



## MINUTES

Regular Meeting of the KID Board of Directors  
 Carl W. Petersen Board Room  
 Tuesday, October 6, 2009, 9:00 a.m.

**Call to Order/Roll Call:** President Jaksch called the meeting to order in open session at 9:00 a.m. and Interim District Manager Revell called the roll.

**Directors Present:**

John Jaksch, President  
 John Pringle, Vice President  
 David McKenzie, Director  
 Patrick McGuire, Director  
 Gene Huffman, Director

**Staff Present:**

Scott Revell, Interim Secretary/Manager  
 Joetta Rupert, Real Estate Manager  
 Brian Iller, Legal Counsel  
 Clark Haueter, District Treasurer  
 Beth Smith, HR/Risk Manager & Engineering Mgr (Acting)  
 Harry Fox, Operations Manager  
 Mike Pearce, Maintenance Patrol  
 Doug Ricard, Construction Inspector  
 Doris Fiske, Executive Assistant

**Approval of Agenda:** President Jaksch added to executive session discussion with legal counsel of the legal risks of a proposed action and discussion with legal counsel of potential litigation regarding urban growth boundary issues. **Director McGuire moved to approve the agenda as modified. Director McKenzie seconded the motion and it carried unanimously.**

**Consent Agenda:** **Director Huffman moved to approve the consent agenda. Vice President Pringle seconded the motion and it carried unanimously.** Items on the consent agenda were:

1. KID O&M Vouchers

Numbers:	57950 through	58014	\$	331,157.43
	58015 through	58089		87,351.31
	58090 through	58103		15,173.07
	58104 through	58142		26,186.51
	58143 through	58143		23,479.70
	58144 through	58162		9,847.45

**Total Accounts Payable** 493,195.47

**Payroll**

Numbers:	31256 through	31267	\$	10,535.72
	31268 through	31279		10,938.27

Direct Deposit	74,503.41
Direct Deposit	70,712.99

**Total Payroll** 166,690.39

**Total Disbursements** \$ 659,885.86

**Voided Check:** Check No. 57945 void and reissued to correct vendor.

2. Minutes, KID Regular Board Meeting, September 15, 2009
3. Minutes, KID Special Board Meeting, September 24, 2009
4. Minutes, KID Special Board Meeting, September 25, 2009
5. Minutes, KID Special Board Meeting, September 29, 2009
6. Resolution 2009-29 Authorized Signers for KID Banking & Investment Services
7. Repeal Policy 5.1 Use of Shop Facilities
8. Approve Irrigation Season Shut-off Date of October 15, 2009 and Authorize Request to be Sent to the US Bureau of Reclamation
9. Change date of next regularly scheduled meeting from October 20, 2009 at 9:00 a.m. to October 13, 2009 at 9:00 a.m.

**Unscheduled Visitors:** James Wade, residing at 1813 S Rainier Place, asked questions regarding the Red Mountain South LID: If the Red Mountain system has not been designed yet, how do you get a true cost? What would have happened to the Red Mt LID if KID had not included over 600 plus acres; would they still have been able to afford the LID? If the property owners of Red Mountain can afford the \$700 plus an acre for the next 25 years, then I can't understand why that the larger parcels, that developers and co-ops and stuff, why they can't afford to pay their fair share. Will there be increases in the Red Mountain rates over the next 25 years and what is that projected cost?

Mr. Revell responded that MacKay and Sposito was hired to do initial preliminary (20%) design, and that KID will be issuing a request for qualifications to do the final design. As the design process progresses, costs become more finite. The projected cost of roughly \$12 million, based on an estimate prepared by the engineer hired to examine the basic components of the system, was included in the LID formation.

As to whether the project could be afforded without the KID properties, Mr. Revell noted that the original petition was from owners of 2,000 acres of property before the District signed up its property. The KID did not evaluate the proposed LID without the KID property. At the time of formation, about 1,780 acres were participating, so without the KID's acres there would be about 1,100 acres. There would be some reduced costs and some lost efficiencies if the KID property was not included.

Mr. Revell noted that each farm at Red Mountain is a little different; some use wells or surface water now. Some property owners are not currently growing a crop. Each property owner has a slightly different point of view regarding affordability.

Mr. Revell said that when the construction costs are finalized in the assessment roll, they will be fixed for the period of the loan repayment. Operation and maintenance costs will likely rise over time as labor, power and supply costs increase.

#### **New Business:**

**1. Policy 2.22 Capital Assets:** Mr. Haueter presented with proposed policy which was first reviewed by the Finance Committee on August 20<sup>th</sup>. The policy is intended to provide control and accountability over all of the District's capital assets (items costing over \$5,000 or having a useful life of over one year) and small and attractive assets as well. President Jaksch noted a correction to the outline numbers is needed on page 4 and 5. Mr. Haueter reported that KID has an inventory control policy and has been using federal, state, local and District requirements for capital assets though it has not been formalized previously.

**Director Huffman moved to approve Policy 2.22, Capital Assets. Vice President Pringle seconded the motion and it carried unanimously.**

**2. Policy 2.23 Disposal of Surplus Property:** Mr. Haueter presented the proposed policy which was reviewed by the Finance Committee August 20<sup>th</sup> and September 9<sup>th</sup>. He reported that staff researched statutory requirements for the publication of sales. **Director McKenzie moved to approve Policy 2.23, Disposal of Surplus Personal Property. Director McGuire seconded the motion and it carried unanimously.**

**3. District Manager's Report:** Mr. Revell discussed the following topics:

- The Finance Committee worked on the 2010 budget yesterday and it will be on the October 13<sup>th</sup> Board meeting agenda.
- The Yakima River Basin Water Enhancement Project (YRBWEP) Work Group will meet tomorrow and Mr. Revell will provide a status report on October 13<sup>th</sup>.
- A small claims case brought against the KID was dismissed in court last week.
- Amon Basin access control signs have been installed through a volunteer project coordinated by Tapteal Greenway.
- Past Director of Ecology Manning is now Chief of Staff for Governor Gregoire and there is an Interim Director in place at the Department of Ecology (Polly Zehm).
- Mr. Haueter will be the acting District Manager while Mr. Revell is on vacation from October 8<sup>th</sup> through October 14<sup>th</sup>.
- Mr. Haueter verified the cash investment report totals reported in the July 23, 2009 Finance Committee Minutes were correct. Mr. Haueter will provide a more detailed breakdown by account through August by email and through September at the next Board meeting.

President Jaksch called a ten minute break at 9:21 a.m.

At 9:31 a.m., the meeting reconvened in executive session for 90 minutes to evaluate the qualifications of applicants for public employment, to discuss with legal counsel the legal risks of a proposed action and to discuss with legal counsel potential litigation regarding urban growth boundary issues.


At 10:51 a.m., the meeting returned to open session.

**Director Huffman moved to adjourn the meeting at 10:52 a.m. Vice President Pringle seconded the motion and it carried unanimously.**

Attest:

Witness:

  
\_\_\_\_\_  
John A. Jaksch, Board President

  
\_\_\_\_\_  
Scott Revell, Secretary/Manager

Prepared by Doris Fiske, Executive Assistant