



Minutes

Meeting of the KID Board of Directors
 Carl W. Petersen Board Room
 Tuesday, February 7, 2017, 9:00 a.m.

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

Directors Present:

Gene Huffman, President
 Dean Dennis, Vice President
 Patrick McGuire
 David McKenzie
 Kirk Rathbun

Staff Present:

Chuck Freeman, District Manager
 Kipp Drummond, District Treasurer
 Seth Defoe, Land and Water Resources Manager
 Jason McShane, Engineering Manager
 Doris Rakowski, Executive Assistant

Other Persons Present: Fran Forgette, Legal Counsel

APPROVAL OF AGENDA: Director Rathbun moved to approve the agenda. Vice President Dennis seconded the motion and it carried unanimously.

CONSENT AGENDA: Vice President Dennis moved to approve the consent agenda. Director Rathbun seconded the motion and it carried unanimously.

Items on the consent agenda were:

1. Minutes, KID Board Meeting, January 3, 2017
2. Minutes, KID Board Meeting, January 17, 2017
3. Preliminary Plat 2016-02 Lattin Meadows Review Comments
4. Binding Site Plan 16-08 - Wet
5. Vouchers/Warrant Approval

Accounts Payable

Numbers:	73741	through	73784	\$	26,894.71
	73809	through	73823		37,019.60
	73833	through	73837		77,747.13
	73838	through	73921		381,998.59
	APPKT00341	through	APPKT00341		108.20
	APPKT00343	through	APPKT00343		69,179.83
	APPKT00344	through	APPKT00344		908.40
Total Accounts Payable					593,856.46

Payroll

Numbers:	33537	through	33537	\$	2,116.14
	33538	through	33545		3,172.07
Direct Deposit			2017-01-20		104,415.19
Total Payroll					109,703.40
Total Disbursements					\$ 703,559.86

Voided Checks:

AP checks #73785-73808 in the amount of \$101,286.99 were voided 01/19/17 due to printer error. AP checks #73824-73832 were voided in the amount of \$64,267.39 due to printer error.

PUBLIC COMMENTS: None

PRESENTATIONS: None

PUBLIC HEARING: None

BOARD REPORTS: Vice President Dennis and President Huffman reported regarding their attendance at the Irrigation Leader Operations and Maintenance Workshop. President Huffman said he had been on a panel regarding a board's role in a crisis.

ACTION ITEMS: None

RESOLUTIONS: None

STAFF REPORTS:

Finance Manager: Mr. Drummond reported regarding:

- Year end transition and reporting
- Positive Pay adopted in response to fraudulent checks
- Temporary Accountant
- Financial reports and internal monitoring of payroll, accounts receivable and payable
- Interviewing for Accountants

Engineering/Operations Manager: Mr. McShane reported regarding:

- Legislative consideration of budget related to the Integrated Plan
- Amon reservoir project funding
- Energy bill
- Less limitations on field work due to weather conditions
- Canyon Lakes concrete work for lining
- Badger East concrete and earthwork
- Options for anchoring lining at Highland feeder near an allowed encroachment
- Design for booster pump station at Red Mountain
- Tree removal work
- Extension on WaterSMART grant until mid-December 2017
- Consideration of additional staff to be discussed in committee meetings

Discussion ensued regarding scheduling of committee meetings. The Operations and Engineering Committee would meet next week. The Finance Committee was tentatively scheduled for February 16th at 2:30 p.m.

Land & Water Resources Manager: Mr. Defoe displayed data from USBR, USDA and NOAA websites and spoke briefly about weather conditions, reservoir storage management and snowpack.

Mr. Defoe also reported regarding:

- Comments on components of Voluntary Stewardship Program report
- KID's comments included in the Rachel Road wildlife report

- Expected mitigation by the City of Richland

District Manager: Mr. Freeman reported regarding:

- KID participation on three panels at Irrigation Leader Operations and Maintenance Workshop regarding crisis management and internal controls for accounting procedures
- Title transfer process research
- Interactive Voice Recognition progress. System expected to be live on March 1st.
- Planned discussions with Sunnyside Valley Irrigation District and Yakama Nation regarding conserved water issues
- Reuse well testing and development, and future phases for the reuse well program
- Perry insurance claim status
- Highland Feeder lining challenges due to weather, and consideration of delayed startup
- Media training
- Water On training in March
- Option to produce Water Strategies special issue on KID's 100-year anniversary, the Integrated Plan and electrification
- Review of the electrification plan by USBR technical services center
- Elliot Lake system now being run by the City of Kennewick. Closing was expected soon.
- Meeting with Kennewick Parks Department regarding the dirt pile and use of Elliott Lake
- Meeting with Finley School District regarding use of adjacent KID properties
- Assessment letter expected to be sent March 1st

WORKSHOP: None

EXECUTIVE SESSION: At 9:42 a.m., Mr. Forgette announced on behalf of the presiding officer that the Board would go into executive session discuss with legal counsel litigation, pursuant to RCW 42.30.110(1)(i), to discuss 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 an estimated 30 minutes following a short break. He said action was possible but not expected in open session following executive session.

Executive session was extended for ten minutes at 10:12 a.m.
Open session resumed at 10:22 a.m.

OPEN SESSION:

District Manager Review and Compensation Change: President Huffman reviewed Mr. Freeman's current salary, recent increase, and the amount budgeted.

Director McGuire spoke about Mr. Freeman's performance managing the District's water rights and staffing. He said his management was dynamic and well-balanced.

Mr. Forgette noted that no action occurred in executive session and said that now that the meeting was in open session action could be taken.

Director McKenzie said there had been a difference of opinion on the Board about the review process. He asked Mr. Freeman if he felt he had received annual reviews during his tenure, though they had been verbal. Mr. Freeman confirmed that he received reviews every year. Director McGuire said he had spoken about written reviews, but agreed verbal reviews were adequate for him in the future.

Director Rathbun said he was happy and satisfied with Mr. Freeman's performance dealing with KID's unique challenges from being a return flow district in an over-appropriated basin. He cited creation of a fund for pursuit of new water resources such as Columbia River water and the projects tracked and reported to the Board.

President Huffman said Mr. Freeman was doing good job, staying aware of and dealing with the many issues to be dealt with on a daily basis.

Vice President Dennis said Mr. Freeman and his staff were able to reply spontaneously to questions at meetings and he appreciated Mr. Freeman's leadership.

Discussion ensued regarding level of salary increase and salaries of area city managers. Director McKenzie noted that the District Manager's salary range and salary were adjusted in June in response to the salary survey and by the annual cost of living adjustment (COLA).

Director Rathbun spoke about the skill set needed in this position and at this time, and what it would take to hire someone with equivalent skills should Mr. Freeman to retire.

Director McGuire said the Board decided last summer to pay to retain quality employees.

President Huffman proposed a 5% raise to \$154,015 annually. He confirmed to Director McGuire that today would be the effective date.

In response to a question from Director Rathbun, Mr. Freeman said his review was usually in December, but that any time in the twelve month period was acceptable.

Director Rathbun suggested a raise between 5 to 8%, which would be between \$154,015 and \$158,415 annually. Discussion followed.


Director McGuire said Mr. Freeman's quality of work and management had been extraordinary, and that the error was fixed in June by adjusting his range by 5.4%. President Huffman and Director McGuire agreed that Mr. Freeman's pay had been low for years, but had been adjusted in June. Discussion continued regarding the appropriate percentage of increase in view of the adjustment and COLA increase.

Director McKenzie moved to set Mr. Freeman's salary at \$155,000 annually. Director McGuire seconded the motion and it carried unanimously.

Director McKenzie moved to adjourn the meeting at 10:40 a.m. Vice President Dennis seconded the motion and it carried unanimously.

Attest:

Witness:


Gene Huffman, Board President
Approved March 21, 2017


Chuck Freeman, District Manager

Prepared by Doris Rakowski