



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 (joined in progress)
Griffin Hanberg
Arland Ward

Staff Present:

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

Other Persons Present:

Chad Stuart, USBR
John Crotty, Western Legal
Three members of the public

It was noted that Director Rathbun would join the meeting in progress. Vice President McKenzie move to excuse Director Rathbun from the beginning of the meeting. Director Hanberg seconded. The motion carried.

APPROVAL OF AGENDA: Vice President McKenzie moved to approve the agenda. Director Hanberg seconded. The motion carried.

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

Items on the consent agenda were:

1. Minutes, KID Board Meeting, September 20, 2022
2. Minutes, KID Board Meeting, October 4, 2022
3. FP-2022-0019 - Final Plat of Southridge Estates Townhomes Phase 1
4. Final Plat Southridge Estates Ph. 5 and Irrigation Upsizing
5. Travel Request, WSWRA annual meeting
6. Vouchers/Warrant Approval

Accounts Payable:

Numbers:

	84552	through	84602	\$ 186,472.81
	84603	through	84603	\$ 2,111.96
Bank Drafts	FSA			\$ 45.40
Bank Drafts	General			\$ 2,388.07
Bank Drafts	AP			\$ 95,071.16
Total Accounts Payable				\$ 286,089.40

Payroll:

Numbers:

	0	through	0	\$ -
Direct Deposit		10/5/2022		\$ 137,641.86
Total Payroll				\$ 137,641.86

Voided Checks:

	None			\$ -
Total Disbursements				\$ 423,731.26

PUBLIC COMMENTS: Nancy asked KID via Zoom comments to please look at the wellhead at Lorayne J. It is an unsightly area in a residential neighborhood.

Mr. McShane spoke briefly about clearing work done to date and plans for seeding in the spring.

PRESENTATIONS:

USBR O&M Financial Data - Chad Stuart, USBR Yakima Field Office Manager: Mr. Stuart spoke about:

- Call with Safety of Dams Regional Director regarding issues with the cost sharing letter
 - Indemnity clause was being taken out of the contract
 - Entities would not give up right to protest later by signing the agreement
 - Revised contracts or addendums would be forthcoming
- Anticipated schedule for the contracts and the project
- Passing allocations for specific repairs, but could revisit if larger issues arise

Mr. Freeman noted that KID had less concern about cost allocation than about indemnity.

Mr. Stuart also reported about staffing changes in key USBR positions.

Mr. Stuart displayed and reviewed pages of a report titled “OM Estimate CY 23 (NG)”. Topics covered included:

- Budgeting and staffing from 2021 to 2023
- Return of unspent (surplus) funds and removal of an unneeded charge on the 2023 schedule.
- Labor cost increases and inflation

Discussion ensued regarding what was expected to be completed from the budget this year, including stainless runners. Mr. Woodard asked if the old bronze runners would still have potential use in an emergency. Mr. McShane asked where the salvage value of the bronze runners would be credited.

In answer to a question from Mr. Freeman, Mr. Stuart spoke about delivery of a water right from the Moxee Selah, if purchased. Mr. Crotty asked for a timely definitive answer from the USBR before the auction regarding not just whether the USBR would deliver the water, but whether there were any other federal laws that would require extra work from the district.

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

1. Balance Sheet, as of September 30, 2022
2. Statement of Revenues & Expenditures – Budget to Actual, Period ending Sept. 30, 2022
3. Statement of Grant Revenues for Current Grants
4. Fund Balance Change, as of September 30, 2022
5. Cash Investment Report, as of September 30, 2022

Director Ward moved to accept the financial statements for the period ended September 30, 2022. Vice President McKenzie seconded. The motion carried.

PUBLIC HEARING: None

BOARD REPORTS: President Huffman thanked Mr. Berglund and the River Fest event participants.

ACTION ITEMS:

Policy 3.1-3, Educational Benefit Program, Rev. 9: Mr. Dezember presented the proposed policy changes intended to increase employee retention, including:

- Allowing KID employees to participate after one year tenure instead of two years
- Adding that an employee under active written discipline could not participate
- Increasing the continued KID employment requirement after completion of the employee's last class to 24 months for associate degrees, shorter-term technical degrees, certifications, or CDL, and to 36 months for bachelor's degrees

Director Ward moved to approve Policy 3.1-3, Educational Benefit Program, Rev 9. Director Hanberg seconded. The motion carried.

Director Rathbun joined the meeting.

Customer Account Adjustments, September 2022: Mr. Dezember explained the process for correcting internal errors on customer accounts. He noted that when interest and penalty would be over \$100.00, it was over his authority to remove the charge. He proposed bringing such cases to the board on the consent agenda. He reported that Finance Committee was in favor of this proposal which would allow errors to be corrected as quickly as possible.

Director Ward moved to authorize the District Treasurer to remove the interest and penalties as indicated on the September 30, 2022, Customer Account Adjustment report in the amount of \$420.70 and to approve the addition of future Customer Account Adjustment reports on the KID Board of Directors Consent Agenda. Vice President McKenzie seconded. The motion carried.

RESOLUTIONS:

Resolution 2022-43, Authorization for Declaration of Surplus Personal Property: Mr. Woodard presented the request that the Board of Directors declare as surplus obsolete GPS and locator equipment items listed on the Excess and Surplus Property Disposal Authorization Form & Spreadsheet, attached to proposed Resolution 2022-43.

Discussion ensued regarding disposal options such as trade in, online sale, auction or disposal as scrap.

Director Ward moved to approve Resolution 2022-43, Authorization to Declare Surplus Personal Property. Director Hanberg seconded. The motion carried.

Resolution 2022-45, Project Acceptance & Retainage Release PW2021-05 PSA 117 Pump Evaluation & Repair: Mr. Woodard briefly reviewed the project which was completed on July 7, 2021. He said all requirements had been completed and upon acceptance, the retainage would be released.

Vice President McKenzie moved to approve Resolution 2021-45 Project Acceptance and Release of Retainage for Public Works Contract PW2021-05 PSA 117 Pump Evaluation and Repair. Director Ward seconded. The motion carried.

STAFF REPORTS:

Finance Manager: Mr. Dezember reported regarding:

- 37 accounts remained on foreclosure list. Letters marked "Final Notice" in red were sent.
- State Audit kick off meeting with staff last week
- 2023 Budget to Operations and Engineering Committee this Thursday

Engineering/Operations Manager: Mr. McShane reported regarding:

- Water system off
- Off-season maintenance and construction program to begin
- Winterization efforts and paving
- Meeting with USBR last week regarding grant work
- System testing continuing
- Regular position staffing and hiring efforts
- Looking for lots of temporary staff

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 - El Niño/Southern Oscillation (ENSO) Monthly and Seasonal Temperature and Precipitation Outlook maps, and La Niña Advisory

Mr. Defoe reported regarding:

- Central storage cultural resources work
- Washington State Water Resources Association meeting tomorrow
- Lower river check in Thursday morning
- Integrated Plan Groundwater Subcommittee Thursday afternoon
- IT staffing
- Ms. Gibson to take over Real Property Manager position in January

District Manager: Mr. Freeman reported regarding:

- In person meeting with up-basin irrigators
- National Water Resources Association meeting upcoming
- Employee award event on November 17 at Ice Harbor on Clover Island
- Continued investigation of Rubicon failure and overtopping event

WORKSHOP: None

EXECUTIVE SESSION: At 10:09 a.m., Mr. Freeman announced on behalf of the presiding officer that the board would go into executive session beginning at 10:15 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 30 minutes, ending at 10:45 a.m. unless extended.

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

Extended at 10:45 five minutes

OPEN SESSION: At 10:54 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 Ward moved to adjourn. Vice President McKenzie seconded. The motion carried.

Attest:

Witness:



Gene Huffman, Board President
Minutes Approved November 1, 2022



Charles Freeman, Board Secretary

Prepared by Doris Rakowski