



Minutes

Meeting of the KID Board of Directors
 Carl W. Petersen Board Room
 Tuesday, August 2, 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
 John Jaksch
 Patrick McGuire
 Kirk Rathbun

Present via telephone:

Gene Huffman, Vice President

Staff Present:

Charles Freeman, District Manager,
 Ed Everaert, Engineering/Operations Manager
 Colleen Storms, Comptroller/Treasurer
 Lynda Rosenbaum, Assistant Planner
 Becky Mellinger, Accounting Manager
 Doris Rakowski, Executive Assistant

Other Persons Present: Brian Iller, Legal Counsel

APPROVAL OF AGENDA: President McKenzie added to executive session discussion with legal counsel of litigation regarding Wellenbrock per RCW 42.30.110(1)(i)(i). **Director Jaksch moved to approve the modified agenda. Director McGuire seconded the motion and it carried unanimously.**

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

Items approved by consent agenda were:

1. KID O&M Vouchers

Accounts Payable

| | | | | |
|----------|---------------|-------|----|-----------|
| Numbers: | 62643 through | 62643 | \$ | 220.26 |
| | 62644 through | 62680 | | 85,717.52 |
| | 62681 through | 62712 | | 26,270.59 |
| | | | | 26,270.59 |

Total Accounts Payable 112,208.37

Payroll

| | | | | |
|----------|---------------|-------|----|-----------|
| Numbers: | 32078 through | 32082 | \$ | 6,463.14 |
| | 32083 through | 32105 | | 13,285.50 |
| | 32106 through | 32106 | | 331.03 |
| | 32107 through | 32111 | | 6,661.19 |
| | 32112 through | 32112 | | 491.70 |

| | | | |
|----------------|--|-----------|--|
| Direct Deposit | | 65,949.24 | |
| | | 70,208.04 | |
| | | 70,208.04 | |

Total Payroll 163,389.84

Total Disbursements \$ 275,598.21

Voided Checks

Check No. 62625 Void & reissued with correct name
 Payroll Check No. 32093 Void & reissued due to incorrect information on the check

2. Appointment of Auditing Officer
3. Reissue RFP for the Financial Advisor Services

PRESENTATIONS:

Financial Reports for June 2011: Ms. Storms reviewed highlights of the June 2011 Financial statements which she had distributed before the meeting. Pages discussed included:

- Balance Sheet as of June 30, 2011: In response to a question from Director Jaksch, Ms. Storms offered to report later on what was included in Miscellaneous Operating Revenue. Also, Ms. Storms told Director Jaksch that Public Documentation Request Expenses would be populated based on a report being produced by Ms. Rakowski.
- Balance Sheet Footnotes - Cash Schedule
- Comparative Salary & Benefit Report

Director Rathbun moved to accept the second quarter 2011 financial reports. Director Jaksch seconded the motion and it carried unanimously.

PUBLIC HEARING: None

BOARD REPORTS: None

ACTION ITEMS: None

RESOLUTIONS: None

PUBLIC COMMENTS:

James Wade, residing at 1813 S. Rainier Place, said that, on July 19th, 2011, he requested to view items five through eleven of his earlier request for public records dated March 8, 2011. He said he had received the first four items for the March 8th request. Mr. Wade said that, contrary to Mr. Freeman's statement that Mr. Wade had received all of the items as he had signed for them, he had only signed for the four items.

Mr. Wade discussed his on-going disagreement with KID regarding the author of a document in his possession. He asked why Mr. Freeman had not sent copies of the summaries for service, irrigation, USBR, and cash receipts by rate code when he sent Mr. Wade a copy of the utility billings cash receipt by rate code. Mr. Wade said if he made conclusions about the motivation of the unidentified creator of the document, they would be disturbing due to the hundreds of thousands of dollars spent on the Springbrook computer system.

Mr. Wade asked why KID portrayed the Water Rate Advisory Committee as made up of representatives of all types of water users, when everyone on it was from irrigation or farming, and nobody on it was strictly residential.

Mr. Freeman handed Mr. Wade the KID file copy of his public records requests 2011-10 from March 8th and 2011-37 from July 19th to review, and invited Mr. Wade to let staff know which documents he would like to have copied. Ms. Rakowski said file 2011-10 included both documents which Mr. Wade had previously chosen to have copied and those which he did not.

STAFF REPORTS:

Finance Manager: Ms. Storms said she had no formal report and asked for questions. In response to a question from Director Jaksch, Ms. Storms said the two software providers with irrigation experience under consideration to provide new financial software had been given a list specifying what to demonstrate to KID, and would each have up to three hours for their presentations. Ms. Storms said she would probably do site visits to see the software in use. She said staff may be able to make a recommendation at the first Board meeting in September.

Engineering/Operations Manager: Mr. Everaert reported:

- Engineering staff was working on capital improvement projects, the comprehensive plan, and various subdivisions.
- The Chandler to Main Canal diversion averaged 295 cfs for last half of July. He reported Yakima River flow levels.
- The Main Canal was being treated with Endothall today.
- Reservoir storage, release, inflow and diversions were reported, as were precipitation levels.
- The Operations department had completed 1,402 of 1,412 work orders, year to date.
- Business Radio installed an antenna for SCADA at Jump Off Joe; however that site was sometimes unreachable. The Business Radio representatives rectified the RF issue at the Chandler Butte site, but it did not resolve the problems. Mr. Everaert discussed efforts being made to determine whether "smart" versus standard radios would work. Whether to relocate the base station to the Ely location was discussed. Mr. Everaert said John Humphries would report to the Operations and Engineering Committee meeting today.

Planning Manager: Ms. Rosenbaum reported:

- 70 applications to relegate were received. Total relocations would be less than 30 acres.
- About 60 citizens came to WRAC condo/townhouse public meeting.

District Manager: Mr. Freeman reported:

- The recalibration project had identified 630 acres at this time. In September, decisions would be needed regarding next steps for the project and whether to extend the temporary employment of Ms. Marple.
- At Hansen Park, the developer installed a 12-inch line parallel to the existing 8-inch pipe. The line was inspected by KID and met KID's minimum standards. Testing indicated that both lines would be needed for volume to the growing development. Mr. Freeman reported there was evidence of shells in some sections of Hansen Park service risers which crews were blowing out.
- Mr. Freeman said he would meet with department managers this month regarding 2012 budget preparation and go to the Finance Committee in September. He said special meetings may be needed. Revenues were not increased last year and no increase is planned this year.
- The Condo/Townhouse meeting went well and good feedback was received from the attendees. Some people liked the plan, but the newspaper article did not mention that.
- There was a change of Editor-in-Chief at the Tri-Cities Herald and this may be an opportunity to meet to discuss fair treatment.
- KEPR has a new reporter, but Mr. Freeman said he had not yet granted an interview.
- A Red Mountain LID meeting was scheduled for 6:00 p.m. on Aug. 29th at Terra Blanca winery. Discussion ensued. The directors indicated they would attend, so Mr. Freeman said a special board meeting would be called and noticed to the media.
- Staff was to meet with the Richland School Board about the rate study on August 9th at 6:30 p.m.
- Staff would invite Derek Sandison to attend the next Board meeting regarding phase two funding, which is not yet encumbered.
- Doc Hastings was to receive an award from WSWRA on August 28th at the Red Lion in Pasco.

WORKSHOP:

Communications Plan: Mr. Freeman discussed the communications plan created for the district by Desautel Hege Communications. He reported that Ms. Storms and Mr. Revell met with the consultants last week. He reviewed the goals for the plan, target audiences and planned messages.

Mr. Freeman discussed the allocation of costs to improve fairness of the distribution of assessments. He commented that small reductions in rates were not likely to drive the recipients to the Board to thank them, but those who previously benefitted from lower rates and had increases might complain. He noted that 2012 would be the third year with no rate increase for urban users and the second year for agricultural customers.

Mr. Freeman discussed the district's relations with various media purveyors. He said the consultant encouraged proactive communications with all media outlets. Mr. Freeman recommended meeting with the Tri-Cities Herald editorial board regarding the Condo-Townhouse article.

Mr. Freeman described employee communications and training. He also discussed public records disclosure and retention requirements for social media. Mr. Freeman strongly recommended against participation in social media.

Director Jaksch asked about using surveys. Mr. Freeman reported that the consultant recommended against use of the survey proposed by Mr. Revell. He noted it would be quite expensive to have the consultant prepare the survey, but he believed that staff would be able to design small, focused surveys based on what had been learned.

Director Jaksch asked whether staff had time to implement the communication plan. Mr. Freeman discussed employee assignments and said that duties and work load would be evaluated following filling the open position in Finance/Customer Service.

In response to Director Rathbun, Mr. Freeman said he did not plan to incur further costs with Desautel Hege unless directed by the Board.

President McKenzie complimented staff on the roll out of the plan to date and said that the information received from the Condo/Townhouse meeting was valuable. Director Rathbun concurred regarding the importance of feedback from the public. Director Jaksch agreed and reiterated his concern regarding staffing levels.

President McKenzie prepared to call a break.

Mr. Iller and Mr. Wade discussed whether Mr. Wade had been provided answers to his records requests. Mr. Wade returned the original files of public records requests 2011-10 and 2011-37.

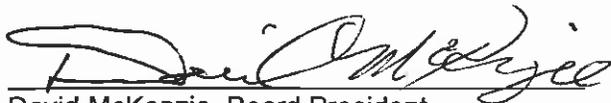
EXECUTIVE SESSION: Mr. Iller announced that following the break the board would meet in Executive Session for approximately one hour to discuss with legal counsel litigation regarding Acquavella and Wellenbrock per RCW 42.30.110(1)(i)(i), to consider the selection of a site or the acquisition of real estate by lease or purchase per RCW 42.30.110(1)(b), and to discuss with legal counsel potential litigation relating to a proposed action regarding water supply and delivery per RCW 42.30.110(1)(i)(iii).

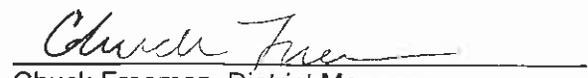
At 10:10 a.m., President McKenzie called a break and at 10:20 a.m., the Board went into executive session. Executive session was extended for fifteen minutes at 11:20 a.m. and for three minutes at 11:35 a.m. The Board returned to open session at 11:40 a.m.

Director Jaksch moved to adjourn at 11:41 a.m. and Vice President Huffman seconded the motion. The motion carried unanimously.

Attest:

Witness:


David McKenzie, Board President


Chuck Freeman, District Manager

Prepared by Doris Rakowski