



Minutes

Meeting of the KID Board of Directors
 Carl W. Petersen Board Room
 Tuesday, February 1, 2011, 9:00 a.m.

President McKenzie called the meeting to order at 9:00 a.m. and Mr. Freeman called roll.

Directors Present:

David McKenzie, President
 Gene Huffman, Vice President
 John Jaksch
 Patrick McGuire
 Kirk Rathbun

Staff Present:

Charles Freeman, District Manager
 Ed Everaert, Engineering Manager
 Colleen Storms, Comptroller/Treasurer
 Brian Iller, Legal Counsel
 Scott Revell, Planning Manager
 Brad Crawford, Purchasing, Inventory & Technology Coordinator
 Lynda Rosenbaum, Assistant Planner
 Jason McShane, Staff Engineer
 Doris Rakowski, Executive Assistant

APPROVAL OF AGENDA: Removal of Board Reports from meeting agendas was discussed, because duplicate information was being provided in Staff Reports. President McKenzie removed Board Reports from the agenda. **Director Jaksch moved to approve the amended agenda. Vice President Huffman seconded the motion and it carried unanimously.**

CONSENT AGENDA: **Vice President Huffman moved to approve the consent agenda. Director Rathbun seconded the motion and it carried unanimously.**

Items approved by consent agenda were:

1. Minutes, KID Board Meeting, January 4, 2011
2. Minutes, KID Board Meeting, January 18, 2011
3. Rescind Policy and Procedure #7, Small Works Roster
4. Rescind Policy and Procedure 4.4, Service Cost Schedule
5. Approve Final Plat- Lexington Heights Phase 2
6. KID O&M Vouchers

Accounts Payable

Numbers: 61518 through 61534	\$	35,146.15	2010
61535 through 61558		68,943.97	2010
61650 through 61676		164,671.03	2011
61677 through 61677		42.00	2011
61678 through 61704		113,729.18	2011
61705 through 61705		351.40	2011

Total Accounts Payable 382,883.73

Payroll

Numbers: 31612 through 31617	\$	6,353.75
31618 through 31618		1,893.87

Direct Deposit 61,054.87

Total Payroll 69,302.49

Total Disbursements \$ 452,186.22

Voided Checks: None

PRESENTATIONS: None

PUBLIC HEARING: None

BOARD REPORTS: None

ACTION ITEMS:

Setting a Public Hearing Date: Mr. Freeman discussed setting a date for a hearing regarding necessary increases to potable water rates. He reported that a letter was sent to potable water customers on December 20, 2010 regarding the new potable water policy and notifying them that a public hearing was planned for February 15, 2011. Discussion ensued regarding when fees established in the Potable Water policy and the 2011 fee resolution would take effect.

Vice President Huffman moved to set February 15, 2011 as the date for a Public Hearing for the purposes of setting the potable water rates for 502 Elliot Lake and 501 Lorayne J, and direct staff to advertise for such hearing to be held during the regularly scheduled Board of Directors meeting. Director Jaksch seconded the motion and it carried unanimously.

Ecology Construction Grant #G0900195 and Interagency Receivable Agreement: Mr. Freeman said this staff report had been before the Board three times and there had been no changes since the last Board meeting. He recommended tabling discussion until the next Board meeting. Discussion ensued regarding project oversight, recordkeeping and scheduling. The probable funding schedule was discussed.

President McKenzie tabled the discussion until the February 15, 2011 Board meeting.

Award Phone System Contract: Mr. Crawford presented the proposals received for a new telephone system. He said all three bids met the criteria of the RFP, but the price varied up to \$120,000. He described the benefits of the new phone system including configurability, integration with the exchange service, and ability to connect to the customer data base for more efficient customer service. Mr. Crawford said the warranty would be three years for parts and one year for labor, and could be extended. Mr. Freeman noted that the bid, with sales tax, was \$900 more than was budgeted.

Discussion ensued. Mr. Crawford confirmed that the lowest responsible bidder had a local office from which to provide installation, training and service. Installation would be by March 15th, with training provided to staff. Mr. Crawford said references were checked.

Mr. Freeman said that, before the feature allowing calls to be recorded was used, a procedure would be reviewed by legal counsel and adopted. He also noted that the exemption from sales tax, which applies to federally-owned property, did not apply to the KID office.

Director Jaksch moved to approve the purchase of the new telephone and answering system from the lowest responsible bidder, Future Link Communications, for \$35,875.78. Director Rathbun seconded the motion and it carried unanimously.

Approve Policy 3.2-2, Water Entitlement, Revision 3: Mr. Revell presented the recommended revisions to the policy, which were reviewed by the Finance Committee on January 13, 2011. He said temporary transfers and combinations between landowners would be addressed separately in a forthcoming policy.

Director Rathbun moved to approve Policy 3.2-2 (Water Entitlement) Revision 3 as presented. Director Jaksch seconded the motion and it carried unanimously.

RESOLUTIONS:

Resolution 2011-08 Water Smart Grant: Ms. Rosenbaum presented an opportunity to apply for a grant through the USBR WaterSMART: Water and Energy Efficiency Grant Program for fiscal year 2011. She said the application was due on February 17, 2011. She said staff proposed to apply for a \$300,000 grant, which would be matched with up to \$400,000 by the KID, for the purpose of lining approximately four miles of canal with EPDM lining. She said that the Engineering staff was working on identifying the area of the canal to be lined.

Director Rathbun moved to approve Resolution 2011-08 Board Approval for KID to submit an application for the 2011 WaterSMART: Water and Energy Efficiency Grant and authorize Charles Freeman, District Manager, as representative and signature authority on said grant application. Vice President Huffman seconded the motion and it carried unanimously.

<Preparer's note: Following the meeting, duplicate use of resolution number 2011-08 for the WaterSMART Grant and the Cross Connection Control, Elliot Lake resolutions was discovered. For ease of correction, the number for the WaterSMART Grant was changed to 2011-09.>

Resolution 2011-09 Cross-Connection Control, Elliot Lake: Mr. McShane discussed the purpose of the policy. He said compliance with State requirements for cross-connection control would be a condition for service for potable water customers in Elliot Lake. He said adoption of the policy would bring KID into compliance with the Washington Administrative Code regarding cross-connection control and would give staff authority to contract a cross-control specialist.

Discussion ensued regarding testing requirements and customer compliance. Mr. Freeman confirmed that the potable water customers would be responsible for the cost of hiring the specialist. Mr. McShane verified that the resolution had not been reviewed by a committee, though it was briefly discussed by the Operations and Engineering Committee in January. Discussion continued regarding the most efficient way to accomplish required testing. Mr. McShane noted that a chlorine residual test was performed daily.

Vice President Huffman moved to approve Resolution 2011-08, Adopt and Implement Cross-Connection Control Policy. Director Jaksch seconded the motion and it carried unanimously.

PUBLIC COMMENTS: None

STAFF REPORTS:

Finance Manager: Ms. Storms reported:

- Implementation of Policy 2.13 General Purchasing was underway and training had been provided to staff by Mr. Crawford. Some efficiencies and cost savings were already evident.
- Staff was working on an interlocal agreement with Yakima for purchasing.
- Work had started on inventory control projects.
- Kassie Rothfork would be working with customer service through water-on and contributing her knowledge of Springbrook software to help improve accuracy and consistency.
- A draft accounts receivable policy addressing implementation of the Fee Resolution would be forwarded to the Board for review and comment, and would be presented for adoption

before invoices were sent out. She noted the use of delinquency fees was intended to change behavior of water users with chronically delinquent accounts.

- There was a sales tax exemption for the federal government or contracting that occurs on federal property. Ms. Storms said language on future requests for proposals would be changed to clarify contractor responsibility regarding taxes. She said KID might need to get a letter of ruling on taxes on materials applied by KID on federal land. Discussion ensued.
- Assessment invoices were expected to be issued between the third week of February and the first of March.
- Mailing irrigation assessments with property taxes was discussed. Director McGuire said he recalled that it was found to be more expensive than the current method, when it was previously investigated in conjunction with having the county act as treasurer.

Engineering/Operations Manager: Mr. Everaert reported:

- Materials had been delivered and Badger East Canal lining was underway. 500 feet of liner was installed last week, though work was limited by delayed delivery of Geotextile. Mr. Everaert described details of the installation.
- Replacement materials had been ordered the broken trash rack at the Main Canal turn out to the Badger East Canal. Everaert discussed the new design.
- Irrigable assessed acreage was being researched to update the data and verify that spreadsheets and maps matched. Mr. Everaert said the original assessed acreage calculation was done by the USBR in the 1960's. Results were expected in a few weeks.
- Bids would be solicited for UL listing the SCADA panels.
- Discussion ensued regarding the effect of cold weather on the laying of the canal liner.
- Mr. Everaert reviewed the history of SCADA systems and Mr. McShane described locations of the units and expected benefits of the system. Discussion ensued.

Planning Manager: Mr. Revell reported:

- The Lease Bill passed the House Local Government Committee with an 8-0 vote to recommend passage, and would go to the Senate Agriculture and Rural Development Committee on Thursday.
- New exemptions for irrigation drains and wasteways had been proposed and would go to hearing in the Senate on Thursday. WSWRA was working on the issue with Sunnyside Irrigation District and KID.
- Work was underway on the spring newsletter, which was scheduled to be mailed a couple weeks before water-on in April.
- Work was underway on the ratepayer survey design and the survey sample. Discussion ensued regarding the goals of the customer survey.
- Benton County accepted the Antinori Road LID.
- There would be a Rivers Operations meeting this week.

District Manager: Mr. Freeman reported:

- A letter was received from the USBR awarding KID a \$30,000 grant for canal sealing, with an exemption on NEPA.
- Darrell Olsen, Pete Rogalsky and Bob Hammond would attend the Water Rates Advisory Committee (WRAC) meeting, on Monday, February 7th at 3:30 p.m., to discuss the Quad-City water right.
- Staff had identified 99 private line areas, and was researching boundaries, histories and construction of the systems.
- A project regarding assessment of town homes was underway and would be discussed by the WRAC and brought to the Board.

- A submission for the Tri-City Herald Progress Edition would be due in March. Letters from the Board President would be needed for it and the spring newsletter.

President McKenzie added discussion with legal counsel regarding the Wellenbrock litigation to executive session.

WORKSHOP: None

President McKenzie called a ten minute break at 10:15 a.m.

At 10:25 a.m., the Board met in executive session for 45 minutes to discuss with legal counsel litigation regarding Acquavella and Wellenbrock per RCW 42.30.110(1)(i)(i).

The Board returned to open session at 11:12 a.m.

Vice President Huffman moved to adjourn the meeting. Director Rathbun seconded the motion and it carried unanimously.

Attest:

Witness:



David McKenzie, Board President



Charles Freeman, Secretary/Manager

Prepared by Doris Rakowski