



**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  
 Arland Ward  
 Griffin Hanberg  
*Kirk Rathbun - Absent*

**Staff Present:**

Charles Freeman, District Manager  
 Stuart Dezember, Comptroller/District Treasurer  
 Seth Defoe, Land and Water Resource Manager  
 Ben Woodard, Assistant Engineering Manager  
 Melissa Olheiser, Accounting Supervisor  
 Kim Scharnhorst, Executive Assistant  
 Lori Gibson, Executive Assistant  
 Doris Rakowski, Executive Assistant

**Other Persons Present:**

John Crotty, Western Legal  
 4 members of the public

**Vice President McKenzie moved to excuse Director Rathbun who was on a KID trip. Director Ward seconded. The motion carried.**

**APPROVAL OF AGENDA:** A modified agenda was provided which moved “Approving USBR Dam Safety Repayment Contract 22SD102158” from Resolutions to Action Items and added Executive Session items 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) and to review the performance of a public employee, pursuant to RCW 42.30.110(g).

**Vice President McKenzie 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 Ward seconded. The motion carried.**

Items on the consent agenda were:

1. Minutes, KID Board Meeting, November 15, 2022
2. FP2022-109 – Marcello Estates Phase 2
3. PLAT-014-2022 – 4670 W Lattin Rd
4. Vouchers/Warrant Approval

**Accounts Payable:**

Numbers:

	84727	through	84728	\$	1,967.27
	84729	through	84783	\$	155,908.72
	84784	through	84795	\$	613,461.14
	84796	through	84834	\$	204,308.37
Bank Drafts	FSA			\$	-
Bank Drafts	General			\$	-
Bank Drafts	AP			\$	92,158.33
<b>Total Accounts Payable</b>				<b>\$</b>	<b>1,067,803.83</b>

**Payroll:**

Numbers:

	34403	through	34409	\$	925.00	
Direct Deposit		11/21/2022		\$	149,283.05	
<b>Total Payroll</b>						<b>\$ 150,208.05</b>

**Voided Checks:**

	None			\$	-	
<b>Total Disbursements</b>						<b><u>\$ 1,218,011.88</u></b>

**PUBLIC COMMENTS:** None

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

- Balance Sheet, as of October 31, 2022
- Balance Sheet - Comparative, as of October 31, 2022, and October 31, 2021
- Statement of Revenues & Expenditures – Budget to Actual, Period ending Oct. 31, 2022
- Statement of Revenues & Expenditures – Comparative, Period ending October 31, 2022, and October 31, 2021
- Statement of Grant Revenues for Current Awards, Period Ending October 31, 2022
- Fund Balance Change, as of October 31, 2022
- Cash Investment Report, as of October 31, 2022
- Loans Payable, as of October 31, 2022

**Vice President McKenzie moved to accept the financial statements for the period ended October 31, 2022. Director Ward seconded. The motion carried.**

**PUBLIC HEARING:**

**Board of Equalization:** Mr. Freeman reported that the 2023 Roll of Rates, Charges and Assessments was presented to the Board on November 1, 2022, 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 6 and 13, and in the Prosser Bulletin on November 9, pursuant to RCW 87.03.255.

**Vice President McKenzie moved to open the Board of Equalization. Director Ward seconded. The motion carried.**

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

Mr. Freeman reviewed the Board's practice of keeping the hearing open until the close of the meeting. President Huffman said he would call for the hearing to close later in the meeting.

**BOARD REPORTS:**

**ACTION ITEMS:**

**Liability Insurance:** Mr. Freeman reviewed KID's insurance pool history. He said a notice of intent to withdraw was recommended and would allow KID the option to change carriers if a better deal was available. He noted that a company previously considered did not provide services such as training and claims management. He asked the board to confirm his decision to send this letter.

**Vice President McKenzie moved to authorize Charles Freeman, District Manager to sign the notice of cancellation with CIAW. Director Ward seconded. The motion carried.**

**Approving USBR Dam Safety Repayment Contract 22SD102158:** Mr. Freeman reviewed the purpose and terms of the contract. He noted that on July 20, 2021, the pay-as-you-go option was selected by the board of directors. The estimated costs by year for KID were:

9/1/23	\$91,588 (this is included in the 2023 budget)
9/1/24	\$149,872
9/1/25	\$18,318
9/1/26	\$9,714
9/1/27	\$8,048

**Vice President McKenzie moved to authorize the District Manager to sign the contract between the United States of America and the Kennewick Irrigation District for Repayment of Safety of Dams Costs. Director Ward seconded. The motion carried.**

**RESOLUTIONS:**

**Resolution 2022-36, Authorization to Declare Surplus Personal Property:** Mr. Woodard presented the request to declare a damaged flow meter as surplus.

Mr. Woodard confirmed to Vice President McKenzie that KID had not yet replaced the unit, as staff was considering whether a new portable flow meter was needed.

**Vice President McKenzie moved to approve Resolution 2022-36, Authorization to Declare Surplus Personal Property. Director Ward seconded. The motion carried.**

**Resolution 2022-46, Sole Source – Rubicon Gates:** Mr. Woodard presented the request to purchase up to twelve Rubicon gates to be used with the 2022 WaterSMART Grant. He said it was possible KID would not need all twelve gates.

Mr. Woodard said KID received a quote from Rubicon totaling \$311,304 for twelve gates, though Rubicon was aware the KID may choose to purchase fewer units.

Mr. Woodard spoke about the uniqueness of the product. He confirmed that KID was applying for a waiver to the Buy American program.

Discussion ensued about the advisability of purchasing twelve or more at this time, sizing and potential for modifications.

**Vice President McKenzie moved to approve funding the purchase and installation of up to Twelve (12) Automated Control and Metering gates in an amount not to exceed \$311,304, plus tax with funding to come from the Capital Upgrade and Improvement Fund. Director Ward-seconded. The motion carried.**

**Vice President McKenzie moved to approve Resolution 2022-46 Authorization to Waive Competitive Bidding and Award a Contract to Purchase Rubicon Automated Control and Metering Gates Pursuant to RCW 87.03.435(3)(c), and authorize Charles Freeman, District Manager, to execute the contract. Director Ward seconded. The motion carried.**

**Resolution 2022-47, Sole Source – Endothall:** Mr. Woodard presented the request to restock Endothall for KID's vegetation management. He explained that the manufacturer, UPL NA Inc., was the source for purchase of the product.

Pricing was discussed. Mr. Dezember confirmed that the purchase was in the budget.

**Vice President McKenzie moved to approve Resolution 2022-47 Authorization to Waive Competitive Bidding Award a Sole Source Contract to Purchase Endothall Aquatic Herbicide Formulation from UPL NA Inc.; pursuant to RCW 87.03.535(3)(c), and authorize Charles Freeman, District Manager, to execute said contract. Director Ward seconded. The motion carried.**

**Resolution 2022-48, COVID Employee Award:** Mr. Dezember reported that the audit looked at the 2021 purchase of gift cards for all employees for extraordinary service during COVID-19. The expenditure was to be split between KID and the K-Club. He noted that the awards should have been taxable income and confirmed that Accounting would include the taxable amount for 2022.

Mr. Dezember said the proposed resolution would document the purpose and purchase of the award, the recipients, and set it up as a tax event for 2022.

**Vice President McKenzie moved to approve Resolution 2022-48, COVID Employee Award. Director Ward seconded. The motion carried.**

**Resolution 2022-49, Adopting 2023 Budget:** Mr. Freeman reported that no rate increase was planned for 2023 and presented his budget letter, which was provided in the meeting packet. Highlights included:

- Saving one full-time employee (FTE) by .5 reductions of Executive Assistant and Real Property Manager positions
- 3% COLA increase
- Benefit increase, primarily due to District's increased share of medical & dental benefits through PEBB (Public Employees Benefit Board), as well as employer contributions to PERS (Public Employees Retirement System).
- Programs and capital projects to reduce Operations and Maintenance expenses, such as pump consolidation, limitation of operational overtime, and cross training.
- Capital project plans
- Possible later 2023 funding requests may be upgrading the phone system and acquiring a digital preventative maintenance program

Mr. Dezember displayed and reviewed the "Summary of Comprehensive Budgeted Revenues/Expenditures for Fiscal Year 2023" spreadsheet. He spoke about balances and projections for Operating, Capital Project, and Reserve funds.

Mr. Dezember displayed and reviewed the spreadsheet titled, "Summary of Fund 411 Expenditures by Department, Comparable - 2023 Proposed to 2022 Final."

Mr. Dezember restated that no rate increase was planned.

Mr. Freeman said there was now a growth rate of about 1% for new accounts but that eventually the area would be fully built out, which would change the budgeting process in the future.

**Vice President McKenzie moved to approve Resolution 2022-49, Adopting the 2023 Budget. Director Ward seconded. The motion carried.**

**Resolution 2022-50, 2023 Authorized Positions and Salary Range:** Mr. Dezember presented the resolution to memorialize an update the previously approved 2022 Authorized Positions and Salary Ranges to 2023 positions and salary levels. The 2023 changes would be:

1. 3% COLA increase to all ranges.
2. Executive Assistant (Department 1 only) salary range increase to match Realty Property Manager range because those will each be for the same employee.
3. Executive Assistant and Realty Property Manager positions decreased to 0.5 FTE each for same reason as above.
4. Engineering Executive Assistant decreased from 2 to 1 FTE.
5. Bottom range for Engineering Intern and Janitor/Handy Person increased to WA State Minimum Wage (\$15.74 per/hour for 2023).
6. Bottom range for Engineering Executive Assistant and Public Relations Coordinator increased to WA State Minimum Salary for Exempt (\$65,478.40 per/year for 2023 – two times WA State minimum wage).

Mr. Dezember said the proposed changes were reflected in the 2023 Budget.

**Vice President McKenzie moved to approve Resolution 2022-50, 2023 Authorized Positions and Salary Ranges. Director Ward seconded. The motion carried.**

**Resolution 2022-51, Sole Source – Palfinger Pump Regulator:** Mr. Woodard reported that the KID's Palfinger needed repair and a necessary valve with the exact specifications needed pressure and idle speeds could only be purchased through RWC International. He recommended the sole source purchase in the amount of \$1,215.00, plus applicable tax and shipping.

**Vice President McKenzie moved to approve Resolution 2022-51 Authorization to Waive Competitive Bidding and Award a Contract to Purchase a Pump Regulator for the Palfinger from RWC International; Pursuant to RCW 87.03.435(3)(c), and authorize Charles Freeman, District Manager, to execute the contract, with funding for the purchase to come from the operating fund. Director Ward seconded. The motion carried.**

#### **STAFF REPORTS:**

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

- Attendance of WSWRA (Washington State Water Resources Association) annual meeting
- Foreclosure update - down to 23 accounts
- Audit progress

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

- Attendance of WSWRA annual meeting
- Impact of snow on maintenance and capital work. Alternate projects and training were planned for bad weather days.
- Engineering activities
- Santa event on Wednesday and Thursday

President Huffman thanked Mr. Woodard for his good presentation on urbanization at the WSWRA conference.

**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
- wcc.nrcs.usda.gov - Washington SNOTEL Current Snow Water Equivalent (SWE) % of Normal map
- cpc.ncep.noaa.gov - Monthly and Seasonal Temperature and Precipitation Outlook maps, and El Niño/Southern Oscillation (ENSO) Diagnostic Discussion (La Niña Advisory)

Mr. Defoe also reported regarding the Bateman Island project and Lower Yakima River issues.

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

- Mr. McShane to give presentation at YRBWEP (Yakima River Basin Water Enhancement Project) Work Group virtual meeting on December 14<sup>th</sup>
- WSWRA Executive Committee meeting – Wednesday, December 21
- Expected audit results

**WORKSHOP:** None

**Board of Equalization continued:** Mr. Freeman called again for public comment. Mr. Woodard confirmed there were no requests to comment from members of the public present electronically.

President Huffman called for a motion.

**Vice President McKenzie moved to close the Board of Equalization. Director Ward seconded. The motion carried.**

**EXECUTIVE SESSION:** At 10:26 a.m., Mr. Freeman announced on behalf of the presiding officer that beginning at 10:35 a.m., 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), 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 review the performance of a public employee, pursuant to RCW 42.30.110(g), for approximately 60 minutes, until 11:35 a.m. unless extended. Action in open session was possible following executive session.

At 11:35 a.m., executive session was extended for 10 minutes.

**OPEN SESSION:** At 11:44 a.m., open session resumed.

President Huffman amended the agenda to add approval of two leases and to approve a compensation change for the District Manager.

**Vice President McKenzie moved to amend the agenda to add two leases and an employee compensation review. Director Ward seconded. The motion carried.**

**Lease - Greenridge Farming, LLC:** Mr. Freeman spoke about the purchase of property with existing leases in Badger Coulee. He reviewed the publication of the availability of leases for the properties following the expiration of the existing leases.

Mr. Freeman reported that only one offer was received for this property, and it was from the existing tenant. He reviewed terms of the new proposed lease with Greenridge Farming, Inc. He noted that the Lessee had already signed.

**Vice President McKenzie moved to approve the lease with Greenridge Farming LLC, and to authorize Gene Huffman, Board President, and Charles Freeman, District Manager/Secretary, to sign the lease. Director Ward seconded. The motion carried.**

**Lease - Pink Farms, LLC:** Mr. Freeman reported that only one offer was received for lease of this property as well, and it was from the existing tenant. He reviewed terms of the new proposed lease with Pink Farms, LLC, and noted that the Lessee had already signed.

**Vice President McKenzie moved to approve the lease with Pink Farms LLC, and to authorize Gene Huffman, Board President, and Charles Freeman, District Manager/Secretary, to sign the lease. Director Ward seconded. The motion carried.**

**Employee Compensation Review:** President Huffman reported that the board had conducted a review of the District Manager's performance. He proposed a 2.5% increase.

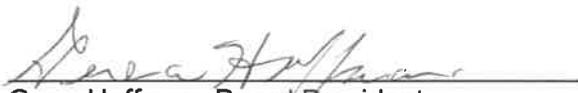
**President Huffman moved to increase the District Manager's salary by 2.5% retroactive to November 2, 2022. Vice President McKenzie seconded. The motion carried.**

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

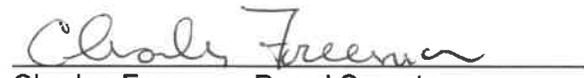
**Director Ward moved to adjourn. Vice President McKenzie seconded. The motion carried.**

Attest:

Witness:



Gene Huffman, Board President  
Minutes Approved December 19, 2022



Charles Freeman, Board Secretary

Prepared by Doris Rakowski