



Revised Minutes

Meeting of the KID Board of Directors
Carl W. Petersen Board Room
Tuesday, January 8, 2013, 9:00 a.m.

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

Directors Present:

Gene Huffman, President
Patrick McGuire, Vice President
David McKenzie
Penny Hermanson
Kirk Rathbun

Staff Present:

Chuck Freeman, District Manager
Colleen Storms, District Treasurer
Scott Revell, Planning Manager
Jason McShane, Engineering/Operations Manager
Lynda Rosenbaum, Assistant Planner
Doris Rakowski, Executive Assistant

Other Persons Present:

Brian Iller, Legal Counsel

APPROVAL OF AGENDA: Mr. Iller asked to add to executive session discussion with legal counsel of litigation in the form of risks of a proposed action pursuant to RCW 42.30.110(1)(i)(iii) regarding an open public meetings issue. **Vice President McGuire moved to approve the modified agenda. Director Rathbun seconded the motion and it carried unanimously.**

President Huffman gave control of the meeting to Mr. Iller.

Oath of Office: Mr. Iller administered to oath of office to reelected Directors Gene Huffman and Patrick McGuire, and newly elected Director Penny Hermanson. He confirmed that the Directors had signed the written form of the oath of office.

Election of Board President and Vice President: Mr. Iller called for nominations for President. Director McGuire nominated Director Huffman. Director Rathbun seconded the nomination. There being no further nominations, Mr. Iller called for discussion. Director Huffman confirmed willingness to accept the nomination. Mr. Iller called for a vote. All voted in favor and Director Huffman was elected as Board President for 2013.

Mr. Iller called for nominations for Vice President. Director Rathbun nominated Director McGuire. Director McKenzie seconded the nomination. There being no further nominations. Mr. Iller called for discussion. Director Rathbun said Director McGuire did well filling in for President Huffman and President Huffman agreed. Mr. Iller called for a vote. All voted in favor and Director McGuire was elected as Board Vice President for 2013.

Mr. Iller returned control of the meeting to President Huffman.

CONSENT AGENDA: Vice President McGuire noted that the return date on the travel request should be January, not December, 24th. **Director Rathbun moved to approve the consent agenda as amended. Director McKenzie seconded the motion and it carried unanimously.**

Items on the consent agenda were:

1. Minutes, KID Board Meeting, November 20, 2012
2. Minutes, KID Board Meeting, December 17, 2012
3. Approve Procedure 1.4, Board Meetings, Rev. 5
4. Approve Policy 1.16, Public Records Disclosure, Rev. 3
5. Approve Travel Request for Irrigation Leader Operations and Management Workshop

6. KID O&M Vouchers

Accounts Payable

Numbers:	65621 through	65668	\$	54,722.36	
	65669 through	65723		70,066.60	
	65724 through	65734		43,641.97	
	65735 through	65735		57,210.68	
Total Accounts Payable					225,641.61

Payroll

Numbers:	32414 through	32424	\$	9,739.13	
	32425 through	32425		1,604.51	
	32426 through	32436		10,013.28	
	32437 through	32447		9,865.58	
Direct Deposit		11/29/2012		79,081.08	
Direct Deposit		12/7/2012		1.00	
Direct Deposit		12/13/2012		80,351.25	
Direct Deposit		12/27/2012		72,060.37	
Total Payroll					262,716.20
Total Disbursements					<u>\$ 488,357.81</u>

Voided Checks: Accounts Payable: 65710 - Void due to duplicate payment

PRESENTATIONS: None

PUBLIC HEARING: None

BOARD REPORTS: None

ACTION ITEMS:

Confirmation and Appointment of District Officers and Board Secretary: Mr. Freeman reviewed the recommended appointments and confirmations.

Director Rathbun moved to appoint Scott Revell as Assistant Secretary, Jaime Britton as Auditing Officer and to retain the Board Secretary and remaining officers previously appointed. Vice President McGuire seconded the motion and it carried unanimously.

Review of Policy 1.1 Conflict of Interest–Board Members/District Officers and Approve Procedure 1.1, Rev. 1: Mr. Freeman reviewed the changes to the procedure intended to clarify applicability to the District Officers. He noted that the annual disclosure forms were to be completed and submitted.

Director McKenzie moved to approve Procedure 1.1, Conflict of Interest - Board Members/District Officers, Revision 1. Director Rathbun seconded the motion and it carried unanimously.

Confirmation of Bylaws: Mr. Freeman said no changes to the Bylaws were needed. He confirmed to Director Rathbun that the Red Mountain S. LID Design Committee was ad hoc.

Director Rathbun moved to confirm the KID Bylaws. Vice President McGuire seconded the motion and it carried unanimously.

Approval of Revised Organizational Chart: Mr. Freeman presented the revised organizational chart and said notable changes included Ms. Smith's new position as Real Property Manager and the addition of Director Hermanson.

In response to a question from Vice President McGuire, Mr. Freeman said Ms. Rosenbaum would perform hourly work previously done by Ms. Smith but that did not necessitate moving her on the organizational chart.

Director McKenzie moved to approve the revised organizational chart. Director Rathbun seconded the motion and it carried unanimously.

RESOLUTIONS:

Resolution 2013-01, Setting the Assessment: Mr. Freeman reviewed the submission of the Assessment Roll to the Board and performance of the Board of Equalization. He noted that this was the fourth year with no assessment increase for eight acres and less, and the third year for over eight acres. He said the capital improvement fee would not increase.

Discussion ensued regarding charges additional to the assessment. Director McKenzie noted that in addition to the capital improvement fee, some individuals would have LID repayments and or construction note repayments. Vice President McGuire noted that some accounts may have late payment fees. Director McKenzie said excess water charges were possible for some, and Ms. Storms noted excess water charges were on page three of the resolution.

Director Rathbun moved to adopt Resolution 2013-01, Assessment Roll for 2013. Director McKenzie seconded the motion and it carried unanimously.

Resolution 2013-05, Approval to Submit Application for WaterSMART 2013 Grant: Ms. Rosenbaum reported that a similar resolution was approved in December, and said this revision had been fine-tuned using language called for in the application. She confirmed to Director Rathbun that the grant would be awarded fully or not at all, and reimbursement would be up to \$750,000 per year, subject to approval of government financing each year.

President Huffman thanked Ms. Rosenbaum, Mr. Revell, Mr. Freeman and all others involved in applying for WaterSMART grants.

In response to a question from Vice President McGuire, Mr. Freeman said letters of support were requested from the Benton County Water Conservancy board and Conservation District and the Benton County Commissioners. Ms. Rosenbaum said the letters could be added to the applications for a couple weeks following submission.

Mr. Freeman confirmed to Director Rathbun that the canals were all USBR transferred works.

Director McKenzie moved to approve Resolution 2013-04 appointing Charles Freeman as authorized representative and signature authority in matters relating to the 2013 WaterSMART grant. Director Rathbun seconded the motion and it carried unanimously.

PUBLIC COMMENTS:

Jim Wade, residing at 1813 S. Rainier Place, said he found nothing in the RCWs allowing canvassing the election by others or having a meeting on the same day.

STAFF REPORTS:

Finance Manager: Ms. Storms reported:

- December financial statements would be presented at the next meeting. She noted that under cash basis rules and the state calendar, December extends to January 20th, so there would be a second set of financial reports.
- Mr. Iller sent letters on fourteen foreclosures, of which three were cleared with two qualifying for Helping Hands assistance. She said the next step was determining whether the remaining were occupied homes, or if language barriers or tenant issues existed. Discussion ensued.
- Ms. Storms would attend a USBR meeting regarding financial management of grants.
- Several policies were being revised and would be reviewed by the Finance Committee prior to submittal to Board.
- Ms. Storms said work was continuing on physical records management.
- Ms. Storms and Engineering were planning a water master training meeting.
- New accounting software for the remaining accounting functions may be considered by the end of the year.

Engineering/Operations Manager: Mr. McShane discussed scheduling during the holidays and bad weather. He said canal lining was slowed due to wet conditions. He also reported:

- The annual Discharge Monitoring Report permit for pesticide and herbicide control would be sent in the next two weeks.
- The WaterSMART grant would speed the lining schedule from five to three years. He noted that KID's contribution would be largely in kind labor and equipment.
- The Red Mountain S. LID meeting this week would be followed by a contract to the Board.
- Staff's goal was to mail assessment bills in February.
- Mr. McShane would attend training in Seattle next week and Arizona the following week.

In response to a question from President Huffman, Mr. McShane discussed the amount of lining work remaining.

Planning Manager Mr. Revell reported:

- The third version of the Report of Exam for the Kiona point of diversion expired yesterday.
- The otolith study funded by the Yakima Basin Joint Board and performed by David Child was completed and selected for publication by the Canadian Journal of Fisheries.
- Mr. Iller and Mr. Revell would attend a meeting in Yakima Thursday on issues related to the integrated plan.
- On January 18th Mr. Revell would be in Portland to attend federal agency meetings related to integrated plan.
- The private line area draft policy from the Planning Committee was ready for Board review.
- The WaterSMART grant application would be mailed on the 14th.
- Vice President McGuire, President Huffman, Mr. Freeman and Mr. Revell attended the Northwest Water Resource Association's Legislative Forum last week. Discussion ensued regarding benefits of attending the Forum.

District Manager: None

WORKSHOP:

Project Tracking: Mr., Freeman gave brief project tracking updates including:

Red Mountain

- The contractor was identified for the special benefit study for all LID members.
- A second appraisal process would be for acquiring easements.
- Work was underway for the KID property regarding granting an easement for the pipeline.
- Ms. Storms said she would include a budget of Red Mountain S. LID expenses with the financial statements.

Water Right Management

- Recalibration phase 1 was completed and Phase 2 policy revisions would come through committee.
- Drought Mitigation: Con Higley had been attending River Ops meetings and so far the water supply looked good for next year.
- Directives and Standards: KID submitted two letters regarding concerns on M&I water and was awaiting on decisions from the USBR on changes.
- The Integrated Plan would be added to the project tracking list. Mr. Freeman discussed KID priorities regarding the Integrated Plan.

Strategic Planning

- Staff was hoping to add TruePoint data to the rate model data.
- The Comprehensive Plan and Drought Plan, would go to the Planning Committee.
- The Private Line Area draft policy from the Planning Committee would be discussed at the January 15th Board meeting.
- Amon Basin: The Yakima Basin Joint Board was considering funding the west fork study needed to allow KID to clean out the Wasteway.
- David Child would visit other drains including Hover and Zintel Canyon.
- Vice President McGuire reiterated that KID was still collecting data for the rate model. Mr. Freeman noted that the rate study uncovered the condo assessment issue which was corrected and now generated revenue for the district.

Operations

- A weed screen for the Low Lift Canal was being designed.
- A staffing plan was created for seven day coverage in Operations during the water on season. The schedule would be presented to staff in February.

Engineering

- Work on subdivision standards was ongoing with Planning and Engineering.
- Encroachments: Crews were cutting encroaching trees previously surveyed.

Realty

- One sale was falling off at Vista, but someone else was interested.

Admin

- Policy and procedure updates were continuing.
- Next Board Retreat would be in the fall.
- A speaker will be brought in to address customer service at the Water on meeting.
- An All Staff meeting for ethics, policy and diversity training was scheduled.
- Potable system ownership transfer: Discussions were continuing with the City of Kennewick.
- Mr. Freeman gave a presentation on the LID process to the Columbia Basin Development League. Changes to statutes were being proposed by WSWRA for language regarding full faith and credit to LIDs.

EXECUTIVE SESSION: At 10:07 a.m., on behalf of the presiding officer, Mr. Iller announced that, following a short break, the Board would go into executive session for an estimated 45

minutes, or until from about 10:15 a.m. to 11:00 a.m., to discuss with legal counsel litigation and potential litigation pursuant to RCW 42.30.110(1)(i) which is pending or threatened litigation and to discuss with legal counsel litigation in the form of risks of a proposed action pursuant to RCW 42.30.110(1)(i)(iii) regarding an open public meeting issue.

At 11:03 a.m., the meeting returned to open session.

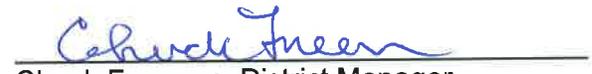
Vice President McGuire moved to adjourn at 11:03 a.m. and Director McKenzie seconded the motion. The motion carried unanimously.

Attest:

Witness:



Gene Huffman, Board President
Approved February 19, 2013



Chuck Freeman, District Manager

Prepared by Doris Rakowski