

MINUTES

**Kennewick Irrigation District
Meeting of the Board of Directors
Carl W. Petersen Board Room
April 17, 2007, 9:00 a.m.**

CALL TO ORDER/ROLL CALL:

The meeting was called to order at 9:00 a.m. by President, Ryan Pratt. Board Secretary/District Manager, Victor V. Johnson, took roll call, as follows:

PRESENT:

Ryan Pratt, President

Victor Johnson, Secretary/Manager

Doug Grover, Director

Bill Kinsel, Director

John Pringle, Director

Loren Watts, Director

Attorneys are available by phone if needed.

STAFF GUESTS:

Richard Evans, PE, Project Mgr.

John Duncan, District Treasurer

Beth Smith, Business Admin. Mgr.

Harry Fox, Operations Mgr.

John Blanco, Operations

Kassie Jones, Operations Admin. Assist.

Rod Shipley, Water Coordinator

Brad Wellenbrock, Engineering Mgr.

Scott Revell, Senior Planner

Margo Hines, Executive Assistant

Judy Smith, Real Estate Admin.

AGENDA:

DIRECTOR GROVER MOVED TO AMEND THE AGENDA TO ADD THE ELECTION OF THE VICE PRESIDENT UNDER DISTRICT BUSINESS AS ALL DIRECTORS ARE PRESENT AND TO ADD THE PAYMENT OF SCADA HARDWARE UNDER ACCOUNTING FOR ACTION. THE MOTION WAS SECONDED BY DIRECTOR WATTS AND CARRIED, UNANIMOUSLY.

CONSENT AGENDA:

DIRECTOR KINSEL MOVED TO APPROVE THE CONSENT AGENDA AS PRESENTED. THE MOTION WAS SECONDED BY DIRECTOR WATTS AND CARRIED, UNANIMOUSLY.

SCHEDULED VISITORS:

Ralph Perkins, 2023 W. 4th, Kennewick, WA: Mr. Perkins was not in attendance.

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UNSCHEDULED VISITORS:

Mr. Martin Prisc, 5021 Milky Way, West Richland, LID 157: Spoke concerning public safety and protection of KID property at the Dallas Pike and Kennedy Retention Pond. He is concerned with the gate being left open. Mr. Fox, Operations Manager, will work on a fix. He also spoke on the need for a preventative maintenance procedure for pump failures and requested a copy of the organization chart.

Brent Chifforow, 93502 S. 302 PRSE (off of Badger Road): We have been attempting to obtain water on our parcels. Most of us can't afford the \$1,500-\$1,800 each for the required flow meters. If we are successful in obtaining the five acres of water rights, we request to use a restricted orifice rather than a flow meter. Manager Johnson advised Mr. Chifforow the staff is researching a metering program. President Pratt advised him this subject was not on the agenda for this meeting so no action can be taken. It was suggested if the entire neighborhood wants water, they could design a system and make it a Private Line Area and put a meter on the entire system as a form of water management.

DISTRICT BUSINESS:

Manager's Summary:

Board Retreat Update: Manager Johnson. The Board Retreat is still on line for May 17.

Manager Search Update: Manager Johnson said we need to meet with Board members on the Manager Search Committee to determine an approach.

Quarterly Cost and Budget Report: Manager Johnson reported the Springbrook software is giving us the information we need but we need time to develop a more simplified report format to fit our needs. In the meantime, first quarter of 2007 funds and dollars budgeted, spent to date and percentages were presented, discussed and questions answered. Additionally, there are 20 separate items for each LID with charges for each one as backup for the LID costs.

The Summary Trial Balance was presented and explained. Each Department was given this information for their review. The information reflects we are on track. Manager Johnson explained major equipment repair is the one line item overspent because equipment is breaking down. We didn't budget enough for that so we will look at getting changes to that. The Directors noted they would like to see the line items on a month-to-month basis for a better picture of where spending is at. LID costs do not have to be presented at each meeting; but, if there is a question on an LID expenditure, it can be reviewed electronically at the meeting.

Operations Double-Lock Procedure: Manager Johnson explained a procedure for double-lock for certain recipients of water. It started about 1976 and we have had people who continue to use or want to use it. For the near-term, we want to continue using it with further refinement of control for turnout gates for mangers of pond levels. The policy must be revised and if it is abused, that person will have the privilege taken away from them and go back to 24-hour callout.

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If we have disassembled and cut locks and chains, it will be turned over for potential legal action. Authorization for double-gates can be allowed. Persons are not allowed to change the water delivery; but, can flush and keep from pond overflow. It still requires a water order to increase the water flow. It is to keep their gate clear.

Policy on Spending Authority: The Board is not comfortable with unlimited spending to the Secretary-Manager for travel or legal matters saying there is nothing that can't wait for two weeks for a Board Meeting. On a general contract, if a change order exceeds the contract by 25%, you have to renegotiate. If you go another 25%, you must renegotiate the terms and conditions. Changes were discussed and the following was agreed upon:

- Budgeted Non-Construction Contracts of one to five years: No authority.
- Non-budget travel: Secretary-Manager is limited to \$5K
- Legal fees: Secretary-Manager is limited to \$20K
- Change orders for budgeted items of over \$100K: Department Manager, 10% up to \$10K; and, Secretary-Manager 25% up to 50K.
- New item, Change Order to Construction Projects under \$100K: Department Managers, 10% up to \$5K; and, 25% up to \$25K for the Secretary/Manager.

DIRECTOR GROVER MOVED TO APPROVE THE POLICY FOR SPENDING AUTHORITY AS AMENDED. DIRECTOR PRINGLE SECONDED THE MOTION AND IT PASSED, UNANIMOUSLY.

Other:

Election of Vice Chair: President Pratt opened the floor to nominations:

Director Watts nominated Director John Pringle as Vice President, seconded by Director Grover. No other nominations were made.

DIRECTOR WATTS MOVED TO CLOSE OFFICER NOMINATIONS. THE MOTION WAS SECONDED BY JOHN PRINGLE AND CARRIED, UNANIMOUSLY.

A VOTE WAS TAKEN FOR DIRECTOR JOHN PRINGLE TO SERVE AS VICE PRESIDENT OF THE KID BOARD OF DIRECTORS. THE VOTE WAS UNANIMOUSLY IN FAVOR OF JOHN PRINGLE AS KID VICE PRESIDENT.

Meeting breaks for recess at 10:30 a.m. and reconvenes at 10:43 a.m.

DEPARTMENT REPORTS:

Operations: Operations Manager, Harry Fox, reported on the following items:

- **Vandalism:** Two pieces of equipment were vandalized at the Amon screen area. Our bob cat had three windows broken out and the bulldozer had the lights smashed.

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- Reclamation – Water Status: Mr. Fox noted he had distributed the information from the USBR on the water reservoir status. We have 179 cfs flowing currently. The next River Ops meeting will be on May 7.
- “Water On” Status:
 - Retention pond at LID 171 had a major leak which is now being repaired.
 - Wind slowed us down about three days with a high volume of tumbleweeds blowing into the canal.
 - All LIDs and pumps are operating at this time with about 10% down.
 - Lateness of water was discussed. Because the CID and others are allowed water before the KID, people think we are holding up delivery. The Bureau contract will not allow water to be turned into the canals until April 1. It takes 30 hours to get water to Division IV and Badger East. We flush and clean out debris in front of the water. We would have been ready on the 9th or 10th except for the windstorm. We were ready to deliver an extra 50 points on Monday and then the wind hit. The 1.8 had a break on the first day and we had to shut it down. Communication between the field and Customer Service was discussed and improvements recommended.
- Presentation on Water Off: This presentation will take approximately 20 minutes and covers five months of work. Director Pringle: Show it at the end of the meeting.

Accounting: District Treasurer, John Duncan, spoke on the following topics:

- Assessment Update: \$1.6-million collected through the 9th. Some are delinquencies.
- Payment to Hydro Scientific West: Hydro Scientific West, the installation contractor, submitted a pay application via e-mail but the KID server was down so the invoices did not get into the payables. They made every effort to get it in. It is all materials, no labor expenses. This is consistent with the federal grant and we will submit with any other expenses for 50% to be reimbursed by USBR.

DIRECTOR GROVER MOVED TO PAY \$51,625.58 TO HYDRRO SCIENTIFIC WEST FOR SCADA INSTALLATION. THE MOTION WAS SECONDED BY DIRECTOR WATTS AND THE MOTION CARRIED, UNANIMOUSLY.

- Cash Investment Report: Since the end of last month, we have made two more CD investments. We have well over \$2.5-million in the 5% money market and another million to be invested. We can participate in an LGIP (liquid governmental investment pool) managed by the State Treasurer’s office. The CD’s are a series of investments coming due every day of the year. Short-term we can use the Money Market and LGIP as authorized on behalf of the ratepayers. It is a much larger managed pool than we would have leverage to manage. Any public funds have to be 100% secure per statute. We will provide the Board a list of outstanding contracts meeting after next.
- Accounting Software Update: Questions were raised on how the new software is working during water season. Most actions are done on one screen and we have to approve on another screen. We are working through those challenges and comparing with the time card. The Department Manager is responsible for time card information. Time allocation can be monitored and applied appropriately.

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Red Mountain: The Red Mountain Planners have proposed KID lands for the Wine Village. Also, the County Commissioners took action to add in non-farm provisions in growth management which were added by legislature last year. They excluded the Red Mountain area. The KID holds several hundred acres at Red Mountain and those options were not included on our land. The KID is slated to meet with the County Commissioners in May. We have options to lease, trade or sell that land. There is one other aspect: A number of infrastructure services which need to be brought to Red Mountain; i.e., potable water, sewage, and drainage. We are a candidate agency to provide all of those. We need to decide what our roll is as a service agency to Red Mountain. We have a lot to think about before we have any commitments. Red Mountain plans are to be on the next Board Agenda.

EXECUTIVE SESSION: There was no need for an Executive Session.

DIRECTOR KINSEL MOVED TO ADJOURN AT 11:35 A.M. THE MOTION WAS SECONDED BY DIRECTOR WATTS AND CARRIED, UNANIMOUSLY.

After adjourning, Mr. Fox gave his presentation of Operations Winter Outage work accomplished. It included an explanation of how the expenditure of man hours for each of the line items was tracked.

APPROVED:

ATTEST:

Ryan Pratt, President

Victor V. Johnson, District Manager/
Board Secretary