

Minutes

**Kennewick Irrigation District
Regular Meeting of the Board of Directors
Carl W. Petersen Board Room
March 17, 2009, 9:00 A.M.**

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

Directors Present:

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

Staff Present:

Doug Grover, Secretary/Manager
Margo Hines, Asst Manager-Administration
Clark Haueter, District Treasurer
Joetta Rupert, Real Estate Manager
Harry Fox, Operations Group Superintendent
Scott Revell, District Planner
Jason McShane, Interim Engineering Lead
Doug Ricard, Construction Inspector
Doris Fiske, Executive Assistant

I. Approval Of Agenda: President Jaksch referred the No Spray Policy to the Operations and Engineering Committee. The 2009 Realty Budget was referred to the Realty Committee and will be presented at the following Board Meeting. The order of the meeting changed to hear Realty A and B after Unscheduled Visitors, followed by the Finance item on Policy 67, and then the rest of the Realty agenda. **Director Huffman moved to approve the modified agenda. Director McGuire seconded the motion and it carried unanimously.**

II. Consent Agenda: Director McKenzie moved to approve the Consent Agenda. Vice President Pringle seconded the motion and it carried unanimously.

- A. KID O&M Vouchers
- B. Minutes, KID Regular Board Meeting, March 3, 2009
- C. Minutes, KID Special Meeting/Canal Tour, March 10, 2009
- D. Minutes, KID Special Meeting, March 11, 2009
- E. Resolution 2009-11, Authorizing Sale of Real Property, Vista Business & Technology Park, Lot 10
- F. Resolution 2009-12, Water Allotment Transfer Requests Granted, Irrigation Assessment Added
- G. Travel Request for Joetta Rupert to Attend International Council of Shopping Centers (ICSC) Conference
- H. Travel Request for Jason McShane
- I. Travel Request for Doug Ricard

Accounts Payable

Numbers:	56297	through	56298	\$	13,692.22
"	56299	through	56397		287,744.32
"	56398	through	56484		<u>77,955.84</u>

Total Accounts Payable 379,392.38

Total Disbursements \$ 379,392.38

Voided Checks

None

III. Scheduled Visitors: None

IV. Unscheduled Visitors: James Wade, residing at 1813 S Rainier Place in Kennewick addressed five questions to the Board:

1. Regarding the tier structure for LIDs, what is the justification for tier 3 compared to tier 10? Manager Grover will send a letter in response to question one.
2. When Red Mountain petitioned to be added to the District, why were they not required to pay any monies per RCW 87.03.565?

District Planner Scott Revell responded to question two by stating that 80% of the land at Red Mountain was in the District since the 1950s and the annexation was the 20% at the top of the mountain. Interim Engineering Lead Jason McShane responded to question two that the requirement that costs of adding lands to the district be paid by petitioner, was addressed, but as the petition was joined with an existing election there was no additional cost to petitioners.

3. Why isn't KID requiring Red Mountain to pay up front the cost or some of the cost for LID formation for planning and engineering?

Mr. Revell responded to question three by stating that petitioners were required to pay the investigative costs as part of LID petition request.

4. Why does the KID need a vehicle for every Field and O&M employee and two for Realty? Operations Superintendent Harry Fox will send a list of the purpose of the operation vehicles in response to question four. Mr. Revell will provide an answer to the purpose of the Realty vehicles.

5. When an LID has a surplus of monies for their LID, do they receive interest on that money? Manager Grover will look into whether reserve fund interest was credited or used to reduce assessments in answer to question five.

V. Realty:

A. Resource Management and Planning 2009 Budget: Referred to Committee.

B. Approval of Home Depot/Wal-Mart Easements, Covenants and Restrictions: Real Estate Manager Rupert said the details of the agreement which closed in August 2006 have been settled through negotiation. Staff, Legal Counsel, and the Realty Committee recommend

approval of the easements, covenants and restrictions. Legal Counsel Fran Forgette gave an overview of the negotiations of the details of the agreement. **Director McGuire moved to approve and execute the final version dated March 4, 2009 of the Home Depot/Wal-Mart Easements, Covenants, and Restrictions for KID properties in City View and Stoneridge. Vice President Pringle seconded the motion and it carried unanimously.**

VI. Finance:

A. Policy 67 Update: Treasurer Haueter updated the Board on the status of the Realty reserves and progress on the policy and procedure update. Treasurer Haueter will present a proposed policy and procedure to the Board by June 2, 2009.

VII. Realty:

A. WA Department of Fish and Wildlife Water Conservation Project Funding: Mr. Revell gave a brief report and discussion ensued regarding the Board's interest in seeking grant funding for projects with requirements for wildlife enhancement measures. President Jaksch said the Operations and Engineering Committee supports consideration of such funding for projects in areas other than the Amon Wasteway.

B. City of Richland Lower Amon Wasteway Trail Inquiry: Mr. Revell explained the City of Richland's interest in a trail in the lower part of Amon Wasteway from the Gage Pumps through Canyon Terrace and the KID's concerns with public safety and liability issues. Phil Pinard from the City of Richland said that Richland is supporting the Ridges to Rivers efforts to establish a network of trails and prefer the trails be as natural as possible. Concerns of the city include safety, vandalism, and lack of enthusiasm for the project from adjoining neighbors. **Vice President Pringle moved to direct the planning staff to research the lower Amon Wasteway trail concept further and to continue discussions with the City of Richland on the safety, liability, and maintenance issues. Director McKenzie seconded the motion and it carried unanimously.**

C. Amon Wasteway Right of Way Signs: Mr. Revell discussed the District's support of a multi-agency effort to restrict vehicular access in the Amon Basin. Eight access locations have been identified where four-wheeling and vandalism are a problem. Thirty signs have been provided by the USBR to mark the Amon Wasteway right-of-way and identify it as a wasteway as it carries irrigation water. KID will survey the right-of-way. Mr. Revell noted that Rod Shipley has located materials for signposts and volunteers will install the signs.

D. Richland Sensitive Areas Ordinance Update Inquiry: Mr. Revell discussed an inquiry from the City of Richland regarding KID participation in developing their sensitive areas ordinance. KID's interests in this include preserving existing exemptions for irrigation work and consideration of possible expansion of the exemptions. The ordinances developed could be used as a model for the City of Kennewick and Benton County in the Amon Wasteway. Mr. Revell also noted that Benton County has adopted an Urban Growth amendment affecting KID-owned property and expects an appeal of its Urban Growth amendment. Real Estate Manager Rupert will organize meetings with the City of West Richland, Benton County and the Port of Kennewick to strategize on a potential plan to respond to the appeal before an appeal is filed.

VIII. District Business:

A. District Manager:

1. Feasibility Study: Manager Grover reported a schedule has been submitted to the USBR. A request for proposals is prepared and waiting for the return of the signed tri-party agreement with the USBR, KID and the Department of Ecology.

2. Potential KID Representation via Washington State Water Resources Association (WSWRA): Manager Grover discussed possible professional representation through WSWRA. The Quincy and Columbia Basin South Irrigation District Boards have authorized hiring Kris Polly. Mr. Polly offered to visit in April. Discussion ensued regarding fees and terms. President Jaksch requested more information and directed Mr. Polly be invited to address the Board or the Operations and Engineering Committee as his schedule permits when he is in the area.

3. Travel Requests to Federal Water Issues Conference: Manager Grover presented the request to send attendees to the NWRA Federal Water Issues Conference. Discussion ensued. **Director Huffman moved to approve one person, as yet unnamed, to attend the Federal Water Issues Conference. Director McGuire seconded the motion and it carried unanimously.**

4. Proposed Letter to Bill McDonald, Acting Commissioner of the USBR, Regarding KID's Request for Consideration of Project Support: Manager Grover distributed a revised draft letter which supersedes the letter in the Board packet. President Jaksch said the revised letter is acceptable and the other Directors concurred.

B. Operations and Engineering:

1. Winter Work PowerPoint Presentation: Mr. Fox gave an overview of 2008-2009 winter work. (A copy is on file.)

2. Canal System Startup Schedule: Mr. Fox displayed a map illustrative the work schedule for the 2009 canal startup. This information will be available from Manager Grover or Customer Service, and Mr. Fox requested it be placed on the website. The USBR will begin delivering water to the main canal on April 1st. Discussion ensued regarding work involved in startup. Vice President Pringle and Manager Grover commended Mr. Fox for his methodical planning work and clear presentation to the Board.

President Jaksch noted the KID 2009 Start-Up Meeting will be held at 8:00 a.m. on March 26, 2009 at Granny's Buffet.

3. Illegal Dumping in KID Easements: Manager Grover said the illegal dump illustrated in the Board packet was cleaned up after evidence was found regarding the source of the garbage.

At 10:20 a.m., President Jaksch called a ten minute break.

At 10:30 a.m., the meeting reconvened in open public session.

C. Business Administration:

1. No Spray Zone Draft Policy: Referred to Committee which will address issues including encumbrances of property, spray drift, type and timing of spraying.

D. Finance:

1. Finance Committee Report: Treasurer Haueter announced that the State Auditor posted the 2008 audit report for the KID yesterday. The Auditor's Office will mail the reports directly to the Board Members.

2. Cash Investment Report: Treasurer Haueter reviewed the report dated February 28, 2009. Since that date, the top two CDs listed on the report have matured and will be used for operating funds until funds are received from assessments. Realty reserves and savings were discussed and Guarantee funds reviewed.

3. Finance Committee Report, continued, Year-end LID Balances: Water users, previously in LIDs with positive balances will have a credit on their assessments. Those with negative balances will have an additional charge. Staff recommends that water users with more than \$100 owing be permitted to pay at \$100 per year to retire the debt with the balance financed at prime interest rate. **Director McGuire moved the LID in question be allowed to pay at \$100 per year and the statutory interest rate charged. Vice President Pringle seconded the motion and it carried unanimously.**

Regarding monitoring the ratings of banks, Treasurer Haueter will review the ratings of banks where the KID has investments on a weekly basis.

At 10:45 a.m. President Jaksch called a ten minute recess.

IX. Executive Session: At 10:55 a.m. the Board reconvened in executive session for one hour to review the performance of a public employee.

Executive session was extended one hour at noon.

Executive session was extended thirty minutes at 1:00 p.m.

At 1:40 p.m., President Jaksch called a ten minute break.

At 1:49 p.m., the meeting reconvened in open public session.

Director McGuire moved to terminate Doug Grover's employment as District Manager, effective immediately. Director Huffman seconded the motion. Directors Jaksch, Pringle, McGuire and Huffman voted in favor of the motion. Director McKenzie voted nay. The motion carried.

At 1:51 p.m., President Jaksch called a recess.

At 2:37 p.m., the meeting reconvened in open public session.

President Jaksch announced that interviews for an Interim District Manager will be conducted on Thursday, March 19, 2009, at 9:00 a.m. in a Special Board Meeting. Anyone within the KID may apply. Send letters of interest and resumes to the Executive Assistant or to President Jaksch directly. The Interim District Manager will not be a candidate for the permanent District Manager position. Department managers are instructed to tell staff there will be no further staffing changes.

President Jaksch announced the formation of a Search Committee. Directors McGuire and Jaksch will serve on the committee with Director Huffman acting as an alternate. Advertisizing for a permanent District Manager will begin immediately. Assistant Manager Hines will bring job descriptions to the committee for review, as well as information on advertisements placed during the last manager search and the four applications previously received.

Vice President Pringle moved to adjourn the meeting at 2:42 p.m. Director Huffman seconded the motion and it carried unanimously.

Attest:

Witness:

John A. Jaksch, Board President

Scott Revell, Secretary/Manager

Approved and signed April 7, 2009