

MINUTES

KENNEWICK IRRIGATION DISTRICT REGULAR MEETING OF THE BOARD OF DIRECTORS CARL W. PETERSEN BOARD ROOM FEBRUARY 3, 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 Jaksch, President
John Pringle, Vice President
David McKenzie, Director
Patrick McGuire, Director
Gene Huffman, Director

STAFF: Doug Grover, Secretary/Manager
Margo Hines, Assistant Manager-Administration
Joetta Rupert, Real Estate Manager
Clark Haueter, Comptroller/District Treasurer
Scott Revell, District Planner
Jason McShane, Interim Engineering Lead
Doris Fiske, Executive Assistant

- I. APPROVAL OF AGENDA:** President Jaksch added discussion of M&I (Municipal & Industrial) Classification to District Business, and discussion of Shotcrete versus Concrete Standards, and Badger East to Operations and Engineering. Director McKenzie moved to accept the agenda as amended. Vice President Pringle seconded the motion and it carried unanimously.
- II. CONSENT AGENDA:** Director McKenzie moved to accept the consent agenda. Vice President Pringle seconded the motion and it carried unanimously. Items on the consent agenda were:
- A. KID Voucher/Warrant Approval, February 3, 2009
 - B. KID Voucher/Warrant Approval, January 20, 2009
 - C. Minutes, KID Special Board Meeting – Planning Committee, January 20, 2009
 - D. Minutes, KID Regular Board Meeting, January 20, 2009
 - E. Resolution 2009-04, “Water Allotment Transfer Requests – Irrigation & USBR Loan Repayment Assessment Removed”
 - F. Resolution 2009-05, “Setting Final Cost, Rate & Term for Repayment of Construction for LID NO. 188 - Canyon View”
 - G. Resolution 2009-06, “Project Acceptance and Release of Retainage for Public Works Contract 2008-20 Herbicide Application”
 - H. Travel Requests for Brad Crawford and Chris Sittman for SCADA Training

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I. Travel Requests for Rod Shipley and Mike Pearce for Water Management Workshop

Voucher/Warrant Approval, January 20, 2009:

Accounts Payable

Numbers:	55890 through 55947	\$	80,317.15
"	55948 through 55948		41,831.40
"	55949 through 55979		239,844.90
	55980 through 55995		<u>2,900.40</u>

Total Accounts Payable \$ 364,893.85

Payroll

1/15/2009	30998 through 31010	\$	12,486.69
	31011 through 31011		554.10
	31012 through 31013		2,484.45
Direct Deposit			<u>63,582.21</u>

Total Payroll 79,107.45

Total Disbursements \$ 444,001.30

Voided Checks

No voided checks for this period

Voucher/Warrant Approval, February 3, 2009:

Accounts Payable

Numbers:	55996 through 55996	\$	500,000.00
"	55997 through 55997		112,326.46
"	55998 through 56010		73,933.39
"	56011 through 56055		63,445.71
"	56056 through 56056		<u>1,596.75</u>

Total Accounts Payable \$ 751,302.31

Payroll

Numbers:	31014 through 31029	\$	14,308.34
"	31030 through 31030		1,367.48
Direct Deposit			<u>69,652.48</u>

Total Payroll 85,328.30

Total Disbursements \$ 836,630.61

Voided Checks

Check No. 55776 to T&L Office Supply in the amount of \$16.23, Void due to duplicate entry. Check No. 56031 a customer refund in the amount of \$5.30, void, and reissued to helping hands at the request of the customer.

III. SCHEDULED VISITORS: None

IV. UNSCHEDULED VISITORS:

A. Dale Walter, past Board member, residing at 5624 W 10th Avenue in Kennewick, addressed the Board regarding question 3 of the August 11, 2008 Attorney General's Opinion (AGO) regarding tier rates. Mr. Walter does not think KID meets the Attorney General's requirement and believes KID was outside the law to set up the current tiered assessment system. He said "equitable" is not "equal." He gave examples of why he believes assessments and expenditures did not match for LIDs last year. He said for eleven months staff told him small lots cost a lot more to service but the documentation doesn't support this.

Manager Grover responded that staff is very comfortable with the legal basis of the tiers. Treasurer Haueter declined to comment as the 2008 books are not yet finalized. Vice President Pringle said if there are excess LID funds, there will be some refunds. Manager Grover said Legal Counsel has reviewed the AGO and approved the 2009 assessment process.

B. Jim Wade, residing at 1813 S Rainier Place in Kennewick, addressed the Board regarding the tiered rates. He gave examples of charges for non-pressurized systems at several tiers and stated that any size lot gets the same benefit because KID only opens a weir box. He said the Board has people feeling like they have full pockets. The Board represents the small residential lot holders but small residential owners are subsidizing large land owners, developers and farms. Mr. Wade thinks the KID is wasting money on items like licensing and boots.

Manager Grover will send a letter to Mr. Wade on the linear fashioning of the tiers. Licensing and boots are provided per the union contract. Commercial Drivers Licenses are for the benefit of the District as are legally required Spray Application Licenses, so the District pays for these items.

V. DISTRICT BUSINESS:

A. District Manager:

1. Conservation and Project Funding:

a. **Visit with USBR:** Vice President Pringle discussed a recent meeting with the USBR, the Department of Ecology and other agencies regarding the Conservation Plan. Discussion ensued.

b. **Legislative Initiatives – Discussion and Setting of Priorities:** Discussion continued regarding appropriate avenues through which to pursue project funding, including YRBWEP, the President's Stimulus Package, later legislation or through normal appropriations.

c. **M&I (Municipal & Industrial) Water:** The Yakima Project has no authority to do M&I. Manager Grover has asked Dawn Weidmeier of the USBR to ask her staff for language to introduce legislation to allow at least the KID to supply M&I water. Discussion ensued regarding basin-wide legislation.

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d. Travel Request: Discussion ensued regarding pre-authorization of travel to Washington D.C. to pursue funding. The Board asked Manager Grover for an outline of funding and legislation being sought by the KID. Director McGuire asked who is in charge of the overall project and the stimulus package requests. President Jaksch asked from where the matching funds will come. Manager Grover said this is a budgeted item. Vice President Pringle asked to table the travel request until the next meeting.

e. D.C. Representation – Discussion: Mark Limbaugh of the Ferguson Group represents WSWRA and will provide services setting up appointments for the KID and attending said appointments with KID staff. Additional services from Mr. Limbaugh may be obtained on an as-needed basis for about \$360 per hour. Discussion ensued.

f. Status of Government Stimulus Package and Submittal of Projects: Scott Revell has submitted funding requests to the Governor's office for the 4th Avenue Pipe Replacement, the Elliot Lake Water System (with letters of support from the City of Kennewick and the Benton County Board of Commissioners), and the Kennewick South Pump Consolidation. Discussion ensued.

Manager Grover said projects such as Edison Street and Kiona which need to be pursued but don't qualify for the Stimulus Package, may qualify for the State Stimulus Program. He reiterated the need to encourage increased funding of YRBWEP.

2. Conserved Water Limitations: Discussion ensued regarding the Conservation Plan. Manager Grover reiterated that two-thirds of saved water by Conservation Plan projects returns to the river and the other third will stay in the District, to be trusted to be available in case of drought. Trust water ownership issues between the USBR and the Department of Ecology were discussed.

3. 2009 Federal Water Issues Conference: Manager Grover presented information about the conference to be held March 31st and April 1st, and suggested a Board member may wish to represent the District. Discussion ensued. President Jaksch asked to keep this on the agenda for the February 17th Board Meeting.

4. Water Transfers and Recalibration – Status: Assistant Manager Hines reviewed progress on water allotment transfers. Jason McShane has contracted JUB for necessary mapping work. The new policy and procedure is in draft form but will not be presented for Board approval until the existing water allotment transfer process is complete as there could be changes based on lessons learned by completing the process for the first time. Richard Evans has been communicating with Assistant Manager Hines regarding the policy and procedure.

B. Operations and Engineering:

1. Badger East: Manager Grover showed slides and discussed work being done on Badger East, the Chandler Pumping station inspection and a tire which was found lodged in the inlet of Amon Pump. He described a break and some minor seeps in main canal which have been repaired.

2. Operations & Engineering Committee – Shotcrete versus Concrete Lining:

Current established practice for developer mitigation standards were discussed as was pursuing mitigation through SEPA. Jason McShane recommended establishing requirements for type of lining or piping specific to each mile of canal. Legal counsel from Brian Iller will be sought. Mr. McShane said a draft will be in place by June and a map can be established fairly quickly. Scott Revell estimated the process will take four to six months to complete. Further discussion will be necessary regarding how to share costs, establishing drainage paths as a basis for mitigation and the issue that the first developer pays and subsequent developers do not.

C. Business Administration: None

President Jaksch called a ten minute break at 10:15 a.m.
The meeting reconvened in open public session at 10:25 a.m.

D. Finance: Purchasing Policies (Policy 2.13, “General Purchasing,” Policy 2.14, “Purchase Orders,” and Policy 2.15, “Receipt, Inspection and Acceptance of Purchased Goods”): Treasurer Haueter said no comments had been received on the policies since the last Board Meeting. Discussion ensued. Vice President Pringle moved to approve Policy 2.13 “General Purchasing,” Policy 2.14 “Purchase Orders,” and Policy 2.15 “Receipt, Inspection and Acceptance of Purchased Goods.” Director McKenzie seconded the motion and it carried unanimously.

VI. REALTY:

A. Red Mountain South LID Engineering Services Contract: Scott Revell reviewed the contract and recommended motion. Discussion ensued. Director Huffman move to authorize the execution of the professional services agreement between the KID and McKay and Sposito and authorize the expenditure of up to \$25,000 from the undesignated Realty reserves. Director McKenzie seconded the motion and it carried unanimously.

B. Update on Red Mountain AVA LID Options: Scott Revell reported 20 people attended a meeting Tuesday, January 27th to discuss irrigation practices of growers at Red Mountain. Expected peak demand around the end of July and early August as it relates to system design was discussed. Property owners were interested in 30- to 50-year financing and a higher quality system.

C. Update New Permit Meeting with Ecology and Others: President Jaksch spoke about a meeting with the Department of Ecology regarding Red Mountain.

Manager Grover said that, through negotiation, the Yakima Basin Joint Board has agreed to pay for the entire Amon Wasteway study.

Scott Revell discussed trust water and permitting issues, preliminary work by Pacific Northwest Project, and contract issues with the USBR contract and the settlement agreement. Vice President Pringle commended Scott Revell and Richard Evans for their work on this for the District.

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Real Estate Manager Rupert spoke regarding a Wine Symposium, hosted by Unified, which she attended recently in Sacramento, California, on behalf of the Realty Department.


President Jaksch called a five minute break at 10:48 a.m.

VII. EXECUTIVE SESSION: At 10:55 a.m., the meeting reconvened in executive session for twenty minutes to consider the minimum price at which real estate will be offered for sale.

At 11:14 a.m. the meeting returned to open public session.

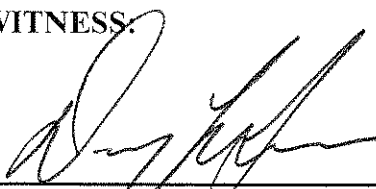
Director Huffman moved to adjourn the meeting at 11:15 a.m. Director McKenzie seconded the motion and it carried unanimously.

ATTEST:



John A. Jaksch, Board President
KID Board Vice President
John C. Pringle signed on
February 17, 2009 in the
absence of Mr. Jaksch.

WITNESS:



Doug L. Grover, Secretary/Manager