



Minutes

Regular Meeting of the KID Board of Directors
 Carl W. Petersen Board Room
 Tuesday, November 16, 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
 Patrick McGuire
 David McKenzie

Staff Present:

Charles Freeman, District Manager
 Ed Everaert, Engineering Manager
 Brian Iller, Legal Counsel
 Scott Revell, Planning Manager
 Colleen Storms, Comptroller/Treasurer
 Judy Smith, Administrative Contract Specialist
 Doris Rakowski, Executive Assistant

Directors Absent:

John Pringle

APPROVAL OF AGENDA: Vice President Huffman moved to approve the agenda. Director McGuire seconded the motion and it carried unanimously.

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

Items approved by consent agenda were:

1. Minutes, KID Board Meeting, November 2, 2010
2. KID O&M Vouchers

Accounts Payable

Numbers: 61101 through 61134	\$	75,176.80	
61135 through 61171		78,959.14	
Total Accounts Payable			154,135.94

Payroll

Numbers: 31575 through 31580	\$	6,484.67	
31581 through 31581		2,124.65	
31582 through 31582		2,748.18	
Direct Deposit		61,216.00	
Total Payroll			72,573.50
Total Disbursements			<u>\$ 226,709.44</u>

Voided Checks: Check No. 60782 void and reissued, has not cleared the bank.

PRESENTATIONS: None

PUBLIC HEARING: None

BOARD REPORTS:

Finance Committee: Director McGuire reported that the committee discussed the monthly financial statements. He said the draft purchasing policy and fee resolution would be brought to the Board on December 7th. The committee also discussed a rate increase for Elliott Lake to cover costs, the draft delinquency policy, and creating a new policy to state that KID would not vote its property in other irrigation districts.

Water Rate Advisory Committee: Mr. Revell said the November 15th meeting was conducted in executive session with legal counsel and the next meeting would be held December 20, 2010.

ACTION ITEMS:

Monthly Financial Report: Ms. Storms told the Board that Darrell Stewart was an excellent accountant and was doing a great job with the financials and general ledger work. Ms. Storms expanded on some sections of the financial reports (on file). Pages reviewed were:

- Balance Sheet
- Statement of Revenue, Expenses and Changes in Net Assets
- YTD Budget to Actual Variance
- Year to Date (YTD) Revenue Statement - Comparative
- Statement of Cash Flows
- Balance Sheet Footnotes
- Statement of Revenue Footnotes including Grant & Matching Funds Schedule

Ms. Storms said staff would work on a report of accounts receivable by year for December.

Ms. Storms also reviewed a draft rolling stock equipment replacement schedule (on file) and discussed planning for financing of replacements and the options available including leasing. Discussion ensued. Director McGuire suggested adding information on how often pieces of equipment are used. President Jaksch added discussion of the schedule to the December Operations and Engineering Committee meeting.

Ms. Storms reported that she received notice that the State audit will begin about December 6th.

Sale of Real Property, KID #1403: Ms. Smith presented an offer which had been reviewed previously by the Realty Committee. She reported that the Realty Committee negotiated the price per square foot and reviewed the terms of sale.

Vice President Huffman moved to approve the sale of KID #1403, Vista Business & Technology Park, Lot 3, to ALJ Properties, LLC, in the amount of \$4.25 per square foot for a total cash sale price of \$383,218.00. Director McGuire seconded the motion and it carried unanimously.

Approve Policy 3.1-6 Time Tracking: Mr. Freeman presented the proposed policy intended to comply with the Fair Labor Standards Act by insuring accurate records and reporting of hours worked for the District. Discussion ensued regarding the current time tracking methods and the proposed implementation of time clocks.

Director McGuire moved to approve Policy 3.1-6, Time Tracking. Vice President Huffman seconded the motion and it carried unanimously.

Policy and Procedure Annual Review: Mr. Freeman discussed performing an annual review of KID's policies and procedures to insure they were consistent with current business management practices and that they were applicable. Director McGuire advised review of Policy and Procedure 1.2 first.

Vice President Huffman moved to reaffirm the District Policies and Procedures. Director McKenzie seconded the motion and it carried unanimously.

Election 2010 - Designation of Polling Place and Notice of Election: Mr. Freeman presented recommendations to designate the KID administrative office as the sole polling place and to issue instructions regarding the posting of election notices.

Director McGuire moved to designate the KID Administrative Office as polling place for the 2010 Election. Director McKenzie seconded the motion and it carried unanimously.

Vice President Huffman moved to instruct the Secretary of the Board to cause notices of the time and place of holding the 2010 election to be posted in three public places and in the KID Administrative Office, on or before November 29, 2010. Director McGuire seconded the motion and it carried unanimously.

Director McKenzie moved to instruct the staff to issue a press release announcing the polling place and time, and to purchase space in the Tri-City Herald for the election notice to be published on December 5 and 12, 2010. Vice President Huffman seconded the motion and it carried unanimously.

Election 2010 - Appointment of Inspector and Judges: Mr. Freeman reviewed statutory requirements for poll workers and listed recommended appointees.

Director McGuire moved to appoint Bob Gudgel as Inspector, and Bette Gudgel and Karen Woofter as judges for the 2010 election. Vice President Huffman seconded the motion and it carried unanimously.

Director McGuire moved to appoint Joanne Bunnell as the Alternate. Vice President Huffman seconded the motion and it carried unanimously.

Election 2010 - Election Canvassing Date: Mr. Freeman advised the Board to change the second December Board meeting date to accommodate election canvassing requirements.

Director McKenzie moved to change the date of the Board meeting regularly scheduled for Tuesday, December 21st, 2010 to Monday, December 20th, 2010 for the purpose of canvassing the Election of December 14th, 2010. Director McGuire seconded the motion and it carried unanimously.

RESOLUTIONS: None

PUBLIC COMMENTS:

James Wade, 1813 S. Rainier Pl., Kennewick: Mr. Wade said the Board meeting agenda was not posted on the KID website or in the paper until Monday, and asked when the Absentee Ballot Request form would be on the website. Mr. Wade asked if he would be given information he requested on KID and DNR land in the District.

Mr. Freeman said he replied to Mr. Wade's information request by letter.

Mr. Iller said that because the Board meeting was a regularly-scheduled meeting there was no requirement to issue a notice for the meeting. Ms. Rakowski said the agenda and packet were posted on the website on Monday. (Preparers note: It was incorrectly stated during the meeting that the agenda was sent to the media on Friday.)

Ms. Rakowski offered to show Mr. Wade how to find Absentee Ballot Requests on the website after the meeting.

STAFF REPORTS:

Finance Manager: None

Engineering/Operations Manager: Mr. Everaert reported:

- Staff identified 9400 feet in the Badger East/Cottonwood Springs area for EPDM lining and was inspecting a high-seepage area of the Main Canal Division 3. Mr. Everaert described installation details and said he would analyze gravel ballast versus concrete design options. Discussion ensued.
- Staff was working with Washington Labor & Industries to determine the best installation method for the Sutron DCP units to meet all the State electrical inspection requirements.
- The canal lining specifications and bid package was nearing completion.
- Mr. Everaert discussed the alternative analysis for Bretz Road LID and said it was being completed. He suggested sending the preferred alternative to residents for review rather than scheduling a meeting.
- Staff was working on the top 16 items on the winter work priority list. Canyon Lake work was almost complete and Mr. Everaert was working on sizing for the Southridge reservoir.

Planning Manager: The draft Integrated Water Resource Management Plan and a bar chart illustrating KID's Diversion from 1981 to 2005 were distributed to the Board. Mr. Revell and the Board discussed areas of concern including:

- Section 3.2.2 Kittitas Reclamation District Canal Modifications
- Section 3.2.4 Power Subordination
- Attachment 1 Federally-Supplied Agricultural Water Needs

Mr. Revell asked if the Board was in support of the plan with a clarification on the power subordination issue. President Jaksch said the KID also needed to be mentioned in the federally-supplied water for agriculture. He said that he thought the Board would not be in support of the plan until the two issues were resolved. President Jaksch, Mr. Revell and Mr. Freeman planned to develop additional wording to address the concerns.

District Manager: Mr. Freeman reported that attendees at the National Water Resource Association annual meeting were told very little funding would be available. KID attendees met with the Commissioner and discussed concerns about the USBR Canal Inspection Program. Mr. Freeman said KID had not received expected advance copies of the report, which would be released in December. KID discussed encroachments with the Commissioner. The Bureau had not provided template letters, but KID would proceed with addressing encroachments.

Mr. Freeman said there would be a conference call regarding the Red Mountain funding agreement.

WORKSHOP:

Project Tracking: Mr. Freeman reviewed updates to tracked projects including:

- Red Mountain - Settlement agreement and funding agreement
- Water Right Management - Review of recalibration work
- Strategic Planning - Comprehensive plan, feasibility study and fish barrier for Amon Drain
- Operations - Canal inspection program, siphon inspection program, disaster plan, PM program and technology plan
- Finance - Preparations for the State audit, change to cash accounting, Springbrook training, call for bond rating, internal control manual for accounting policies, and Red Mountain debt service plan
- Engineering - Sub-division standard, small water system plans
- Realty - Charter Communication encroachment permit for cable
- Administrative - Communication plan, purchasing policy, insurance request for proposals, shared leave policy, salary survey, delinquent accounts policy, impact fees and Columbia Irrigation District mutual interests

At 10:00 a.m., President Jaksch called a ten minute break.

At 10:10 a.m. the Board met in executive session for one hour to discuss litigation with legal counsel and to review the performance of a public employee. Executive session was extended thirty minutes at 11:10 a.m.

President Jaksch called a break at 11:35 a.m. and the meeting returned to open session at 11:40 a.m.

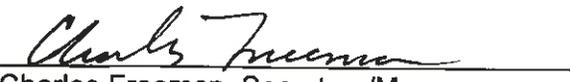
President Jaksch reported that the Board completed its review of Mr. Freeman and agreed that he had done an excellent job. **Director McGuire moved to give Mr. Freeman a six percent salary increase retroactive to November 1, 2010, based on his performance for the previous year, selection of staff, reorganization of the District, and fiscal conservatism. Vice President Huffman seconded and the motion carried unanimously.**

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

Attest:

Witness:


John Jaksch, Board President


Charles Freeman, Secretary/Manager

Prepared by Doris Rakowski