



## Minutes

Regular Meeting of the KID Board of Directors  
 Carl W. Petersen Board Room  
 Tuesday, March 16, 2010, 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 District Manager Freeman called the roll.

**Directors Present:**

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

**Staff Present:**

Charles Freeman, District Manager  
 Joetta Rupert, Real Estate Manager  
 Clark Haueter, Finance Manager  
 Brian Iller, Legal Counsel  
 Beth Smith, Deputy Operations Manager  
 Greg Harting, Operations Manager  
 Scott Revell, Planning Manager  
 Sandra Dallas, Administrative Assistant

**Approval of Agenda:** President Jaksch added a letter to Chuck Garner requesting water be delivered to the head-gate on April 1, 2010, the Highlift Change Order in the amount of \$1,410.00, and the Finance Committee Report to the agenda. **Director Pringle moved to approve the agenda as amended. Vice President Huffman seconded the motion and it carried unanimously.**

**Consent Agenda:** **Director Pringle moved to approve the consent agenda. Director McKenzie seconded the motion and it carried unanimously.** Items approved were:

1. Minutes, KID Board Meeting, March 2, 2010
2. Minutes, KID Special Board Meeting/Retreat, March 6, 2010
3. Rescind Revolving Account for Funded Items, Policy & Procedure 2.9
4. KID O&M Vouchers

**Accounts Payable**

Numbers:	59292 through 59341	\$	105,675.78
	59342 through 59345		1,040.61
	59346 through 59375		17,111.64
<b>Total Accounts Payable</b>			123,828.03

**Payroll**

Numbers:	31405 through 31405	\$	3,566.10
	31406 through 31406		7,899.19
	31407 through 31416		7,019.91
	31417 through 31417		1,217.93
	31418 through 31418		120.42
Direct Deposit			62,281.92
<b>Total Payroll</b>			82,105.47
<b>Total Disbursements</b>			\$ 205,933.50

### **Voided Checks**

Check No. 59235 in the amount of \$128.00 void and reissued with correct amount.  
Check No. 59170 to Title Co. in the amount of \$168.38 void and reissue to customer.  
Check No. 59161 to Title Co. in the amount of \$174.26 void and reissue to customer.

### **Unscheduled Visitors:**

R.G. Utley, residing at 71528 E. Badger Road, voiced his disapproval about the rate increase on his 60 acre alfalfa farm. He described his experience with parcel consolidation and said it was a waste of time. Mr. Utley would like the board to explain why his rate is 30% higher than last year and if this increase was across the Board. Director Pringle stated that he farms in five other districts and the rates run around the same as KID's rates, \$100 to \$120 per acre and that the KID has some of the lowest rates. Director Pringle informed Mr. Utley that recently the KID has lost revenue from investments and interest which in the past were used to subsidize the district. Discussion ensued. President Jaksch asked Mr. Haueter to review the consolidation process with Mr. Utley.

Jim Wade, residing at 1813 S. Rainier Place, would like to know how many of the 15 applicants for the Water Rate Advisory Committee were interviewed and how many were selected from urban residential lot owners with no ties to agriculture, farming, developing or working for irrigation districts. He read from the applications of the appointees and said none represent only the urban customer. Mr. Wade said he did not receive a response to his questions posed at board meetings on January 12, 2010, February 2, 2010 and February 16, 2010. Mr. Wade requested an explanation of why the KID is spending \$1,200.00 per month on a Labor Relations Consultant. Director McGuire will respond to Mr. Wade in writing regarding the Water Rate Advisory Committee and Mr. Freeman will follow up on the questions from past board meetings.

### **Scheduled Visitors/Presentations:**

**1. Evergreen Rural Water of Washington - Owning and Operating Potable Water Systems:** Mike Pendergraft, Eastern Region Circuit Rider, gave background information about Evergreen Rural Water of Washington (ERWoW), a non-profit organization serving the needs of small potable water and wastewater systems in Washington State. ERWoW provides systems with free services such as on-site technical assistance, formal training, equipment lending, training information such as manuals and videos, insurance and leadership on issues affecting the water and wastewater industry and offers over 200 fee-based classes per year.

Dave Tysz, Wastewater Technician, discussed the responsibilities to properties owners and liabilities incurred by the KID as the service provider. He noted that these must be balanced with the need to run the system as a financially viable business and recommended looking at a 50-year span. He said rates have to be raised due to power and labor costs, or necessary repairs to insure that the best service is provided and available. Mr. Tysz discussed maintaining a small water system management program and the sanitary surveys conducted by the State.

### **New Business:**

**2. Elaine Larsen - Development Requirement Waiver Request:**

Mr. Freeman discussed the history of Ms. Larsen's request and details from the February 25, 2010 Operations & Engineering Committee meeting. KID will require Ms. Larsen, at her expense, to install onsite irrigation infrastructure to current standards on her parcel. Staff is recommending that the Board consider that to require new improvements would outweigh the

properties current value. **President Jaksch moved that the board waive the requirements of Procedure 4.0,e, as it would apply to the Larsen/Peters property located near the I-82 Kiona-Benton City Interchange. Director Pringle seconded the motion. Directors Huffman, Jaksch, Pringle and McKenzie voted in favor of the motion. Director McGuire voted in opposition. The motion carried.**

**3. 2009 Year-End Financial Reports:**

Mr. Haueter discussed the 2009 status reports highlights that had been presented at the March 11, 2010 Finance Committee Meeting. No action was required.

**4. 2010 Budget Status Report:**

Mr. Haueter reviewed the new format and discussed the attached expenditure reports through March 10, 2010. Mr. Haueter discussed all the assessment funds. No questions.

**5. District Goals:**

Mr. Freeman presented the list of goals that were brainstormed at the March 6, 2010 special meeting and recommended that the Board prioritize the list and return it to him. Mr. Freeman reported that the candidate for Engineering Manager has accepted a tentative offer pending Board approval. Discussion ensued regarding whether to wait for his input and expertise before prioritizing the list of goals. The Directors will review the list individually and forward their input to Mr. Freeman to be compiled.

**6. District Manager's Report:**

Mr. Freeman discussed the selection of the incoming Engineering Manager and why his qualifications justify a higher starting pay rate than previously budgeted. President Jaksch would like to have his resume sent around to the Board for further review. Mr. Freeman confirmed that the 2010 budget can absorb the salary.

Discussion ensued about additional staffing. The new GIS Specialist starts April 5, 2010. , In the Operations Department, temporary workers will be hired in lieu of replacing a recently terminated employee until a grievance brought on behalf of that individual is resolved. A budget amendment will be brought to the Board. Mr. Freeman noted that the Operations Supervisor will not be replaced.

The Water Rate Advisory Committee will meet March 18<sup>th</sup>. The kick off meeting for the Rate Study will be held after the Special Audit is complete and has been moved to May 17, 2010 for the consultant and May 18, 2010 for the Board.

President Jaksch announced that committee chairs will give a report at Board meetings following committee meetings.

**7. Finance Committee Report:**

Director McGuire gave an overview of what was discussed at the March 11<sup>th</sup> Finance Committee meeting. He said the Finance Committee recognizes the need for a Financial Advisor and will be pursuing the request for qualifications in 2011. The special audit report and the auditor's request for additional funds were discussed. A new employee manual for exempt employees is under review. Mr. Freeman said he will submit the request for proposal for a salary survey to the Board on April 6, 2010 for approval. Policies and procedures are being developed for the carry-forward funds and for foreclosures. A proposal for a security system for the shop was discussed as was a Realty Committee recommendation on moving forward on the feasibility study for Bretz road.

**8. Chuck Garner, USBR Letter:**

President Jaksch requested approval of the yearly letter to Chuck Garner requesting water delivery on April 1, 2010. Vice-President Huffman moved to approve the letter as written. Director Pringle seconded the motion and the motion carried unanimously.

**9. Highlift Change Order:**

Ms. Smith reported that additional voids were found behind the shop after Ray Poland & Sons was awarded the contract and requested that the change order be approved. The breakdown of the cost and budgeting were discussed. Vice-President Huffman moved to approve the Change Order to the Highlift void repair contract for an additional \$1,410.00 to fill the additional voids on the Highlift canal. Director McKenzie approved and the motion carried unanimously.

President Jaksch announced a break at 10:04 a.m.

At 10:24 a.m., the meeting reconvened in executive session for thirty minutes to discuss with legal counsel litigation regarding Acquavella. Executive session was extended for thirty minutes at 10:55 a.m. and again at 11:25 a.m.

At 11:45 a.m., the meeting returned to open session.

Director McKenzie moved to adjourn the meeting at 11:45 a.m. Vice President Huffman seconded the motion and it carried unanimously.

Attest:

Witness:

  
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John Jaksch, Board President

  
\_\_\_\_\_  
Charles Freeman, Secretary/Manager

Prepared by Sandra Dallas, Administrative Assistant