



## Minutes

Regular Meeting of the KID Board of Directors  
 Carl W. Petersen Board Room  
 Tuesday, June 1, 2010, 9:00 a.m.

**Call to Order:** President Jaksch called the meeting to order at 9:00 a.m. and District Manager Freeman called 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  
 Ed Everaert, Engineering Manager  
 Greg Harting, Operations Manager  
 Scott Revell, Planning Manager  
 Beth Smith, Deputy Operations Manager  
 Jason McShane, Staff Engineer  
 Doris Fiske, Executive Assistant

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

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

Items on the consent agenda were:

1. Minutes, KID Board Meeting, May 18, 2010
2. Approve Tom Matheson Easement Vacation Request
3. Transfer to Reserves from Fund 8000 Capital Projects
4. KID O&M Vouchers

**Accounts Payable**

Numbers: 59811 through 59811	\$	888.00	
59812 through 59832		65,645.83	
59833 through 59893		124,450.15	
			190,983.98

**Payroll**

Numbers: 31479 through 31489	\$	9,527.18	
Direct Deposit		69,345.52	
			78,872.70
<b>Total Disbursements</b>			<b>\$ 269,856.68</b>

**Voided Checks**

None

**Presentations:** None

**Public Hearing:** None

**Board Reports:**

**Operations and Engineering Committee Report:** Director McKenzie reported that the Operations and Engineering Committee reviewed drafts of the Safety Manual and the Five-Year Capital Improvement Plan. The committee considered plans to alleviate startup problems in the future. Progress on SCADA was reported. Water budgeting including metering was discussed. Mr. Revell reported to the committee on Water Entitlement Transfer Relegation issues. Director McKenzie noted that he has requested that financial statements be presented at future Operation and Engineering Committee meetings.

**Action Items:**

**Cancel June 15, 2010 Board Meeting:** Vice President Huffman moved to cancel the June 15, 2010 Board meeting. Director Pringle seconded the motion and it carried unanimously.

**Set Meeting Date and Time for Town Hall Board Meeting:** Discussion ensued regarding scheduling. Director McKenzie moved to schedule a town hall meeting for Saturday, July 10th. Vice President Huffman seconded the motion and it carried unanimously.

**Approve Policy 3.1-4 Personnel Acquisition, Termination, & Performance, Rev. 1:** Mr. Freeman discussed revisions to the policy and procedure including hiring procedures, performance review, and merit pay. The draft has been legally reviewed. Director Pringle moved to approve Policy 3.1-4 entitled New Hire, Transfers, Terminations & Performance Reviews. Vice President Huffman seconded the motion and it carried unanimously.

**Resolutions:** None

**Public Comments:**

**Jim Wade**, residing at 1813 S Rainier Place, responded to a letter from Mr. Iller regarding the Board of equalization and ergonomic furniture. He discussed KID spending in light of the economic hardship of some water users. He listed budget items he thinks could be cut back and said he believes the attitude of the Board and management is "why not; it's not our money." Mr. Wade asked Mr. Iller how soon questions asked in a Board meeting have to be answered.

**Staff Reports:**

**Engineering Manager:** Mr. Everaert distributed and reviewed a chart entitled KID Main Canal and Spill Flow Measurements which is an early draft of a water budget. He discussed spill and finding opportunities to recover spill. Mr. Everaert discussed the USBR Hydromet website, <http://www.usbr.gov/pn/hydromet/data/yakima.html>. He reported Engineering Standards are still under review. He discussed water management including acquiring two portable propeller meters to be mounted on ditch riders' trucks. Eventually meters may be permanently mounted which communicate with the SCADA system. Limitations of where measurements can be taken and calibration issues were discussed.

**Operations Manager:** Mr. Harting estimated KID is 2,200 acre-feet below budget for last month and discussed current flow levels. Last week, 66 work orders were completed from a total of 83 work orders including 39 valve problems, 17 main line leaks, three risers, five pumps and other issues. Mr. Harting reported that a flow meter is being installed at the Lorayne J system to help find the pressure problem.

**Planning Manager:** Mr. Revell said the top priority for the planning department has been completing the MOU and Settlement agreement. He reported that about 235 Water Entitlement

Transfer applications were filed as of Friday, May 28<sup>th</sup>, and discussed expected budget impact and processing steps. Board action will be needed several meetings from now and suggestions for improving the program will be made after completion. Mr. Revell reported that the County Commissioners approved the West Richland UGA Amendment last week. The next step will be a compliance hearing with the growth board.

**Realty Manager:** Ms. Rupert reported on her attendance of the ISCS conference and discussed highlights of the workshops on Market and Financial Feasibility/Finding More Tenants and the North American Industrial Classification System. Ms. Rupert will follow up with restaurants, hotels and retailers she contacted at the conference. She met with Kennewick Mayor Pro Tem Sharon Brown and Economic Development Director Jeff Kossow regarding partnering in Vista Field. She also spoke with City of Richland economic development officials regarding finding big box retailers for KID's City View and Stoneridge properties.

**District Manager:** Mr. Freeman reported that overtime is strictly controlled and that \$90,000 less has been spend year-to-date than the same period last year. He reported that KID's future use of technology was discussed at the all staff meeting last week. He used the analogy of the police model of centralized dispatch and work order completion in the field. He noted that the two mini-lap tops currently deployed in the field cost less than \$400 each. Mr. Freeman reported the Department of Ecology granted KID waivers regarding the frequency of monitoring chemical residuals in the discharges and said it will save time and money in laboratory testing. Mr. Freeman met with the City of Kennewick and JUB regarding Four Corners/Hildebrand Road area and will meet again along with MacKay and Sposito about Hildebrand on June 8<sup>th</sup>. This area of major expansion for the City of Kennewick will include about 3,500 dwellings and KID will be involved in making sure infrastructure is to District standards. He said the USBR will be involved in discussion of City needs for rights-of-way at Plymouth Drain.

**Finance Manager:** Mr. Freeman noted that the Finance Manager is not present and said staff will provide the new financial report to the Finance Committee. He reported on improved use of Springbrook. Mr. Freeman has begun the budget process for next year working with Kassie Rothfork on the Springbrook architecture for the budgeting process. He may discuss budgeting with the Finance Committee regarding feedback on design of budget reporting.

#### **Workshop:**

**Project Tracking Update:** Mr. Freeman reviewed the updated project tracking report. Changes include:

- Red Mountain - Board of County Commissioners approval of the UGA
- Water Right Management - Goal of measurement of 100% of turnouts
- Strategic Planning - Architectural services proposals have been received
- Operations - Safety Manual is under review, and Ms. Smith will work on the Communication Plan and Preventative Maintenance Plan next.
- Finance - Centralized Purchasing job description is under review and the Rate Study is underway.
- Engineering – Standards are near completion. Deadline is approaching for 502/502 small system management plans.
- Administrative – New category including budget development, communication plan, and cost/benefit analysis for contracting out certain components of operations. No response was received to the RFQ for salary survey and further efforts will be made to find a consultant.

**Five-year Capital Plan:** Mr. Freeman said a Board policy needs to be drafted regarding canal rehab dollars. He asked what types of projects qualify for canal rehab dollars; would Chandler Pump rebuilding, technology or PSA valve re-setting qualify? Other policy questions include whether the fund can be over or under spent and whether it should be a revolving fund. Mr. Freeman requested feedback from the Board to aid in drafting a policy. President Jaksch referred the question to the Finance Committee.

Mr. McShane distributed packets for eight proposed projects which the Board will review. Mr. Freeman addressed each of the projects proposed for 2011 and discussed project management and tracking using Springbrook software. Mr. Freeman noted that project costs will change as refinements are made and said any changes will require staff to return to Board.

Discussion ensued regarding the Badger East Shotcrete/Liner project. Mr. Freeman explained the Canal Rehab Variance column and carryover. He also discussed the latecomers' agreement for Southridge which would be managed by the City during permit issuing for an administrative fee for the next 15 years. Pond dredging plans for 2015 were discussed.

At 9:55 a.m., President Jaksch called a break.

At 10:15 a.m., the Board reconvened in Executive Session for 60 minutes to discuss with attorney the risks of a proposed action regarding waiver of attorney client privilege and to discuss with legal counsel litigation regarding Acquavella.

At 11:08 a.m., the Board returned to open session.

**Director McKenzie moved to adjourn at 11:08 a.m. Vice President Huffman seconded the motion and it carried unanimously.**

Attest:

Witness:

  
John Jaksch, Board President

  
Charles Freeman, Secretary/Manager

Prepared by Doris Fiske, Executive Assistant