

MINUTES

KENNEWICK IRRIGATION DISTRICT REGULAR MEETING OF THE BOARD OF DIRECTORS CARL W. PETERSEN BOARD ROOM JANUARY 20, 2009, 9:00 A.M.

CALL TO ORDER/ROLL CALL – BOARD SECRETARY: The meeting was called to order at 9:00 a.m. by Director Jaksch. Secretary/Manager Grover took roll call as follows:

PRESENT: John A. Jaksch
John C. Pringle
David McKenzie
Patrick McGuire
Gene Huffman

STAFF: Doug Grover, Secretary/Manager
Margo Hines, Assistant Manager-Administration
Brian Iller, Legal Counsel
Clark Haueter, Comptroller/District Treasurer
Scott Revell, District Planner
Richard Evans, Professional Engineer
Doris Fiske, Executive Assistant

I. APPROVAL OF AGENDA: Discussion of the Feasibility Plan will be included in District Business, Conservation and Project Funding, and does not need to be added as a separate item. Vouchers were removed from the Consent Agenda for discussion under Finance. **Vice President Pringle moved to approve the amended agenda. Director Huffman seconded the motion and it carried unanimously.**

II. CONSENT AGENDA: Vice President Pringle moved to approve the modified consent agenda. Director McKenzie seconded the motion and it carried unanimously. Items remaining on the Consent Agenda were:

- A. Minutes, KID Special Board Meeting, January 13, 2009
- B. Revised Minutes, KID Board Meeting, December 2, 2008 (Revised to correct clerical omission of voucher statement.)
- C. Revised Minutes, KID Special Board Meeting, December 15, 2008 (Revised to correct clerical omission of voucher statement.)
- D. Travel Request for Joetta Rupert

President Jaksch announced an executive session will be needed at the end of the meeting to discuss with counsel legal risk of a proposed action by the District to protect the District water users' interests.

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III. SCHEDULED VISITORS: None

IV. UNSCHEDULED VISITORS: James Wade, residing at 1813 S Rainier Place in Kennewick, addressed the board regarding his concerns about the expenses being incurred related to the proposed Red Mountain LID. President Jaksch asked Mr. Wade to provide his numbers in writing and explain where he got them, so an appropriate answer can be provided. Scott Revell offered to speak with Mr. Wade outside the meeting and provide a written answer.

Mr. Wade said that while he is assessed for irrigation separately on the two parcels he owns, the number of ballots he is issued in District elections is based on the combined acreage. He stated he believes he should receive two votes for each parcel owned that is less than five acres. Attorney Brian Iller reviewed RCW 87.03.051 with Mr. Wade and stated there is no mention of parcels anywhere in the section. Mr. Iller further noted that the District has historically allocated votes in the same way it did in the last election. Mr. Iller reminded Mr. Wade of the Attorney General's opinion (AGO) Mr. Iller read to him at the December 15, 2008 Board meeting. Mr. Wade requested a copy of the AGO and Mr. Iller agreed to provide it to him.

V. DISTRICT BUSINESS:

A. District Manager:

1. Conservation and Project Funding: Discussion ensued regarding the Board-approved Conservation Plan and the Feasibility Study, for which the KID is applying to the USBR for funding. Possible timing of work for the projects listed in the Conservation Plan was discussed with consideration of applicability to the Stimulus Package, the Reid Bill and YRBWEP Funding. Manager Grover noted that completion of the Feasibility Study is a requirement for receipt of funds from the USBR for Conservation projects. Assistant Manager Hines is pursuing federal and state funding avenues.

2. Travel Request: Manager Grover withdrew the request.

3. Badger East: Manager Grover said only four days of work were lost due to the snow and work has progressed to near Shockley Road off Gage Blvd. Crews are finding more irregularities than were expected, so a lot of grading of the canal bottom is necessary. Manager Grover asked anyone inspecting the work to use care. Members of the public have been using the canal access roads as walkways and crew are working to protect the public and District equipment in the construction area.

President Jaksch inquired about the need for Committee meetings. Scott Revell said the next Realty Committee meeting will be about the Real Estate Department budget, but deferred to Real Estate Manager Rupert to schedule a meeting in February.

President Jaksch announced the following Committee assignments:

**Operations and Engineering Committee: Director McKenzie
Realty Committee: Director Huffman
Finance Committee: Director McGuire**

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4. Monthly Evening Board Meetings: Manager Grover said there have been some requests by the public for one evening board meeting each month. While evening meetings can be hard on staff and incur overtime costs, the KID staff is sensitive to the public's desire to be involved. President Jaksch said evening meetings were tried in 2006 and they were not well attended. Director McGuire recommended holding a few special meetings on weekends throughout the year, structured as an open house with questions posed and answers posted on the website later. President Jaksch said no action would be taken at these meetings. Discussion ensued. Manager Grover will put together date options and cost estimates to present at the February 17th Board meeting.

B. Operations and Engineering - Engineering Manager Advertisement Status: President Jaksch reviewed the history of the opening and search for an Engineering Manager. Manager Grover stated that, after receiving little response to the advertisements placed in 2008, the Engineering Manager position was removed from the 2009 budget and a junior Staff Engineer was advertised. Interviews for the Staff Engineer begin this week. High-level engineering work and Professional Engineer services are being contracted out. President Jaksch speculated that lay-offs in the softening economy might lead to better response from renewed advertising, but said discussions need to take place on the KID needs for an in-house engineering department to assure resources are being used efficiently.

C. Business Administration - Accomplishments 2008 & Goals 2009: Assistant Manager Hines provided a review of the Business Administration departments' activities for the information of new Directors. She stated that the in-house engineering department continually provides valuable information to the Administrative departments and that Richard Evans has helped with information many times. Manager Grover commended Mrs. Hines for her work in customer outreach through publications, logging of customer calls and follow-ups, and plans to update the KID website. Assistant Manager Hines said the KID has plans to reach out to middle school and high school students about safety using resources from the USBR. Director McGuire asked about trending analysis. Mrs. Hines answered that statistics are kept on work orders and customer service is keeping statistics on how many calls are received over different issues.

President Jaksch called a break at 10:42 a.m.

The meeting reconvened in open public session at 10:53 a.m.

D. Finance:

1. Cash Receipts Report: Treasurer Haueter presented the Cash Receipts Report for Dec 31, 2008. He notified the board that there will be different reports provided in 2009, with more useful information, once the conversion of Springbrook to the new cash-basis accounting system is complete.

2. Cash Investment Report: Treasurer Haueter said realty investments have been broken out, as promised, and will be tracked, as will new income from sales. The amount will drop every month until April as part of the expected cycle due to the KID schedule for assessment income. Until the next cycle of collections from assessments, KID will pay

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necessary expenses from assessments that were invested. Vice President Pringle said much of the investments are realty money transferred not collected by assessment only. Mr. Haueter noted that possible earnings on certificates of deposit are dropping and 2.5% is high at this time. Mr. Haueter reported the Department of Revenue was contacted regarding the State investment pool, but their average was less than KID was able to get on bid.

3. Policy 2.13, “General Purchasing,” Policy 2.14, “Purchase Orders,” and Policy 2.15, “Receipt, Inspection and Acceptance of Purchased Goods”: Clark Haueter presented three Board-level policies for purchasing and stated there are proposed procedures ready to put in place where these policies are approved by the Board. President Jaksch instructed the policies be place on the Consent Agenda of the February 3, 2009 Board Meeting if no further changes are received prior to that meeting.

4. KID O&M Vouchers: Richard Evans identified check #55934 to Shannon & Wilson, Inc. for the Arable Land Study as a Real Estate Department expense to determine the suitability of the Red Mountain property for vineyards. Manager Grover identified check #55960 to EveryThing Furniture as an Operations Department expense to replace tables and chairs in the lunch room and to create a confidential room, a union contract requirement, at the KID Shop. Manager Grover identified check #55948 to Legacy Ford for three Ford F-150s, as a budgeted Operations expense for equipment replacement.

VI. REALTY:

A. 2009 KID Legislative Agenda: No further discussion or action was needed to follow-up the 8:00 a.m. Planning Committee Meeting.

B. Department of Ecology Meeting on New Permit: Scott Revell said there will be a meeting on Thursday with the Department of Ecology regarding the Memorandum in Principle and a report on the meeting will be provided at the next Board meeting. President Jaksch noted the Memorandum is a draft only and the KID is waiting for feedback from the Yakama Nation and the Washington Department of Fish & Wildlife.

C. Red Mountain Meeting on AVA LID Options: Scott Revell said there will be a meeting on the 27th with growers for which fifty letters of invitation were mailed. He has been approached regarding reducing cost and there is a need to know what owners will support and want. The request for qualifications process has been completed for selection of an engineering firm for the next phase of Red Mountain LID work and a contract will be on the next Board Meeting agenda. Costs for the meeting are reimbursable from the LID.

D. Transfer of Funds for Amon Basin Habitat Study: Scott Revell presented the staff recommendation that funds be moved back to the District’s operating budget for the Amon Basin Habitat Study. Vice President Pringle moved to approve the re-allocation and transfer of \$20,000 from reserves for the Amon Basin Habitat Study to the KID General Operations Budget for 2009. Director Huffman seconded the motion and it carried unanimously. Manager Grover said he will meet this week with David Child, fish biologist for the Yakima Basin Joint Board, who will be performing the study.

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President Jaksch called a break at 11:10 a.m. to be followed by executive session.

VII. EXECUTIVE SESSION:

At 11:15 a.m. the Board reconvened in executive session for thirty minutes to discuss with counsel legal risk of a proposed action by the District to protect the District water users' interests.

At 11:45 a.m. the executive session was extended for fifteen minutes.

At 11:59 a.m. the meeting returned to open public session.

Vice President Pringle moved to adjourn the meeting at 12:01 p.m. Director Huffman seconded the motion and it carried unanimously.

ATTEST:

WITNESS:

John A. Jaksch, Board President

Doug L. Grover, Secretary/Manager