



Minutes

Regular Meeting of the KID Board of Directors
Carl W. Petersen Board Room
Tuesday, February 2, 2010, 9:00 a.m.

Call to Order/Roll Call: Vice President Huffman called the meeting to order in open session at 9:00 a.m. and District Manager Freeman called the roll.

Directors Present:

Gene Huffman
Patrick McGuire
John Pringle
David McKenzie

Staff Present:

Charles Freeman, District Manager
Scott Revell, Planning Manager
Clark Haueter, Finance Manager
Joetta Rupert, Real Estate Manager
Brian Iller, Legal Counsel
Harry Fox, Operations Manager
Beth Smith, Deputy Operations Manager
Doris Fiske, Executive Assistant

Directors Absent:

John Jaksch

Approval of Agenda: Vice President Huffman added purchase of a display booth to New Business. He cancelled the executive session item listed on the agenda and added a discussion with legal counsel of the risk of a proposed action. **Director Pringle moved to approve the agenda as amended. Director McGuire seconded the motion and it carried unanimously.**

Consent Agenda: **Director McGuire moved to approve the consent agenda. Director McKenzie seconded the motion and it carried unanimously.**

Items on the amended consent agenda were:

1. KID O&M Vouchers

Accounts Payable

Numbers: 58998 through 58998	\$	86,074.59
58999 through 58999		2,987.87
59000 through 59020		30,361.60
59021 through 59042		62,075.25
59043 through 59061		4,821.34
59062 through 59062		428.35
59063 through 59063		853.80
59064 through 59086		58,673.06
59087 through 59120		237,410.28
59121 through 59121		16,116.77
59122 through 59122		5,425.00

Total Accounts Payable

505,227.91

Payroll

Numbers:	31364 through 31373	\$	5,618.32
	31374 through 31374		238.64
	31375 through 31377		6,180.10
Direct Deposit			<u>62,875.72</u>
Total Payroll			<u>74,912.78</u>
Total Disbursements		\$	<u>580,140.69</u>

Voided Checks

- Check No. 59047 in the amount of \$20.44 void & reissued with revised payee.
- Check No. 59048 in the amount of \$20.44 void & reissued with revised payee.
- Check No. 59049 in the amount of \$105.47 void & reissued with revised payee.
- Check No. 59121 in the amount of \$16,116.77 void reissued with revised amount.

2. Minutes, KID Board Meeting, January 19, 2010

Unscheduled Visitors: Jim Wade, residing 1813 S Rainier Place in Kennewick, addressed the Board: He asked if any LID assessments have been received from Red Mt and if not, when KID will start receiving assessments. He asked who is paying for the expenses that have been incurred for Red Mountain. He also asked how the Board justifies wasteful spending. He listed examples of expenditures he considered wasteful including a \$611.33 office chair, \$400 for car seat covers, \$200 for safety glasses and \$556 for gloves including over \$300 for driving gloves. Mr. Wade said he believes the \$41.20 "canal rehab capital project assessment" is the same as the "canal break recovery '09." He objected to expenditures for travel, wine seminars and trade shows as representing wineries and Red Mountain, not residential customers. He also objected to pay increases of seven to twelve percent and real estate budget increases ranging from 29 to 1775 percent. Mr. Wade stated his belief that the Board of Equalization was opened by Mr. Jaksch on December 1, 2009, when he stated anyone wishing to speak on the equalization may do so.

Director McGuire asked Mr. Freeman to respond in writing to Mr. Wade and provide copies of the answers to Board.

Scheduled Visitors/Presentation:

1. David Child, Fish Biologist - Amon Basin Fish Habitat Study: Mr. Revell introduced David Child, fish biologist for the Yakima Basin Coalition and the Yakima Basin Joint Board, and Ian Porter, from Cramer Fish Sciences. Copies of the study were available at the meeting, are on file and are posted on the KID website. Mr. Revell announced that there will be a public meeting at 6:00 pm at the Country Gentlemen Restaurant.

Mr. Child and Mr. Porter presented details of the study's methodology, results of the study, and reviews of the work. A copy of the presentation materials is on file.

Mr. Child noted that the Amon Wasteway is not listed as steelhead critical habitat with the National Marine Fisheries Service and has not scored well on Salmon Recovery Funding Board grant applications on which he sits as a member of the technical advisory group.

Mr. Child summarized the conclusions of the study. A limited number of salmonids can be found in the Wasteway on a seasonal basis. Amon Wasteway habitat conditions are not capable of sustaining a significant production of salmonids. The primary drivers of Amon's habitat conditions are regional climatic and geological conditions. The study predicts minimal gains or losses in salmonid production associated with alterations in the Wasteway. The technical review process was discussed.

A question and answer period followed the presentation. Mark Neilson, from the Benton County Conservation District, asked if there was any plan to look at the west fork based on thermograph results. Mr. Porter referred to an earlier study and noted that, due to depth, it is likely to be warmer and perhaps temperature monitoring would be in order. Mr. Revell noted that a great deal of information has been compiled posted on www.KID.org. Mr. Wade asked if any pike minnows were found. Mr. Child said no northern pike minnow were found in the three electro-fishing reports, and said mostly warm water predator species, such as large and small mouth bass were found.

New Business:

2. Approve Request for Qualifications Comprehensive Plan: Mr. Revell presented the request to issue a request for qualifications and scope of work. Discussion ensued. **Director McGuire moved to authorize staff to issue a request for qualifications and scope of work for a comprehensive plan, as codified in the February 2, 2010 memo. Director McKenzie seconded the motion and it carried unanimously.**

3. Award Contract for Agreed upon Procedures – Special Audit Engagement Letter: Mr. Freeman presented the engagement letter with an increased estimate in costs, not to exceed \$40,000. Discussion ensued regarding budgeting. Mr. Freeman said the carryover budget is anticipated to cover the cost. He noted that the increase is based on refinements following Board and staff interview regarding expectations. **Director McKenzie moved to approve the Engagement Letter provided by LeMaster Daniels.** Director McGuire asked that, in the interest of openness and transparency, any communications from LeMaster Daniels to the Board be directed to all board members and the attorney, not just one Board member at any time, and that all communications be made using KID email addresses. Mr. Freeman said that other than the private interview with each Board member all Board communication will be shared with all Board members. He said that at the end of audit, he expects all work papers to be made public unless legal action is necessary. **Director McGuire seconded the motion and it carried unanimously.**

4. Relinquishment of Easement: Ms. Smith said a homeowner requested to relocate two irrigation easements from the back yard to the front yard. The work was done and inspected and is to KID standards. The homeowner now asks to relinquish the easements in the back yard. Discussion ensued regarding location of easements in neighboring parcels. Further discussion was delayed to receive input from staff engineer, Jason McShane.

5. District Manager's Report: Mr. Freeman reported that KID will have a booth at the Home and Garden Show, February 19 to 21. Board members are encouraged to join staff at the booth.

Mr. Freeman said staff has been in touch with the contractor that did the SCADA installation and failed to pull State permits. They are scheduled to come in the later part of March to pull the required permits and get the system operational.

Mr. Freeman reported that two responses were received for the water rate survey. Copies have been distributed to members of the selection committee.

Director McGuire asked about budget carryover. Mr. Freeman said changes in assessment structure allow the KID to act more as a utility. He said he expects in the future to end years with a carryover balance due to efficiencies. A policy will be drafted and taken to the next Finance Committee meeting for review. Discussion ensued regarding possible allocation for 2009-2010 carryover monies. The end of the year financial report is scheduled for March 2, 2010.

4. Relinquishment of Easement, Continued: Ms. Smith reported that this is the only house in the area with the irrigation easement in back, so moving the easement to the front is consistent with the rest of the parcels in the area. Discussion continued. Ms. Smith will verify if there are other backyard easements that will need to be relinquished. **Director McKenzie moved to authorize the District Manager to sign the Relinquishment of Easement document MS#26. Director Pringle seconded the motion and it carried unanimously.**

6. Display booth: Ms. Rupert reported that a deposit is needed on the Board-approved purchase of a display booth. She requested one-time exception to KID policy in order to allow a payment before receipt of goods. **Director Pringle moved to approve the payment of \$6,742.70 as a deposit for the purchase of the display booth. Director McGuire seconded and the motion carried unanimously.**

Vice President Huffman called a break at 10:05 a.m.

At 10:15 a.m., the meeting reconvened in executive session for thirty minutes to discuss with legal counsel of the risks of a proposed action. Executive session was extended for fifteen minutes at 10:45 a.m.

The meeting returned to open session at 10:58 a.m.

Director Pringle moved to adjourn the meeting at 10:59 a.m. Director McGuire seconded the motion and it carried unanimously.

Attest:

Witness:


Gene Huffman, Board Vice President


Charles Freeman, Secretary/Manager

Prepared by Doris Fiske, Executive Assistant