



Minutes

Regular Meeting of the KID Board of Directors
Carl W. Petersen Board Room
Tuesday, April 20, 2010, 9:00 a.m.

Call to Order/Roll Call: President Jaksch called the meeting to order in open session at 9:01 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
Brian Iller, Legal Counsel
Clark Haueter, Finance Manager
Scott Revell, Planning Manager
Greg Harting, Operations Manager
Sandra Dallas, Administrative Assistant

Approval of Agenda: President Jaksch called to approve the agenda. **Director McKenzie moved to approve the agenda. Director Pringle seconded the motion and it carried unanimously.**

Consent Agenda: President Jaksch noted that there are some minor changes to be made in the April 6, 2010 minutes. **Vice President Huffman moved to approve the consent agenda with the minor changes stated. Director McKenzie seconded the motion and it carried unanimously.** Items on the consent agenda were:

1. Minutes, KID Board Meeting, April 6, 2010 JJ changes GH approved with changes
2. KID O&M Vouchers

Accounts Payable

Numbers: 59541 through 59541	\$	2,039.96
59542 through 59575		37,695.76
59576 through 59628		182,081.93
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Total Accounts Payable 221,817.65

Payroll

Numbers: 31443 through 31452	\$	7,843.78
31453 through 31453		117.83
Direct Deposit		61,955.80
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Total Payroll 69,917.41

Total Disbursements \$ 291,735.06

Check No. 57854 in the amount of \$120.00, void and reissue.

Presentations: None

Public Hearing: None

Board Reports:

1. **Finance Committee Report:** Director McGuire reported that:
 - The request for qualifications (RFQ) for the salary survey was reviewed.
 - The committee gave input on the draft employee manual.
 - The Capital Projects update was the same as the previous Board meeting.
 - Discussion of BARS mitigation, cash and accrual accounting was postponed until after the LeMaster Daniels report.
 - Mr. Crawford is working with the Auditors to develop a policy for passwords.
 - Mr. Freeman presented a revised policy and procedure on Personnel Acquisitions, Terminations & Performance.
 - Mr. Harting is exploring options for additional office space at the Ely shop location.
 - The cellular telephone allowance policy and Mr. McGuire's proposal that KID download cellular telephone address books if KID is paying for personal cell phone use and that KID be able to track phone records for public records requests will be discussed further after the TROI report is received.
 - Mr. Freeman put in an RFQ for an architect.
2. **Water Rate Advisory Committee Report:** Director McGuire reported that:
 - Kirk Rathbun was elected as chairman and Jeff Lutz as co-chair.
 - The committee was briefed on canal rehab charge, the 2008 and 2009 capital projects, the USBR construction loan, and the rates and tolls system
 - The next committee meeting will be on May 10, 2010.
3. **Realty Committee Report:** Vice President Huffman reported that:
 - The Realty Department business park lease was renewed for one year while arrangements are made to move to the KID Administrative office building.
 - The funds for the Bretz road LID loan for Realty is \$180,000 and once the feasibility study is done it will be presented to the Board.
 - Cascade Natural Gas is hydro-seeding the portion of KID City View land they cleared.
 - Request for Proposals are out for appraisals of KID property on Red Mountain.
 - The Kennewick Industrial Park sign will be removed and stored at the KID shop.

Action Items:

4. **Approve Request for Qualifications (RFQ) for Salary Survey:** Mr. Freeman reviewed the scope of work in the proposed RFQ which has been reviewed by the Finance Committee twice. Staff and the Finance Committee will review the submittals and work with the consultant the Board chooses for the contract. **Director Pringle moved to direct the staff to publish the Request for Qualifications for a comprehensive salary review in regional publications, on the KID website and other appropriate materials. Director Huffman seconded the motion and it carried unanimously.**
5. **Award Contract for Comprehensive Water System Plan:** Mr. Revell reviewed the RFQ and the determination that McKay & Sposito is the most qualified firm. He said staff proposes budgeting the \$65,000 scope of work over two years, not exceeding \$50,000 in one year, and that KID prioritize the balance of this work. Legal counsel will draft terms and conditions. GIS will absorb some of the cost internally. Director Pringle did not receive a scope of work chart in his notebook and was provided a copy. Mr. Revell went through the scope of work on the chart. Mr. Revell reported that the other respondents were R2H Engineering, JUB, and a firm out of Wenatchee. **President Jaksch moved to award a contract to McKay & Sposito for a Comprehensive Water System Plan not to exceed \$50,000 in the year 2010 and the remainder of \$14,810.50 of the work to be completed in 2011. Director McKenzie seconded the motion and it carried unanimously.**

6. **Approve Policy 2.25 Foreclosures:** Mr. Haueter reported the proposed policy was changed per Finance Committee recommendations that foreclosures do not take place from November 1 through March 1 and that foreclosure sales will be held at the Benton County courthouse or similar facility and not at the KID facility. There is no need for a procedure. **Director McGuire recommended approval of Policy 2.25 Foreclosures. Director Pringle seconded the motion and it carried unanimously.**

7. **Approve Revised Procedure #42, Engineering Standards and Approve Policy 4.19, Engineering Standards:** Mr. McShane asked for comments on the proposed changes. Discussion ensued regarding whether standards could be lowered if the Board would give authority to make those choices to staff. The Board directed Mr. McShane to make changes to proposed Policy 4.19 limiting staff's ability to make changes without Board approval for review at the next Board meeting.

Resolutions:

8. **Resolution 2010-10 Adoption of Construction Standards:** On hold.

9. **Resolution 2010-11 WaterSMART Grant:** – Mr. Freeman reviewed the background and presented a summary of the funding opportunity for the USBR WaterSMART program. **Vice President Huffman moved to approve Resolution 2010-11 and authorize the Board President to sign the grant application as the Authorized Representative. Director McKenzie seconded the motion and it carried unanimously.**

Public Comments:

James Wade, residing at 1813 S. Rainier Place, Kennewick Washington, thanked Mr. Freeman for his reply dated March 29th. He said that as there was no denial of any of his statements, they must be correct. Mr. Wade asked Mr. Iller to explain to the Attorney General that the Board of Equalization notice was posted in the KID office and that Mr. Jaksch invited those present at the December 1, 2009 meeting to talk about it. Mr. Wade said if Mr. Haueter and Mr. Freeman were aware of statutes pertaining to the lands, values and spending, they should have given the statutes to him rather than telling him where to read them online. Mr. Wade said he is still waiting for his request from Realty for the actual expenditures from October 1, 2009 to December 31, 2009. He asked how many of the KID Board members were acquainted with the Water Advisory Board prior to their hiring. He also asked the Board to explain why instead of reducing cost for travel and entertainment it has increased it.

President Jaksch asked the staff to answer any questions that had not been previously answered and to verify what was said at the December 1, 2009 meeting.

Staff Reports:

Finance Manager: Mr. Haueter reported that assessment bills were mailed one month earlier than in 2009. He commended customer service on their performance and said most calls were regarding water delivery and broken valves. The 2010 financial status report through March 31st and the cash investment report are included in the meeting packet.

Engineering Manager: Mr. Freeman reviewed the outage reports and issues related to the mainline breakage.

Operations Manager: Mr. Harting reported there were 207 of 247 work orders completed including 140 broken valves, 19 broken risers, 24 mainline breaks and that currently only 6 mainline and 24 miscellaneous work orders are pending completion. Mr. Harting said the mainline breaks were due to poor glue jobs and, in one case, poor seating and lack of primer. Mr. Harting was unable to confirm if valve problems were due to frost, though it is probable

where they are above ground, and said it takes around 15 minutes per valve to repair. President Jaksch asked Mr. Harting to report at the next Operations & Engineering Committee meeting as to why the valves are breaking.

Planning Manager: Mr. Revell reported that:

- KID will update the Benton County Commissioners on the Red Mountain system on April 26th at 9:25 am at the Prosser Courthouse
- A joint workshop of the KID Board and the Richland City Council will be held on June 22nd.
- City of Kennewick has given KID a draft discharge agreement regarding an aquifer storage and recovery well in the Southridge area where they would like to discharge water into a KID canal to test the facility. Legal counsel is reviewing the details. Discussion ensued.
- A presentation regarding the status of the watershed planning efforts from the Yakima Basin Water Resources Advisory Committee Executive Director, Jim Milton, is tentatively scheduled for May 18th.
- The KID news letter will go out this week.
- Upper Country Ridge Homeowners Association questions were addressed including verification with the Department of Ecology that their ground water right is from April 1st to October 31st.
- Mike Schwisow of the Washington State Water Resource Association arranged a meeting for the Yakima Basin irrigation districts and the new Director of Ecology, Ted Sturdevant.
- The KID Board tour last week was attended by Mr. Sturdevant and representatives of the Department of Ecology and the U.S. Bureau of Reclamation.
- The West Richland Urban Growth Boundary hearing was cancelled due to lack of quorum and has not been rescheduled yet.

District Manager: Mr. Freeman and Mr. Revell reported on a meeting with representatives of the Yakama Indian Nation regarding the Red Mountain project. On a staff level, no red flags were identified. The 82cfs was not discussed. The next step for the early water letter submitted to the USBR is to the Water Transfer Working Group. The Yakama Nation wants to consider the final agreement (MOU) simultaneously with the settlement agreement (Acquavella 2001 CFO).

Mr. Freeman will provide Mr. Jaksch a report on left over capital projects money to be transferred to Reserves.

Mr. McGuire recommended staff meet with the Benton Irrigation District regarding material and design problems they have had with their new pressurized system.

Realty Manager: Ms. Rupert reported that:

- Ms. Rupert visited Red Mountain homeowners with encroachments or dumping on KID property and gave them 30 days to clean up the sites and received cooperation. Kiona Village was given 60 days due to changing management.
- A title report and surveying cost estimate have been ordered for a proposed property exchange or sale of a small piece of KID property in the Whitstrand area.
- The Realty office lease has been renewed for an additional year.
- The Red Mountain soil analysis report was received and is being reviewed.
- The Amon House decommission and demolition survey has been completed, staff is getting estimates on decommissioning the septic tank and is waiting for the USBR to do the historical compliance and mitigation and the asbestos abatement.
- There is one foreclosure of a contract which is in arrears under way which should be complete in September 2010.

- Property owners with encroaching walnut trees at the site of the pumping station for Red Mountain have been asked to remove the trees within 30 days. They would like to discuss with the Board where the pump station will be sited and if there will be any property available after that.
- Director McGuire would like Ms. Rupert to investigate the bonsai trees salesman located on KID property near Keene & Duportail.

President Jaksch called a break at 10:50 a.m.

Workshop: None

The Board reconvened in Executive Session for 90 minutes at 11:05 a.m. to discuss with legal counsel potential litigation to which the agency, the governing body, or a member acting in an official capacity is likely to become a party and to discuss with legal counsel potential litigation regarding relinquishment.

At 12:21 p.m. the meeting returned to open session.

President Jaksch moved that KID hire LeMaster Daniels to work with the KID to implement the various recommendations in their report. The Board also has determined that this contract constitutes special services or market conditions which warrant that the price for the contract be negotiated. Director Pringle seconded the motion and it carried unanimously.

President Jaksch moved to release to the press and the public and put up on the KID website, the report by LeMaster Daniels. Director McGuire seconded the motion and it carried unanimously.

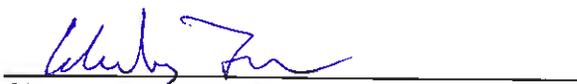
Vice President Huffman moved to adjourn the meeting at 12:25 p.m. Director McKenzie seconded the motion and it carried unanimously.

Attest:

Witness:



John Jaksch, Board President



Charles Freeman, Secretary/Manager

Prepared by Sandra Dallas, Administrative Assistant