



Minutes

Meeting of the KID Board of Directors
 Carl W. Petersen Board Room
 Tuesday, October 1, 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, Director
 Kirk Rathbun, Director
 Penny Hermanson, Director

Staff Present:

Chuck Freeman, District Manager
 Colleen Storms, District Treasurer
 Seth Defoe, Planning Manager
 Jason McShane, Engineering/Operations Manager
 Judy Smith, Real Property Manager
 Lynda Rosenbaum, Assistant Planner
 Ben Woodard, Staff Engineer
 Dana Auckland, Customer Accounts Supervisor
 Doris Rakowski, Executive Assistant

Other Persons Present:

Brian Iller, Legal Counsel
 Jeff Barrom, Argus Insurance

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

CONSENT AGENDA: Director McKenzie moved to approve the consent agenda. Vice President McGuire seconded the motion and it carried unanimously.

Items included on the consent agenda were:

1. Approve Water Off Letter to USBR
2. Approve Final Plat Cherry Creek Phase 2
3. Approve Drought Policy 2.37, Revision 1
4. KID O&M Vouchers

Accounts Payable

Numbers:	66964	through	67009	\$	67,184.70
	67010	through	67010		7,732.85
	67011	through	67023		<u>40,189.87</u>

Total Accounts Payable

115,107.42

Payroll

Numbers:	32600	through	32608	\$	8,490.43
	32609	through	32609		11,075.29
Direct Deposit			9/19/2013		8,411.13
Direct Deposit			9/19/2013		<u>73,531.90</u>

Total Payroll

101,508.75

Total Disbursements

\$ 216,616.17

Voided Checks: None

PUBLIC COMMENTS: James Wade asked what facts substantiated the increase for drought management from \$1 million to \$1.5 million and asked if there were copies of how much money was spent over the last ten years. He asked why KID was paying initiation fees and union dues for the employees. Mr. Wade also asked what happened to Scott Revell and Con Higley.

PRESENTATIONS: None

PUBLIC HEARING: None

BOARD REPORTS: None

ACTION ITEMS:

Uninsured Motorist Coverage: Mr. Freeman asked Jeff Barrom of Argus Insurance to discuss whether the District needed to insure itself for uninsured motorists.

Mr. Barrom reported he had been working with the District on risk management and keeping insurance costs down. He said he worked with 16 public entities and KID was the only one which carried uninsured motorist coverage. He said, in the last five years, the District had a sizable claim because it carried this coverage, but everything in the claim would have been covered by Workers Compensation. He said by carrying uninsured motorist coverage, Labor and Industries could come back and sue the District's insurance carrier, affecting KID's loss ratio and insurance premiums. Mr. Barron said if the Board granted approval to remove this coverage, a no known losses letter would be signed by Mr. Freeman, then a refund would be issued for costs to date.

Mr. Barrom confirmed to President Huffman that if an employee were hurt by an uninsured motorist, the employee would be covered by Workers Compensation.

In response to a question from Director Rathbun, Mr. Barrom confirmed that the District's deductible was \$10,000 per incident and the cost for uninsured motorist coverage was \$14,000. Mr. Barrom offered to provide breakdown of premium for next meeting.

Mr. Iller said he had no disagreement with what was stated and that he had found no obligation for the District to purchase uninsured motorist coverage.

Discussion ensued regarding the best levels for deductibles. Mr. Barrom did not recommend changing deductible levels unless there were no claims for several years.

Director Hermanson moved to authorize Secretary Chuck Freeman to cancel the underinsured motorist insurance from the current CIAW plans. Director Rathbun seconded the motion and it carried unanimously.

RESOLUTIONS: None

STAFF REPORTS:

Finance Manager: Ms. Storms reported:

- The State Auditors would start the 2011 and 2012 audits today. The Board invited to attend entrance conference and express any concerns.
- The abandoned call problem last Friday was being addressed.
- Customer Service was receiving good responses to billing reminder notices sent last week.

In response to a question from Vice President McGuire about inadequate training provided by the phone manufacturer, Ms. Storms said Ms. Auckland would learn the system and do future internal training. Discussion ensued.

Engineering/Operations Manager: Mr. McShane reported:

- The visit with Governor Inslee went well last week. The Governor was interested in the work and in the Red Mountain Interchange project.
- Applications were received for the Assistant Operations/Maintenance Manager position.
- The signed grant was received from the USBR and the additional information was being finalized for the Ecology grant.
- The pipeline contractor would begin next month, but some parts would have to wait until after harvest.
- Mr. Defoe and Mr. McShane attended a Beer Flats Subdivision meeting with the developer, but were sorry to see the Taptal Greenway and Friends of Amon Basin representatives were not there. City of Richland and Kennewick School District representatives were there.
- Preparations continued for baseline testing on the Main Canal, Badger East Canal, Division IV, the Highlift Feeder and the Highlift Canal. Discussion ensued and Mr. McShane described how baseline testing was performed.

Planning Manager: Mr. Defoe reported:

- Mr. Defoe provided similar on-site presentations to Governor Inslee, the State Association of Counties tour and the Yakima Basin Joint Board tour.
- The Legislature would be back in session soon to consider the transportation program, which could include the Red Mountain interchange
- The Yakima Basin Joint Board tour of the Lower Basin included the fish facility at Prosser Dam, Benton City Irrigation District, and the Red Mountain South LID project.
- Work continued with the auctioneer, Scott Musser.
- Segregations approved at the last Board meeting were sent to the County.
- The next iteration on the off-season lining environmental review was complete and the determination would be published Friday, followed by a 14-day comment period.
- Interviews were being scheduled for the GIS/Environmental Compliance Specialist position.
- Staff hoped to have opportunities at future meetings about the Beer Flats Subdivision to speak to people with concerns about the area. Vice President McGuire encouraged outreach to these groups. Mr. Defoe reported that correspondence was sent to the groups before Mr. Revell left KID, but no response had been received yet.

District Manager: None

WORKSHOP: None

EXECUTIVE SESSION: At 9:41 a.m., on behalf of the presiding officer, Mr. Iller announced that, following a short break, the Board would go into executive session an estimated 45 minutes to review the performance of a public employee pursuant to RCW 42.30.110(1)(g).

Executive session was extended for thirty minutes at 10:25 a.m.

At 10:53 a.m., the Board returned to open session.

Vice President McGuire moved to adjourn the meeting at 10:53 a.m. and Director McKenzie seconded the motion. The motion carried unanimously.

Attest:


Gene Huffman, Board President
Approved October 15, 2013

Witness:


Chuck Freeman, District Manager

Prepared by Doris Rakowski