



**Minutes**

Meeting of the KID Board of Directors  
 Carl W. Petersen Board Room  
 Tuesday, April 5, 2011, 9:00 a.m.

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

**Directors Present:**

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

**Staff Present:**

Charles Freeman, District Manager  
 Ed Everaert, Engineering/Operations Manager  
 Colleen Storms, Comptroller/Treasurer  
 Scott Revell, Planning Manager  
 Lynda Rosenbaum, Assistant Planner  
 Sandra Dallas, Administrative Assistant

**Other Persons Present:**

Brian Iller, Legal Counsel  
 Cathy Merrill Holle, Benton-Franklin Community Action Committee  
 Paul Harmsen, MacKay & Sposito  
 Derrick Smith, MacKay & Sposito  
 Paul Smith, MacKay & Sposito

**APPROVAL OF AGENDA: Director Jaksch moved to approve the agenda. Director Rathbun seconded the motion and it carried unanimously.**

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

Items approved by consent agenda were:

1. Minutes, KID Board Meeting, March 15, 2011
2. Update Planning Manager Job Description
3. KID O&M Vouchers

**Accounts Payable**

Numbers: 61978 through 62011	\$	72,226.53
62012 through 62040		55,816.22
62041 through 62041		250.00
62042 through 62042		590.65
62043 through 62078		75,594.72
		<hr/>
<b>Total Accounts Payable</b>		<b>204,478.12</b>

**Payroll**

Numbers: 31645 through 31652	\$	7,339.38
31653 through 31653		254.50
31654 through 31662		10,233.40
Direct Deposit		62,903.16
Direct Deposit		68,121.30
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<b>Total Payroll</b>		<b>148,851.74</b>
<b>Total Disbursements</b>	<b>\$</b>	<b><u>353,329.86</u></b>

**Voided Checks:** None

**PRESENTATIONS:**

**Helping Hands Program:** Ms. Storms introduced Cathy Merrill Holle of Benton-Franklin Community Action Committee (BFCAC) and said the BFCAC was the organization that KID currently used to distribute contributions made by customers and individuals in the community. Ms. Holle distributed a packet with information about the agency (on file).

Ms. Holle informed the Board of her credentials and position as a Director with the Helping Hands program in the Region of Benton/Franklin Counties. She said the BFCAC was a private, nonprofit organization that provided assistance to low-income families/individual, and helped identify options and alternatives to encourage self-sufficiency. She said the Helping Hands program provided educational tools, financial assistance, a lending library, landlord tenant rights education, voice mail services, and literacy programs.

Ms. Holle discussed the qualification process, which had checks and balances with the Department of Social Health Services (DSHS), and said every file was audited by a case manager to avoid fraudulent requests. Ms. Holle added that anyone supporting the Helping Hands program could request a status report of the distributed funds.

Ms. Holle reported that the BFCAC had 54 staff members and was funded through Block Grant funds. She said Federal Government Grants cover all administrative costs. She confirmed 100% of the KID donations were earmarked funds that were solely used for KID irrigation assessments.

Ms. Storms discussed the selection process, program polices and said KID did not have the tools to monitor and administer the eligibility requirements as BFCAC was able to. Ms. Storms proposed increasing the existing maximum assistance from \$100.00 to help cover the years in arrears. She also proposed to dedicate part of delinquency fees collected to assist in the funding the program, and to promote the program by notifying the community that irrigation assessment assistance was available. She reported that currently there was approximately \$1,200.00 in the account and applicants could be placed on hold until additional funds became available through delinquencies fees that were paid.

**Director Jaksch moved to approve Policy 2.5 adopting the Helping Hands Program. Vice-President Huffman seconded the motion and it carried unanimously.**

**Monthly Financial Report for February 2011:** Ms. Storms discussed the February 2011 financial report. Pages reviewed included:

- Balance Sheet as of February 28, 2011
- Statement of Revenues, Expenditures and Change in Fund Balance YTD
- Balance Sheet Footnotes
- Cash Investment Report by Investment Maturity Date

**Vice-President Huffman moved to accept the February 28, 2011 financial reports as submitted by the Treasurer. Director Rathbun seconded the motion and it carried unanimously.**

**Feasibility Study:** Derrick Smith, Paul Harmsen and Paul Smith of MacKay & Sposito, Inc. were introduced. Mr. Derrick Smith gave a PowerPoint presentation (on file) of the highlights, background and the Yakima River Basin Water Enhancement Program (YRBWEP) process of the KID Feasibility Study.

A report on the Final Feasibility Study report had been previously presented to the Board and Management and was currently under review. The Feasibility Study report was Phase 2 of a four phase process. Mr. Derrick Smith discussed Phase 3, Implementation, and Phase 4, Monitoring and Evaluation. Paul Harmsen and Paul Smith discussed the scope of both phases. Overall project conservation and long term diversion impacts were discussed.

Mr. Freeman said he would bring it to the next Operation & Engineering Committee meeting scheduled for April 19, 2011 to discuss the next steps towards formally adopting this plan.

**PUBLIC HEARING:** None

**BOARD REPORTS:** None

**ACTION ITEMS:**

**Adopt Policy 8.1 State Environmental Policy Act (SEPA) and rescind Policy and Procedure #10 State Environmental Policy Act (SEPA):** Mr. Revell discussed that KID's existing policy was adopted in 1992 and needed to be updated. The updated policy had been reviewed by both the Finance and Operations and Engineering Committees, which recommended approval.

**Director Jaksch moved to repeal Policy and Procedure #10 (State Environmental Policy Act) and to adopt Policy 8.1, SEPA. Director Rathbun seconded the motion and it carried unanimously.**

**RFP Software:** Ms. Storms discussed the pros and cons of Springbrook software. She said the current Springbrook software accounts receivable and special assessment modules were incapable of meeting the needs of KID, but the payroll and general ledger functions were workable. Ms. Storms reported that she had researched other software vendors that provide irrigation system-specific account receivable programs and found evidence that these systems will meet all our needs. She said the RFP would be module specific.

**Vice President Huffman moved to authorize staff to issue the Request for Proposals for Accounts Receivable and Billing Management Software, as attached. Director Jaksch seconded the motion and it carried unanimously.**

**RESOLUTIONS:** None

**PUBLIC COMMENTS:**

**Craig M. Liebler**, residing at 3804 S. Dennis, addressed the Board regarding the notification of his annual assessment. Mr. Liebler distributed a letter (on file) to the KID Board and legal counsel. Mr. Liebler stated that he would like to receive his KID statement, not a postcard. He asked to present his request at the Board meeting on April 19, 2011.

Mr. Freeman stated that Ms. Storms will meet with Mr. Liebler and make a recommendation. Ms. Storms suggested that KID review the current business policies regarding mortgage companies. She said KID received over 5,000 electronic payments and would not want to stop doing so. She agreed that statements should be sent out instead of postcards. Concerns regarding duplicate payments were mentioned. Mr. Iller said he would investigate and bring the Board a recommendation on how best to handle the issue.

## **STAFF REPORTS:**

**Finance Manager:** Ms. Storms reported the following:

- Staff had been helping people with the payment interface on the internet.
- A computer error required a restoration from back up and day's work to be redone.
- While Ms. Storms worked on the RFP, Mr. Stewart worked on adjustments pertaining to the conversion of the financial statements to cash basis.

## **PUBLIC COMMENTS, CONTINUED:**

**John Trumbo**, reporter for the Tri-City Herald, stated his concern regarding what would be discussed in Executive Session on the topic that is identified in bullet number two "to discuss with legal counsel potential litigation per RCW 42.30.110(1)(i) and the legal risks of proposed action or current practice per RCW 42.30110(1)(i)(iii)." He said the matter should be discussed in public session and that it was not necessary or required by state law to do so in executive session. He said there was some benefit in having transparency in open government. He reminded the KID that they were not under any obligation to follow the advice of a lawyer and he encouraged the Board to have the discussion in open session.

Mr. Iller agreed that the KID could waive their attorney/client privilege, but that it was inadvisable due to the impact to the District's legal position should the threat of litigation be carried out. President McKenzie agreed that the discussion would remain in executive session.

## **STAFF REPORTS, CONTINUED:**

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

- Chandler pumps were running at 144 cfs and water in Division 4 was almost to the Heron siphon.
- Operations staff would be turning on PSAs 82, 117, 5 & 6, followed by PSA 161.
- Maintenance crew would continue looking at open riser valves for signs of leakage.
- The Highland Feeder canal would start today.
- The new trash rack on Badger East and Main Canal 14.5 turnout to Badger East was working successfully.
- SUTRON was installing the 12 SCADA sites permanently and all sites would be fully operational.
- Seals were replaced on the box culverts over the interstate and no leaks had been detected.
- Staff was continuing to work on Badger East 16.1 contract and Bretz Road LID.
- Water was running within 24 hours of the publicized schedule.
- New liner in Main Canal and Badger East was installed successfully.

**Planning Manager:** No report.

**District Manager:** No report.

Red Mountain funding was discussed briefly.

**WORKSHOP:** None

President McKenzie called a break at 10:39 a.m.

At 11:50: a.m., the Board went into executive session for one hour and 30 minutes to discuss with legal counsel litigation regarding Acquavella per RCW 42.30.110(1)(i)(i), to discuss with legal counsel potential litigation per RCW 42.30.110(1)(i)and the legal risks of a proposed action or current practice per RCW 42.30.110(1)(i)(iii, and to plan or adopt the strategy or position to be taken by the governing body during the course of any collective bargaining per RCW 42.30.140(4)(b).

Executive session was extended for 60 minutes at 1:20 p.m.

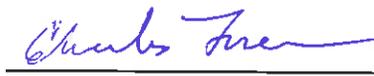
The Board returned to open session at 2:20 p.m.

**President McKenzie moved to adjourn. Vice President Huffman seconded the motion and it carried unanimously.**

Attest:

Witness:

  
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David McKenzie, Board President

  
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Charles Freeman, Secretary/Manager

Prepared by Sandra Dallas