



Minutes

KID Board of Directors Special Meeting
Carl W. Petersen Board Room
Tuesday, November 8, 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
John Jaksch, Director
Patrick McGuire, Director
Kirk Rathbun, Director & WRAC Chair

Staff Present:

Charles Freeman, District Manager
Ed Everaert, Engineering/Operations Manager
Colleen Storms, Comptroller/Treasurer
Jason McShane, Staff Engineer
Doris Rakowski, Executive Assistant

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

Action Items: Board Request Regarding Purchasing 2012 Liner Supplies

Ms. Storms noted that the purpose of the meeting was to review information prepared by staff in response to Board direction at the November 1st Board meeting to investigate whether it would be possible to purchase lining materials needed for 2012 at the same price as offered for the 2011 materials purchase.

Mr. Everaert reported that the supplier would honor the \$.40 per square foot price on the EPDM 45mil Pond Guard and the .1049 cents per square foot price on the 8 ounce geotextile, which he said would be a substantial savings over the current market price. Ms. Storms said the special meeting was necessary because the order must be placed within days to get this price.

Ms. Storms discussed her November 4th memo "Capital Funding Run-down" and discussed the accounting history of the money. She recommended transferring \$580,000 from the General Irrigation Fund to purchase the liner now. She noted that this capital expenditure in 2011 would decrease the capital expenditure budget for 2012. Ms. Storms confirmed that there was sufficient cash now to cover the transfer from 2011 irrigation funds.

In response to a question from Vice President Huffman, Mr. Everaert said the purchased materials would be stockpiled at the Ely location. He discussed budgeting and delivery dates. Ms. Storms repeated her recommendation for transfer of funds as an intentional transfer rather than a temporary internal loan.

In response to questions from Director Jaksch, Mr. Everaert said this purchase would be for use in the 2012-2013 water-off season. He confirmed that other projects for 2011-2013 would not be impacted.

In response to a question from Director Jaksch, Mr. Everaert discussed hiring temporary seasonal employees to help with the liner installation and said it would free a full crew of regular employees for other project work. Ms. Storms noted that these temporary employees for the capital projects would be paid from capital cash, while regular employees would be paid from operating cash. She said that for grant purposes, it would be shown as an in-kind donation.

Ms. Storms told Director Jaksch that \$152,208 (over 26%) would be saved by purchasing now.

Mr. Everaert confirmed to President Jaksch that there was no negative impact to the warranty from the delayed installation as only the taping and seaming materials had a shelf life and they were not included in this purchase. Storage locations and timing of funding and delivery were discussed. Director McGuire confirmed that he was comfortable with the financing of the purchase.

Mr. Everaert noted that the lining project was part of the feasibility study and within the \$34 million rehabilitation and betterment of the District Irrigation Project, as well as the capital projects.

In response to a question from Director Rathbun, Mr. Everaert said the liner would be installed continuing upstream from this year's location, completing the five miles included in the categorical exclusion. He said the programmatic evaluation was scheduled to be completed in time for the work on the Badger East Canal. Mr. McShane confirmed that all areas identified to be lined were earthen. Discussion ensued.

In response to a question from Vice President Huffman, Ms. Storms confirmed that at end of year there would be \$200,000 in the Emergency Mitigation Reserve.

In response to a question from President McKenzie, Mr. Everaert said the USBR grant was for \$300,000 towards the 17,900 foot section to be lined in 2011 and KID's contribution would be over \$800,000. He noted that KID was also in line for a possible \$245,000 grant for next year.

In response to a question from Director Jaksch, Mr. Freeman said nothing was required to be given back in regards to water savings but that it was necessary to be highly accurate in the amount expected to be conserved.

Director Rathbun said he was in favor of the purchase.

Vice President Huffman move to authorize the purchase of 2012 liner supplies, not to exceed \$580,000, from 2011 funds, and to authorize a 2011 operating transfer of \$580,000 from the General Irrigation Fund to cover the purchase and to direct the Treasurer to reflect these changes in the proposed revised 2011 Budget and in a future revision of the 2012 Budget. Director Jaksch seconded the motion and it carried unanimously.

Director Rathbun moved to adjourn at 9:25 a.m. Director Jaksch seconded the motion and it carried unanimously.

Attest:

Witness:


David McKenzie, Board President


Charles Freeman, Secretary/Manager

Prepared by Doris Rakowski