



**Minutes**

Meeting of the KID Board of Directors  
 Carl W. Petersen Board Room  
 Tuesday, June 7, 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  
 Doris Rakowski, Executive Assistant

**Other Persons Present:**

Brian Iller, Legal Counsel

**APPROVAL OF AGENDA:** President McKenzie added discussion with legal counsel of litigation regarding Wellenbrock and Chavallo to executive session.

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

**CONSENT AGENDA: Vice President Huffman 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, May 3, 2011
2. Approve MOU and Interlocal Agreement with PEBB
3. Environmental Legal Counsel - NEPA/SEPA Expenditures for Kiona Point of Diversion
4. Approval of Promissory Notes for Anderson, Grady, Knight and Ward
5. Confirm Job Description for Accounting Manager
6. KID O&M Vouchers

**Accounts Payable**

Numbers:	62274 through 62329	\$	139,096.92
	62330 through 62372		76,838.80
<b>Total Accounts Payable</b>			215,935.72

**Payroll**

Numbers:	32021 through 32021	\$	654.43
	32022 through 32029		8,691.02
	32030 through 32030		106.98
Direct Deposit			68,412.26
<b>Total Payroll</b>			77,864.69
<b>Total Disbursements</b>			\$ 293,800.41

**Voided Checks**

Check No. 62152 returned and Void at the direction of the Board

**PRESENTATIONS:** None

**PUBLIC HEARING:** None

**BOARD REPORTS:** None

**ACTION ITEMS:** None

**RESOLUTIONS:**

**Resolution 2011-18 Authorized Signers for KID Banking and Investment Services:** Ms. Storms discussed the need to update the authorized signatories for banking and investment services due to staffing changes. Director Rathbun moved to approve Resolution 2011-18, Authorized Signers for KID Banking and Investment Services. Director Jaksch seconded the motion and it carried unanimously.

**PUBLIC COMMENTS:**

James Wade, residing at 1813 S. Rainier Place, addressed the Board regarding his letter to the Board of Directors dated April 23, 2011, in which he responded to a letter from Mr. Freeman (dated April 19, 2011). Mr. Wade claimed Mr. Freeman accused him of falsifying a document and called him a liar. Mr. Wade said that he requested from KID a copy of all printers that had been given away, sold or traded, but he had received nothing.

Mr. Iller responded that he had read Mr. Freeman's letter. He said Mr. Freeman did not call Mr. Wade a liar, but stated that someone had obviously modified the document.

Mr. Iller and Mr. Wade discussed Mr. Freeman's letter and Mr. Wade's interpretation.

Mr. Iller said the District had no obligation to investigate and create documents for Mr. Wade, but said that if requested documents were in existence, they would be provided. Mr. Iller said he did not think the Board needed to go further in responding to Mr. Wade's complaint, as Mr. Wade continued to misrepresent what was stated.

Mr. Wade asked if this was a cover up and what had happened to the person other than Mr. Freeman who was involved in sending it to him.

The Board made no comment.

**STAFF REPORTS:**

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

- The annual report was filed with the state auditor's office in a timely manner. Copies would be provided to the board shortly.
- Several qualified candidates applied for the Accounting Manager position and interviews would be scheduled next week.
- \$23,796 in delinquency fees on irrigation bills have been received to date. Ms. Storm speculated that the lower than expected amount was due to more people making timely payments.
- Eleven people were approved for Helping Hands assistance. Each recipient of assistance must, themselves, pay a minimum of \$50 or 10%, whichever is greater. To date, \$755.34 had been paid by recipients and \$4,311.57 by the KID Helping Hands program. Ms. Storms reported that the program has resulted in many very thankful people. She complimented Teresa Horrocks for her great service provided as lead with this program.

In answer to Director McGuire, Mr. Freeman suggested spreading the word about this positive program through the fall newsletter and presentations to services clubs. Ms. Storms said Ms. Horrocks could invite program participants to write a short letter for the newsletter or the newspaper if they were so inclined.

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

- Yakima River flow and reservoir levels as reported on the USBR Hydromet webpage.
- Cleaning of the Chandler diversion canal fish screens went well and the system down for only two days for repairs. Discussion ensued regarding water banking. Mr. Iller offered to discuss Acquavella in executive session. Mr. Everaert noted banking the direct diversion river water was not possible; it could only be done with storage water.
- The new liner was inspected while the canal was down and the condition was good. An area of seepage was noted near MC22.5 and was being monitored. The seepage looked clear and normal. A v-notch weir would be installed.
- 941 work orders were completed to date. Proactive maintenance work would be done for betterment of the irrigation infrastructure now that less reactive work necessary.
- Since air vents were put in at PSA 99 there have been no complaints and the low flow/pressure problems appear to have been solved.

**Planning Manager:** Mr. Revell reported:

- The application window for the Water Entitlement Transfer program closed. There were 60 applicants for relegation of primarily small parcels. The intake appointments worked well.
- Notice of application and SEPA documents for the Kiona point of diversion were in progress.
- Mr. Freeman, Seth Defoe and Mr. Revell toured and photographed condo and town home projects. There was still work to be done on the policy regarding these parcels.
- The settlement agreement was signed by KID and sent to the Department of Ecology. The signed version has not yet been returned.

**District Manager:** Mr. Freeman reported:

- Following the rate study presentation, Mr. Freeman addressed the Kiwanis club, and Mr. Everaert and Mr. Revell addressed the Home Builders Association. KID was well received. Cities and the County Commissioners would be approached next. The Water Rate Advisory Committee would consider hosting an open house. Few inquiries were received. The same presentation was used for each engagement.
- Gordon Wilson of FCS Group was writing the technical report, but until the board approved the policies, the model could not be completed because it would be policy-driven.
- Mr. Freeman was to meet with City Manager Marie Mosley regarding five planting strips to be foreclosed Friday.
- Staff would prefer the new rate structure to be implemented simultaneously with new accounts receivable software if both were approved no later than September.
- KID was awarded a \$300,000 seepage reduction grant which would pay for EPDM liner. Cooperation between Engineering, Planning and Finance following the new grant application process made this possible.

**WORKSHOP:**

**Project Tracking:** Mr. Freeman reviewed project tracking updates including:

- The USBR Office of the Columbia River \$5 million budget reduction was not KID's funding.
- About 20 packets were picked up for the Red Mountain Design RFQ and were due July 5th.

- Staff went to training with USBR regarding the 2007 election inclusions. Mr. Garner reported that the 1995 reclassification for Gage Pump service areas was incomplete. Mr. Freeman said it would be included with the current process.
- The cultural survey was on hold until the pump station site and in water area was complete. No artifacts were found. The pipeline route would be next when the route was approved.
- Antinori Road was officially formed by Benton County.
- Work was underway on recalibration.
- The comprehensive plan would be discussed with the Operations & Engineering Committee regarding bringing the work in house.
- The 5-year plan would be discussed in the Operations & Engineering Committee meeting.
- Engineering and Planning were partnering to update the subdivision standards
- Realty more offers were coming in.
- Amon house roof trusses coming off and the well had been abated.
- The Realty Committee would discuss whether to submit a preliminary plat for the Finley properties.
- The communication plan was near completion. The \$20,000 phase 1 budget was mostly exhausted.
- A submittal for financial advisor was received from Seattle-Northwest Securities Corporation.
- Mr. Freeman met with Enduris regarding liability insurance. KID has improved in comparison with the last ten years and needed to continue to focus on risk management. The Risk Management Committee would meet tomorrow.
- Mr. Darryll Olson would be providing an update on the appraisal for the potable water system transfer.

Discussion ensued regarding USBR requirements for cultural resource surveys. There was a possibility of doing a 10-year district-wide survey paid by the USBR. Mr. Everaert and Mr. Freeman would attend training next week in Sunnyside.

President McKenzie asked if any of the guests who arrived following public comment wished to address the Board. There being no further public comment, President McKenzie called a break at 9:41 a.m.


**EXECUTIVE SESSION:**

At 9:55 a.m. the Board went into executive session for 45 minutes to discuss with legal counsel litigation regarding Acquavella per RCW 42.30.110(1)(i)(i), 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).

The board returned to open session at 10:37 a.m.

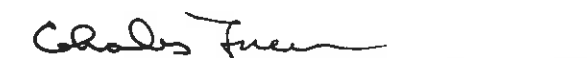
**Director Jaksch moved to adjourn. Vice President Huffman seconded the motion and it carried unanimously.**

Attest:



David McKenzie, Board President

Witness:



Charles Freeman, Secretary/Manager

Gene Huffman, Board Vice President,  
acting as Chairman at June 21, 2011  
Board Meeting

Prepared by Doris Rakowski