



**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

**Staff Present:**

Charles Freeman, District Manager  
Jason McShane, Assistant District Manager  
Stuart Dezember, Comptroller/District Treasurer  
Seth Defoe, Land and Water Resources Manager  
Daniel Tissell, Engineering Manager  
Melissa Olheiser, Accounting Supervisor  
Matthew Berglund, PR Coordinator  
Mardi Perry, E&O Executive Assistant

**Other Persons Present:**

John Crotty, Western Legal

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

**APPROVAL OF AGENDA: Director Rathbun moved to approve the agenda. 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. Minutes, KID Board Meeting, June 6, 2023
2. Minutes, KID Board Meeting, June 20, 2023
3. July 6, 2023, Customer Account Adjustments
4. Vouchers/Warrant Approval

**Accounts Payable:**

Numbers:

|                               |         |         |       |           |                   |
|-------------------------------|---------|---------|-------|-----------|-------------------|
|                               | 85716   | through | 85717 | \$        | 1,629.31          |
|                               | 85718   | through | 85788 | \$        | 200,756.57        |
|                               | 85789   | through | 85794 | \$        | 96,663.14         |
|                               | 85795   | through | 85798 | \$        | 1,042.26          |
|                               | 85799   | through | 85799 | \$        | 1,151.43          |
| Bank Drafts                   | FSA     |         |       | \$        | 950.51            |
| Bank Drafts                   | General |         |       | \$        | 16,045.95         |
| Bank Drafts                   | AP      |         |       | \$        | 96,599.32         |
| <b>Total Accounts Payable</b> |         |         |       | <b>\$</b> | <b>414,838.49</b> |

**Payroll:**

Numbers:

|                      |       |           |       |           |                   |
|----------------------|-------|-----------|-------|-----------|-------------------|
|                      | 34418 | through   | 34418 | \$        | 250.00            |
| Direct Deposit       |       | 6/20/2023 |       | \$        | 146,075.70        |
| <b>Total Payroll</b> |       |           |       | <b>\$</b> | <b>146,325.70</b> |

**Voided Checks:**

\$ -

**Total Disbursements**

**\$ 561,164.19**

**PUBLIC COMMENTS:** None

**PRESENTATIONS:**

**Financial Statements – May 2023:** Mr. Dezember presented the final Financial Statements for May of 2023, including a review of the following:

- Balance Sheet, As of May 31, 2023
- Balance Sheet – Comparative, As of May 31, 2023 and 2022
- Statement of Revenues & Expenditures – Budget to Actual, Period Ending May 31, 2023
- Statement of Revenues & Expenditures – Comparative, Period Ending May 31, 2023
- Statement of Grant Revenues for Current Awards, Period Ending May 31, 2023
- Fund Balance Change, As of May 31, 2023
- Cash Investment Report, As of May 31, 2023
- Loans Payable, As of May 31, 2023

**Director Rathbun moved to accept the Financial Statements for the period ended May 31, 2023. Vice President McKenzie seconded. The motion carried.**

**PUBLIC HEARING:** None

**BOARD REPORTS:** None

**ACTION ITEMS:**

**August 1, 2023, Board Meeting:** Mr. Freeman presented the item, explaining that the on August 1, 2023, two Directors, Legal Counsel, the Assistant District Manager, the District Manager, and the Engineering and Operations Manager will be unable to attend the Board meeting, due to their attendance at the NWRA 2023 Western Water Seminar. He stated that per the By-Laws, it is appropriate for the Board to cancel this Board meeting due to these absences.

**Vice President McKenzie moved to cancel the August 1, 2023, Board of Directors Meeting. Director Rathbun seconded. The motion carried.**

**Approving City View Lot 5 Lease Agreement:** Mr. Defoe presented the item. He summarized the negotiations that have taken place, and the key terms of the Lease Agreement, as well as the expected income from the lease.

**Director Rathbun moved to approve the Lease Agreement with Gen 2 & 3, LLC, and to authorize the Board President and District Manager as signature authorities to execute the Lease Agreement with all terms and conditions contained therein. Vice President McKenzie seconded. The motion carried.**

**Reconsideration of Surcharge Early Pay Discount for MC 12.5-1 Service Area:** Mr. Freeman presented the item. He explained that in 2022 and 2023, resolutions were passed for the improvement of this service area and customers were offered a discounted rate if they paid by April 30, 2023. KID customer Patrick McGuire claims he was not notified of the opportunity for the discount. Mr. McGuire was granted the opportunity to take advantage of the discounted rate until June 30, 2023, which he did. He recommended a motion to allow Mr. McGuire to pay the discounted rate.

**Vice President McKenzie moved to allow Mr. McGuire to take advantage of the 20% discounted rate as specified in both the March and May, 2023, letters. Director Rathbun seconded. The motion carried.**

## RESOLUTIONS:

**Resolution 2023-28 Authorization for Collection of Surcharges for S. AP 2.9-1 Benefit Area, Specific to Lots 1 and 4 of Short Plat 228:** Mr. McShane presented the Resolution. He explained that the affected properties in the draft resolution are unique within the Southridge Benefit area as the only remaining large parcel within a PLA area that is not imminently being developed into smaller properties. He went on to explain that it is appropriate to allow the property owner the options of either paying the Southridge Transmission Surcharge in ten annual charges or to choose a deferment consistent with other KID surcharges.

**Director Rathbun moved to approve Resolution 2023-28 Authorization for Collection of Surcharges for S. AP 2.9-1 Benefit Area, Specific to Lots 1 and 4 of Short Plat 228. Vice President McKenzie seconded. The motion carried.**

## STAFF REPORTS:

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

- Foreclosures – currently 92 foreclosures, including those from both 2019 and 2020
- Finance Committee Meeting on 7/11/23
- 

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

- 19<sup>th</sup> Street Booster Pump failed but has been repaired
- Vegetation Control; we have hired a new Vegetation Control Specialist
- A project to digitize historic photos of the main canal is underway in Engineering

**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
- [wcc.nrcs.usda.gov](http://wcc.nrcs.usda.gov) - Washington SNOTEL Current Snow Water Equivalent (SWE)
- [cpc.ncep.noaa.gov](http://cpc.ncep.noaa.gov) - Monthly and Seasonal Temperature and Precipitation Outlook
- El Niño/Southern Oscillation (ENSO) Diagnostic Discussion (currently El Nino Advisory)
- Bureau of Reclamation – Yakima River Operations and Water Supply Meeting presentation regarding current and forecasted water supply

Mr. Defoe also reported regarding:

- A drought advisory was issued on 7/5/23 by the Department of Ecology

President Huffman inquired as to KID's plans for requesting drought funding. Mr. Defoe replied that KID is prepared to act should emergency funding become available.

- The 30-day review deadline for the Badger Coulee cultural resources expired today. The SEPA is in process.
- The cultural review for the central storage project is upcoming

**Assistant District Manager:** Mr. McShane reported regarding:

- Maintenance IV position negotiations with the Union are underway
- NOAA tour of the Prosser Dam
- Customers at the tail end of the Highland Wasteway Drain are not receiving adequate supply due to increasing efficiency in the system, so alternative options are being discussed

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

- Preparations are being made for the NWRA Conference in August

Mr. Freeman directed Mr. Berglund, PR Coordinator, to report to the Board. Mr. Berglund reported regarding:

- Social Media and digital ads that will advertise to only KID customers regarding items such as drought tolerance, yard watering, and water-off
- Kennewick Farmer's Market, for which KID is the primary community sponsor

**WORKSHOP:** None

**Executive Session:** At 10:22 a.m., Mr. Freeman announced on behalf of the presiding officer that the Board would go into executive session at 10:25 a.m. to consider the minimum price at which real estate will be offered for sale or lease, pursuant to RCW 42.30.110(1)(c); and 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 approximately 10 minutes unless extended. Action is possible following Executive Session.

The members of the public on Zoom were moved to the waiting room.

At 10:35 a.m., Executive Session was extended until 10:45 a.m.

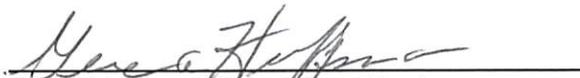
**Open Session:** At 10:45 a.m., the meeting resumed in open session and the members of the public on Zoom were readmitted.

President Huffman called for a motion to adjourn.

**Director Rathbun moved to adjourn at 10:45 a.m. Vice President McKenzie seconded. The motion carried.**

Attest:

Witness:



Gene Huffman, Board President  
Minutes Approved September 19, 2023



Charles Freeman, Board Secretary

Prepared by Lori Gibson