



MINUTES

Regular Meeting of the KID Board of Directors
Carl W. Petersen Board Room
April 7, 2009, 9:00 a.m.

Directors Present:

John Jaksch, President
John Pringle, Vice President
David McKenzie
Patrick McGuire
Gene Huffman

Staff Present:

Scott Revell, Interim Secretary/Manager
Margo Hines, Asst Manager-Administration
Joetta Rupert, Real Estate Manager
Clark Haueter, District Treasurer
Harry Fox, Operations Superintendent
Brian Iller, Legal Counsel
Richard Evans, Professional Engineer
Jason McShane, Interim Engineering Lead
Beth Smith, HR Administrator
Doris Fiske, Executive Assistant

Call to Order/Roll Call – Board Secretary: The meeting was called to order at 9:00 a.m. by President Jaksch. Interim Secretary/Manager Revell took roll call.

Approval of Agenda: President Jaksch added a presentation on the Tiered Rate Structure before the Unscheduled Visitors portion of the agenda and a report on the most recent Yakima Basin Joint Board of Defense meeting under District Business.

Director Pringle moved to approve the amended agenda. Director McKenzie seconded the motion and it carried unanimously.

Consent Agenda: Director Huffman moved to approve the Consent Agenda. Director McGuire seconded the motion and it carried unanimously. Items on the Consent Agenda were:

1. KID O&M Vouchers
2. Minutes, KID Regular Board Meeting, March 17, 2009
3. Minutes, KID Special Meeting, March 19, 2009
4. Approval of Updated Conservation Plan
5. Turriss Contract

Accounts Payable

Numbers:	56485	through	56539	\$	141,862.69
"	56540	through	56598		81,257.45
"	56599	through	56599		6,949.98
"	56600	through	56642		60,034.29
"	56643	through	56643		<u>18,184.23</u>

Total Accounts Payable 308,288.64

Payroll

3/12/2009	31067	through	31080		13,025.02
	31081	through	31081		554.10
Direct Deposit					70,986.52
3/26/2009	31082	through	31095		12,761.58
	31096	through	31096		2,401.35
	31097	through	31097		6,368.73
Direct Deposit					<u>70,769.87</u>

Total Payroll \$ 176,867.17

Total Disbursements \$ 485,155.81

Voided Checks

Check No. 56360, a customer refund in the amount of \$109.59, void and reissued to correct customer.

➤ **Tiered Rate Structure:** Treasurer Haueter gave a presentation on the tiered rate structure. He noted that several questions had been received by staff earlier in the week regarding parcels in different taxing districts, parcel consolidation and parcels formerly receiving agricultural discounts and addressed each. He stated that the Benton County Assessor's office can combine parcels for tax purposes only at no cost to the applicant.

Gary Hall, residing at 4307 S. Washington Street, asked whether parcels could be consolidated for this year's assessment. Mr. Haueter answered no, but that once an owner goes through the county's process of consolidation for tax purposes only, the number of parcels would be changed for the next assessment cycle.

Customer call volume compared to 2008 was discussed. Director McGuire asked how many customers received more bills this year than last year. Interim Engineering Lead McShane responded that there are no additional parcels added for assessments except

through the segregation process and that staff could produce a list of which parcels received an agricultural discount last year.

Policy 8 "Consolidation" and possible solutions were discussed. Director McGuire asked Mr. Haueter and Mr. McShane to provide an estimate of how many parcels and how much money could be affected by Policy 8 and suggested the Board make a decision at a later time as to whether these can be solved for the 2009 assessments. President Jaksch asked to be advised as to what the change in revenue would be as it relates to the 2009 budget and suggested extending the deadline for Policy 8 through the end of June. **Director Huffman moved to extend the deadline in Policy 8 June 30, 2009. Director Pringle seconded the motion and it carried unanimously.** President Jaksch requested that an update on Policy 8 be put on the April 21, 2009 Board meeting agenda.

Unscheduled Visitors:

Sharon Wiens, residing at 190805 E. 45th Street, addressed the Board regarding her assessments on four separate lots with a combined total of nine acres. She would like to have known about the process for lot consolidation in advance of 2009 assessments being levied. Ms. Wiens noted that the Benton County consolidation process requires that taxes be paid in full before starting the process. Mr. Haueter said KID will provide Policy and Procedures for requesting consolidation of agricultural parcels for this year and that the Benton County Assessor's office can combine parcels for tax purposes only at no cost to the applicant for future assessment cycles. President Jaksch noted that the first half of the 2009 assessment must be paid by April 30th even if an application is submitted.

Donald Wiens, residing at 190805 E. 45th Street, addressed the Board regarding past permission to use waste water and his efforts to help prevent nearby culverts from clogging and needing to be cleared by the KID to avoid flooding by turning on his water when the levels in the ditch got high.

Timothy Dean, residing at 5512 W. 26th Avenue, addressed the Board regarding his assessments on two parcels. One parcel does not receive water and he is interested in relinquishing the allotment. Assistant Manager-Administration Hines reviewed the status of the Water Allotment Transfer program and will notify Mr. Dean when the new Policy and Procedure are approved and the program reopened.

Mike Bughi, residing at 3505 S. Garfield Street, addressed the Board regarding his concerns about the equity of the 2009 assessments relative to water usage.

James Wade, residing at 1813 S. Rainier Place, addressed the Board regarding the tiered rate structure. He questioned the fairness of assessing the Canal Rehab charge by parcel rather than lot size. Mr. Wade also addressed the Board regarding the 2007 election and whether the cost having the questions of inclusions and exclusions on the ballot should have been charged to the requestors. President Jaksch requested that staff provide a copy of the 2007 ballot to Mr. Wade.

Dale Walter, residing at 5624 W. 10th Avenue, addressed the Board regarding the 2009 assessments. Mr. Walters distributed a set of bill copies to the Directors to illustrate his points. Discussion ensued. Mr. Walter also expressed concern about potential LID refunds. President Jaksch asked Mr. Water to please provide source of his information to the Board and Mr. Haueter to allow them to prepare for discussion at the next board meeting. Mr. Walter contended the double tier rate does not meet the test for legality. Legal Counsel Iller said that the Board relied on the Attorney General's Opinion in making its decision to adopt the current assessment structure.

At 10:04 a.m., President Jaksch called a break.
The meeting reconvened in open public session at 10:14 a.m.

District Business:

Executive

6. District Manager Job Description: President Jaksch referred this item and a discussion of the District's engineering needs to the Operations and Engineering Committee. He requested the committee be provided a cost-benefit analysis of engineering tasks performed by staff versus contracted engineering. President Jaksch requested Directors to review the job description and comment, and instructed it be included on the next Board meeting agenda.

7. Murray Search Firm Contract: HR Administrator Smith presented the Search Committee's recommendations for contracting services in locating and screening applicants for the District Manager position. Discussion ensued. **Director McGuire moved to authorize the Interim District Manager to execute a contract with Bob Murray and Associates to assist the District in hiring a full-time District Manager for \$17,500 plus expenses. Director Huffman seconded the motion and it carried unanimously.** Discussion continued. Ms. Smith said the Directors will be asked to meet with representatives of the search firm as soon as possible.

8. Interim District Manager's Contract: President Jaksch tabled this item until the April 21, 2009 Board meeting.

9. Feasibility Study Update: Mr. Revell told the Board the KID has been approved for \$300,000 from the USBR for the feasibility study for the projects in the Conservation Plan. Discussion ensued.

10. Recording Board Meetings: Mr. Revell presented staff research on other agencies' practices regarding recording meetings and legal counsel attendance at meetings. President Jaksch requested cost estimates for purchasing a digital recording system and tabled the discussion until the April 21, 2009 meeting.

➤ **Yakima Basin Joint Board of Defense Meeting:** Mr. Revell and Mr. Iller reported on their attendance of the last Joint Board meeting. The Joint Board is funding a steelhead study by Cramer Fish Sciences about the impact of resident rainbow trout

in the upper Yakima River. The information could be critical to delisting steelhead under the Endangered Species Act.

Operations and Engineering

➤ **Canal System Startup Report:** Operations Superintendent Fox reported on progress of canal system startup and explained that the crews are working hard to stay on schedule.

Business Administration

11. **Business Update for Water On:** Ms. Hines reported on customer service staffing changes which have been made to have more customer service staff available. Call levels are about the same as in 2008. President Jaksch noted there are issues with the phone system handling the level of calls that must be resolved - basically when the system is receiving a high volume of calls, some incoming calls are not answered, or put in queue resulting in a busy signal to the incoming caller.

Finance

12. **Assessments Report:** Mr. Haueter reviewed the assessment report.

Realty:

13. **Approval of Resource Management and Planning 2009 Budget:** Real Estate Manager Rupert presented the Realty Committee's recommendation for approval of the Resource Management and Planning 2009 Budget. The committee further recommended the 2008 budget surplus of \$104,500 remain in the Resource Management and Planning reserves. Mr. Haueter confirmed the funds are already in place. The committee recommended the District Planner and Professional Engineer be funded from the Resource Management and Planning Budget for 2009 and at 50% by the District Operating budget in the future. The committee recommended approving a contracted half-time administrative assistant for the next year. President Jaksch referred discussion of Realty reserves to Finance Committee and asked that salary and merit increases for the Resource Management and Planning Division be brought to the board next year. **Director Huffman moved to approve the Resource Management and Planning Division's 2009 Budget in the amount of \$910,725 and the 2009 special projects budget of \$50,000. Vice President Pringle seconded the motion and it carried unanimously.**

➤ **New Water Permit Update:** Mr. Revell and President Jaksch reported on progress with the water right to get water to Red Mountain and a pump station in Columbia Park. Discussion ensued on topics including recalibrated water, points of diversion, the settlement agreement, drought, and shrub-steppe habitat mitigation.

➤ **Red Mountain Public Meeting:** Mr. Revell discussed preparations for the April 20, 2009 Red Mountain South LID meeting. The meeting will be held at the Terra Blanca winery at 6:30 p.m. Anyone is welcome to attend. Discussion ensued. Mr. Revell will report at the May 5, 2009 Board meeting regarding the response of the petitioners attending the public meeting.

Other Business:

14. District Manager's Report: Mr. Revell reported on the following items:

- New Board packet format in tabbed binders
- An electronic copy of the Board Packet has been posted to the website
- Online assessment payments can be paid from home or at the kiosk in the KID lobby
- KID e-mail accounts for the Directors have been set up
- Completion of RRA portion of Water Allotment Transfer requests
- Water On meeting
- Purchase of two new servers
- KID's new accountant, Becky Mellinger, started on Monday
- Letter of appreciation from Dr. William Kinsel citing the work of Chris Crow and Craig Winston in clearing the Badger East Wasteway

President Jaksch called a break at 10:54 a.m.

Executive Session: At 11:00 a.m., the Board reconvened in executive session for one hour to review the performance of a public employee, to discuss with legal counsel pending litigation regarding Acquavella and to consider the minimum price at which real estate will be offered for sale.

At 11:57 a.m., executive session was extended for fifteen minutes.

At 12:12 p.m., the meeting reconvened in open public session.

Director McGuire moved to amend the agenda to include action on setting the minimum marketing price of the KID's Vista Entertainment District properties after executive session. Director McKenzie seconded the motion and it carried unanimously.

Vice President Pringle moved to approve the marketing price of the KID's Vista Entertainment District properties at a minimum of \$5.08 per square foot if sold in its entirety of approximately 15.05 acres as one parcel, subject to terms to be negotiated and approved by the KID Board. Director Huffman seconded the motion and it carried unanimously.

Vice President Pringle moved to adjourn the meeting at 12:28 p.m. Director Huffman seconded the motion and it carried unanimously.

Attest:

Witness:



John A. Jaksch, Board President



Scott Revell, Secretary/Manager