



## Minutes

Regular Meeting of the KID Board of Directors  
 Carl W. Petersen Board Room  
 Tuesday, August 3, 2010, 9:00 a.m.

President Jaksch called the meeting to order at 9:00 a.m. District Manager Freeman called roll.

**Directors Present:**

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

**Staff Present:**

Charles Freeman, District Manager  
 Ed Everaert, Engineering Manager  
 Scott Revell, Planning Manager  
 Darrell Stewart, Accounting Manager  
 Angela Richardson, District Treasurer  
 Brian Iller, Legal Counsel  
 Lynda Rosenbaum, Administrative Contracts Specialist  
 Mike Pearce, Maintenance Patrol-Pumps  
 Judy Smith, Administrative Contracts Specialist  
 Jason McShane, Staff Engineer  
 Doris Fiske, Executive Assistant

**APPROVAL OF AGENDA:** President Jaksch added action to place the Realty Division permanently under the District Manager rather than the Board. He also added to executive session discussion with legal counsel potential litigation or legal risks of a proposed action or current practice. **Director Pringle moved to approve the amended agenda and Vice President Huffman seconded. The motion carried unanimously.**

**CONSENT AGENDA:** **Director McKenzie moved to approve the consent agenda. Director Pringle seconded the motion and it carried unanimously.**

Items on the consent agenda were:

1. Minutes, KID Board Meeting, July 20, 2010
2. Minutes, KID Board Special Meeting, July 27, 2010
3. KID O&M Vouchers

**Accounts Payable**

Numbers:	60382 through 60428	\$	126,075.93
	60429 through 60429		-
	60430 through 60512		113,103.07
<b>Total Accounts Payable</b>			239,179.00

**Payroll**

Numbers:	31520 through 31526	\$	8,645.13
	31527 through 31527		1,458.90
Direct Deposit			66,228.28
<b>Total Payroll</b>			76,332.31

<b>Total Disbursements</b>	\$ 315,511.31
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**Voided Checks**

Check No. 60429 void due to printing error.  
 Check No. 60364 void refund and apply to customer account.

## **PRESENTATIONS:**

**Water Entitlement Transfer Process Update:** Ms. Rosenbaum presented a progress report on the Water Entitlement Transfer Process (presentation materials on file).

There are 177 applications to relegate complete and eligible to be processed by the USBR and 12 applications to allocate irrigation to additional acres. Subject to GIS verification, there are 102.30 acres for relegation and 393.15 acres for allocation. An estimated net loss of \$30,498 in revenue is expected, not taking into consideration future development.

Next steps include sending notification letters to allocation applicants after the engineering impact analysis is complete, finishing title searches for relegation applications and sending the final list to the USBR for approval.

Ms. Rosenbaum recommended streamlining the process by including an intake appointment to explain requirements and eligibility up front to eliminate some incomplete or ineligible applications.

Discussion ensued regarding applications for allocations and streamlining the process. President Jaksch referred discussion of the program to the Finance Committee.

**Weed Management:** Mr. Pearce presented an update on aquatic weed management (presentation materials on file). He described the types of algae and pondweed growths that KID is working to control and the effectiveness of the treatments in use.

Discussion ensued regarding program costs, rotating chemicals to avoid resistance, and the use of barley straw for weed control in ponds.

**PUBLIC HEARING:** None

## **BOARD REPORTS:**

**Operations & Engineering Committee Report:** Director McKenzie reported the committee discussed:

- Financial reports for committee meetings
- The draft 5-year capital improvement plan
- A request from the City of Richland for a 10' easement along some KID properties which may come up for action within 30 days
- SCADA
- Contracting work out
- A right-of-way encroachment along the Amon Wasteway
- Algae and weed control, focusing on mechanical methods
- Identifying turnouts where metering can be done

## **ACTION ITEMS**

**Award Contract – Salary Survey Consultant:** Mr. Freeman discussed proposed salary survey and scope of work. As no responses were received to the RFQ, two companies, the Local Government Personnel Institute (LGPI) and Milliman, Inc., were contacted directly. After discussions with those firms, the organization-wide operational efficiency study element was removed from the scope of work but could be revisited as a stand-alone study.

Mr. Freemans said the board has the option reissue the RFQ, contract from direct negotiations or continue to use the 2004 study which didn't address all current staff positions. He said the budget can absorb the cost of the study.

Mr. Freeman said that if the board chooses to contract the study, it needs to be soon to coordinate with the timing of Union negotiations. He reported that the Union has been invited to be at the table with the Finance committee to help select comparables. Directors McGuire and Jaksch said the Finance Committee is ready to move forward.

**Director McKenzie moved to award the contract between KID and LGPI not to exceed \$16,505.50 (10% contingency included) for a salary and benefit survey and a market analysis, and that GL 0400-01-64400 Professional Services shall be used to pay all costs of project. Vice President Huffman seconded the motion and it carried unanimously.**

#### **RESOLUTIONS:**

**Resolution 2010-14 Authorized Signers for KID Banking and Investment Services:** Mr. Freeman presented the resolution. **Director McGuire moved to approve Resolution 2010-14, Authorized Signers for KID Banking and Investment Services. Vice President Huffman seconded the motion and it carried unanimously.**

**Realty Department: President Jaksch moved to place the Realty Division including all employees permanently under the supervision of the Secretary/Manager. Director Pringle seconded the motion and it carried unanimously.**

**Resolution 2010-16 Set Public Hearing for Segregating Assessment:** Mr. Freeman presented the resolution to set a public hearing to segregate the assessment. Discussion ensued. Mr. Stewart reported that the deadline which the subdivision of this parcel missed is necessary to allow sufficient time to prepare the assessment roll before equalization. If the Board approves this segregation following the hearing, the assessment will be removed from the one parcel and re-billed to the four new parcels. President Jaksch referred discussion of deadlines and the policy to the next Operations and Engineering Committee meeting.

**Vice President Huffman moved to approve Resolution 2010-16, Set Public Hearing for Segregating Assessment. Director McKenzie seconded the motion and it carried unanimously.**

#### **PUBLIC COMMENTS:**

**James Wade**, residing at 1813 S. Rainier Place, said each LID paid for its own construction, piping and pumps. He said that when KID went to a tiered structure, LIDs with surplus money were paid back but it seems strange that KID didn't pay those people any money for the construction. He said KID didn't foreclose but took the LIDs with no benefit to the people.

**Rick Russum**, of Worley Surveying, spoke on behalf of Jose Chavallo. He said a signature is needed to relinquish an easement for a short plat. He reported that the City of Kennewick has relinquished but Mr. McShane said KID relinquishments must go before the Board. Mr. McShane apologized for neglecting to put the easement relinquishment request on the consent agenda and said Mr. Chavallo has real estate transactions pending this approval.

Mr. McShane reported that the easement granted on the record survey doesn't match with the parcels to the west which was platted. He said the new easement which has been granted took care of that and is in line. The other easement which they thought was vacated through the City

of Kennewick's process couldn't be vacated because it was done on a record of survey and not on a short plat. Mr. Everaert said he reviewed and is ok with the relinquishment.

The need for further review and scheduling of approval was discussed. The City of Kennewick will review the short plat in 15 days and the KID Board meets next in 14 days. Director Pringle suggested the Board approve subject to review and approval by Mr. Freeman. Discussion continued.

President Jaksch referred the easement relinquishment request to the next Board meeting.

**STAFF REPORTS:**

**Finance Manager:** Mr. Stewart reported that KID is down to 180 delinquent accounts from 2007 and has collected over \$100,000 in delinquent assessments on those accounts. This year, in addition to the notices to delinquent customers, mortgage companies were notified and the return has been good. Additional assessments are expected through August and staff is getting ready to send letters to customers regarding the beginning of the foreclosure process.

Director McGuire said Mr. Stewart reported at a Finance Committee meeting that KID could not age accounts in Springbrook to determine how many accounts are in arrears and for how long. Mr. Stewart said that has not changed. Mr. Stewart also reported there is no policy or procedure for stopping services to delinquent irrigation or potable water accounts. Discussion ensued regarding enforcement difficulties and lock out valves.

President Jaksch referred to the policy question to the Finance Committee followed by the Operation and Engineering Committee. Director McKenzie will attend the August 12<sup>th</sup> Finance Committee meeting for President Jaksch.

Ms. Richardson thanked the Board for moving Finance Committee meetings later in the month to allow time for preparation of financial statements. She reported that new finance policies and procedures are in draft form for staff comment at this time.

**Engineering/Operations Manager:** Mr. Everaert reported:

- KID diversions:

Chandler Pumps	305 cfs	(maximum operational capacity until rehabilitation of pumps is complete)
Badger East Canal	40.45 cfs	
Division 4 Canal	102 cfs	
AP Canal	12.94 cfs	
Highland Feeder	63.8 cfs	
- SCADA bids from Sutron: \$29,000 for total replacement of PLCs with 9210 Sutron data collection platform  
\$19,000 for reprogramming existing PLCs and have constant ongoing support from a PLC programmer

Mr. Everaert is requesting a bid from an additional company.

- Staff is working on a water duty analysis for current cropping patterns.
- Amon Wasteway survey of encroachments shows the Amon Wasteway has shifted dramatically. KID staff has agreed to a 30 foot easement on the east side and 70 foot easement on the west side of the existing centerline. It will be drawn up and sent to the USBR.
- The reducer was successfully placed on the Edison line.

- The PSA 501 pump was pulled and will be tested to determine if it can continue to be used or needs to be replaced. Tape was found against the screen. The PSA will stay on the City of Richland inter-tie until the pump is replaced.
- Mr. Everaert showed a sample overshot gate provided for the meeting by Fresco Valve and Gates. He discussed characteristics of undershot and overshot gates and said they can be combined. Discussion ensued.

**Planning Manager:** None

**Realty Manager:** Mr. Freeman reported that the USBR is looking to recycle as much as possible of the Amon House. Removal is expected by November 1<sup>st</sup>.

Ms. Smith has relocated to the KID Administrative building and Mr. Freeman will meet with the KID West building owner to discuss the remaining lease. The phone number is forwarded until notice is given at which time the number will be changed. A work order will be given to operations to plant signs on KID properties which are for sale.

**District Manager:** Mr. Freeman said, in regards to today's Tri-City Herald editorial, the Realty Manager has been a direct report to the Board since the 1990's and that is why process was as it was. As this information was readily available, he stated that a correction would be nice.

President Jaksch called a break at 10:10 a.m. and the meeting reconvened at 10:20 a.m.

**WORKSHOP:**

**Project Tracking Update:** Mr. Freeman reviewed updates to the project tracking form.

Discussion ensued regarding the Acquavella Settlement Agreement Amendment, the Kiona point of diversion change, and the West Richland UGA expansion. Also discussed were the Feasibility Study, the Comprehensive Plan and the Capital Improvement Plan.

The Water Rate Advisory Committee will meet August 9<sup>th</sup>.

At 10:40 a.m., President Jaksch called a break.

At 10:45 a.m., the Board reconvened in executive session for one hour to discuss with legal counsel litigation regarding Acquavella and to consider the minimum price at which real estate will be offered for sale and to discuss with legal counsel potential litigation or legal risks of a proposed action or current practice.

The meeting returned to open session at 11:29 a.m.

**ACTION ITEMS:**

**Sale of Portion of Real Property – KID #7204, City View Lot 2, Block 4: President Jaksch moved to approve the sale of portions of KID #7024 and 7034, City View Lots 2 and 3, Block 4, for use as a storm pond, to Cascade Fitness, LLC, in the amount of \$3.00 per square foot. Director Pringle seconded the motion and it carried unanimously.**

**President Jaksch moved to authorize President Jaksch to execute the Purchase and Sale Agreement with Cascade Fitness, LLC. Discussion ensued regarding inclusion of changes to the wording of the agreement. President Jaksch amended the motion to authorize President Jaksch or Vice President Huffman to execute the Purchase and Sales**

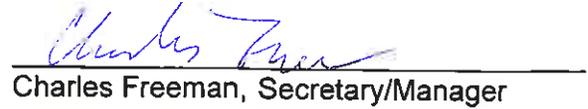
agreement with Cascade Fitness, LLC, subject to wording change dealing with market changes and as to what that means. Director McGuire seconded the amended motion and it carried unanimously.

Director Pringle moved to adjourn the meeting at 11:30 a.m. Vice President Huffman seconded the motion and it carried unanimously.

Attest:

Witness:

  
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John Jaksch, Board President

  
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Charles Freeman, Secretary/Manager

Prepared by Doris Fiske, Executive Assistant