1,988.45 for 2019, 2020, 2021 and 2022). The additional time granted would end December 31, 2025, or upon sale of the property or whichever occurred first.

Ms. Espinda's 2023 and future irrigation assessments would need to be paid in accordance with established KID policies and procedures.

Whether this would be acceptable to Ms. Espinda was discussed. Mr. Dezember said a letter would be drafted to communicate the Board's decision.

Mr. Freeman said staff was performing an audit of ownership transfers. He said this was the first occurrence of this type he had seen in his 13-year tenure. He said it was appropriate that Ms. Espinda would not incur penalties since she was unaware of the assessments.

**Director Ward moved to remove the penalties and interest totaling \$548.18 and extend the due date for the payments of the 2019, 2020, 2021 and 2022 irrigation assessments for 8575 W. 12th Avenue, Kennewick Washington to December 31, 2025, or upon sale of the property whichever occurs first. Director Rathbun seconded. The motion carried.**

#### **RESOLUTIONS:**

**Resolution 2022-05, Declaring Surplus Personal Property:** Mr. Defoe presented the request to declare surplus property for IT equipment no longer useful to the district.

Mr. Freeman noted that the surplus items would be taken to Booker Auctions.

Options of disposal of the items and the required process were discussed.

**Director Ward moved to approve Resolution 2022-05, Declaring Surplus Personal Property. Director Hanberg seconded. The motion carried.**

**Resolution 2022-26, Setting Administrative Fees:** Mr. Dezember reported that the Fee Schedule was last updated in June of 2018. He said staff proposed splitting the fees into two schedules, with administrative fees separate from Planning, Engineering & Operations, and Personnel and Equipment fees.

Mr. Dezember reviewed the proposed resolution for administrative fees for the District which would become effective September 1, 2022. Changes included:

- Add the 15% Late Payment Penalty for Leases and Other Contracts.
- Increase the Account Ownership Change fee \$10.00 from \$15.00 to \$25.00 (Which will now equal the New Customer Account Setup Fee).
- Add Helping Hands Program Assistance to the Fee Schedule. \$75.00 Required Minimum Application payment, Level 1 Assistance not to exceed \$400.00 and Level 2 Assistance, not to exceed \$400.00.
- Update the fees associated with Public Records Requests.

Mr. Dezember said 2022 income associated with the Account Ownership Change fee would increase, though it would not necessitate a change to the 2022 budget. He said the Administrative Fee Schedule would be used during 2023 budget preparation.

**Director Rathbun moved to approve Resolution 2022-26, Setting Administrative Fees. Director Ward seconded. The motion carried.**

**Resolution 2022-33, Declaring Surplus Realty and Authorizing the Marketing for Lease of Real Property:** Mr. Defoe spoke about two properties purchased as an optional location for the reservoir. He said one property was declared surplus and made available for temporary leasing until needed for a KID project. The other had a lease when purchased that expired this year.

Mr. Defoe reported that in April of 2020, KID purchased four parcels in Badger Coulee (approximately 213.56 acres) from Shaw Family LLC. The land came with an existing farm lease between Shaw Family LLC and Greenridge Farming, Inc. that started in 2016 and would expire in 2022. Shaw Family LLC collected the lease payments in 2020 and the lease was officially transferred to KID in 2021. Since this was an existing commitment that came with the property, KID did not surplus or market the parcels for lease.

Mr. Defoe said that now that the lease was expiring, staff recommended that land be declared surplus, so that both properties could be advertised for lease only. The surplus status would be temporary during the ongoing SEPA process. He said staff had been working with the current tenants to ensure that any EIS related studies were not negatively impacting farming operations.

**Vice President McKenzie moved to approve Resolution 2022-33, Declaring Surplus Realty and Authorizing the Marketing for Lease of Real Property. Director Ward seconded. The motion carried.**

**Resolution 2022-34, Approval of Water Allotment Transfers for Valley View Homes:** Mr. Woodard reported that in 2014, the Board accepted a Water Allotment Requests waiting list and directed staff to accept water allotment allocation applications from property owners on the list.

He said KID accepted a water allotment allocation application for Valley View, from AR Holdings with a total 9.05 irrigable acres for the 32 parcels. Water was reserved for this in 2014.

**Director Rathbun moved to approve Resolution 2022-34, Approval of Water Allotment Transfer for Valley View. Vice President McKenzie seconded. The motion carried.**

#### **STAFF REPORTS:**

**Finance Manager:** Mr. Dezember thanked staff for teamwork on preparation of the fee resolution and reported regarding the foreclosure process.

**Engineering/Operations Manager:** On behalf of Mr. McShane, Mr. Woodard reported regarding:

- Ongoing maintenance
- Maintenance Lead opening
- Open positions, overtime and recruitment progress
- Vegetation control measures
- SCADA
- Issue in private line area (PLA) off 19<sup>th</sup> and Garfield. A city of Kennewick contractor hit a pipe. After repair one PLA did not come on and a previously unknown check valve was located. Staff spoke with the residents about KID's PLA conversion option.

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

- 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.

Mr. Defoe noted that we were not in a drought currently. The drought declaration from last year was lifted in July following the second-wettest May through June since 1985.

Mr. Defoe also reported that meeting attendee Nancy asked in the Zoom chat for discussion of Lorayne J wellhead landscaping, which she said was a fire hazard and unsightly.

Mr. Defoe spoke briefly about the loss of Lynda Rosenbaum.

Mr. Defoe reported about progress and plans for analysis of the potential reservoir site. He said he hoped to release a draft by the end of next year, but said it was too early to know due to the complexity of the variables.

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

- Reservoir plans - new scope of work for Shannon Wilson
- Will contact Beverly Wardlow about the BOE process, budgeting, helping hands
- City of Kennewick presentation next Tuesday at 7:00 p.m.
- Mr. Trumbo's issues related to the Garfield drains. He said the area was a possible PLA conversion candidate.

**WORKSHOP:** None

**EXECUTIVE SESSION:** At 10:42 a.m., Mr. Freeman announced on behalf of the presiding officer that the board would go into executive session beginning at 10:45 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), for about 60 minutes. Mr. Freeman said action was possible following executive session.

Members of the public left the board room or were moved to the Zoom waiting room.

At 11:45 a.m., executive session was extended for 20 minutes.

At 11:59 a.m., executive session was extended until 12:20 p.m.

**OPEN SESSION:** At 12:20 p.m., the public was re-admitted, and open session resumed.

**Director Rathbun moved to amend agenda to add to discussion of Seth Defoe's employment contract and to form a committee for district manager transition. Director Ward seconded. The motion carried.**

Mr. Freeman spoke about Mr. Defoe's employment history with KID since 2010. He said Mr. Defoe requested to continuing his position remotely. Mr. Freeman suggested the requirement of in person attendance at the two board meetings each month and at additional meetings as requested by the District Manager, as well as providing twenty-four bi-monthly reports. Mr. Freeman encouraged the board to support this request, noting that remote work was successful during the pandemic.

**President Huffman moved to approve the revised employment contract for exempt at-will employment with severance pay and arbitration clauses with Seth Defoe. Director Ward seconded. The motion carried.**

**Ad hoc committee for transition planning and hiring a new District Manager:** President Huffman noted that when Mr. Freeman was hired, there was an ad hoc committee which led the search and hiring process and proposed that the same process be followed in the hiring of Mr. Freeman's replacement when he retired.

**President Huffman moved to form an ad hoc committee on which Vice President McKenzie and President Huffman would serve, dealing with transition planning and hiring of a new District Manager. Director Ward seconded. The motion carried.**

At 12:45 p.m., there being no further business, President Huffman called for a motion to adjourn.

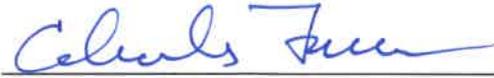
**Director Ward moved to adjourn. Director Hanberg seconded. The motion carried.**

Attest:

Witness:



Gene Huffman, Board President  
Minutes Approved October 4, 2022



Charles Freeman, Board Secretary

Prepared by Doris Rakowski