



MINUTES

Regular Meeting of the KID Board of Directors
Carl W. Petersen Board Room
May 5, 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
Joetta Rupert, Real Estate Manager
Margo Hines, Assistant Manager-Administration
Clark Haueter, District Treasurer
Brian Iller, Legal Counsel
Beth Smith, HR/Risk Management Administrator
and Acting Engineering Manager
Harry Fox, Operations Manager
Richard Evans, Professional Engineer
Jason McShane, Staff Engineer
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 called the roll.

President Jaksch moved Resolution 2009-14 from the consent agenda to New Business, removed Realty Office Staffing from the agenda, and added a Red Mountain South LID update to New Business. He added to the executive session a discussion with legal counsel of potential litigation regarding assessments and a review of the performance of a public employee.

Approval of Agenda: Director McGuire moved to approve the amended agenda. Vice President Pringle seconded the motion and it carried unanimously.

Consent Agenda: Director McGuire moved to approve the amended consent agenda. Vice President Pringle seconded the motion and it carried unanimously.
Items on the Consent Agenda were:

1. KID O&M Vouchers
2. Minutes, KID Regular Board Meeting, April 21, 2009
3. Minutes, KID Special Board Meeting, April 24, 2009
4. Resolution 2009-13, "Authorizing Investment of Kennewick Irrigation District Monies in the Local Government Investment Pool"
5. JUB Contract

Accounts Payable

Numbers:	56738	through	56786	\$	51,757.54
"	56787	through	56787		1,950.00
"	56830	through	56830		237.27
"	56831	through	56872		161,312.23

Total Accounts Payable 215,257.04

Payroll

Numbers:	31110	through	31121	12,490.49
"	31122	through	31122	1,383.99
"	31123	through	31123	77.63
Direct Deposit				<u>77,997.41</u>

Total Payroll \$ 91,949.52

Total Disbursements \$ 307,206.56

Voided Checks

Check Numbers 56788 through 56829 Void and reissued due to printing error.

Unscheduled Visitors: James Wade, residing at 2813 S. Rainier Place, posed a series of questions to the Board:

- Are there dry land acres in the KID? President Jaksch answered yes.
- Do those dry land acres have a vote? President Jaksch answered yes
- If someone owns a 200 acre parcel in the District and pays an assessment on 100 acres, do they have water rights on other acres? President Jaksch answered if the other acres are dry land, no they do not.
- Does that 200 acre parcel have 40 or 80 votes? President Jaksch answered 80 votes. Mr. Revell agreed.
- If someone relinquishes their water right on a parcel do they still vote that parcel's acreage? President Jaksch answered yes, because it would be considered dry land.
- If a farmer sells 20 acres to a developer is the developer required to pay assessment? President Jaksch answered owner of record is required to pay the assessment on the parcel.
- Can a farmer deduct the cost of irrigation water as a business expense? President Jaksch suggested Mr. Wade ask a tax accountant.
- Mr. Wade stated the canal rehab should be charged by acre to be fair. He said in 2006 and 2007 he asked in Board meetings what happens to surplus monies and was told they were used for repairs. President Jaksch responded that there was room for interpretation in his description and asked Mr. Wade to please provide evidence so a response could be prepared. Mr. Wade agreed to do so.

- Where in the RCW does it state that an unscheduled visitor is allotted only three minutes? Mr. Revell answered that the time limit was at the discretion of the Board.

Dale Walter, residing at 5624 W 10th Avenue, addressed the Board regarding refunds to LIDs. Mr. Walter claimed the average expenses in LIDs over the last five years was significantly less than KID assessed in 2009 and that refunds to LIDs were calculated incorrectly. Mr. Walter cited differences in percentage increase over several years between parcels belonging to an unnamed Board member and a small parcel on Tweedt Street as an illustration that the toll and tier structure is unfair. President Jaksch reminded Mr. Walter that he has been repeatedly requested to provide his evidence to staff to allow a considered reply to be made. Mr. Walter agreed to do so.

Tamara Korotkov, residing at 105609 S 1045 PRSE, addressed the Board to request a reduction of her assessment due to hardship. Director Huffman referred Mrs. Korotkov to the Helping Hands program.

Resource Management and Planning:

1. Vista Field Report: Real Estate Manager Rupert reviewed the Port of Kennewick's request for public input on whether to leave the Vista Field Airport open for the duration of the contract with the City of Kennewick. The Realty Committee and staff recommend a letter be sent in support of the airport remaining open. Discussion ensued. Director Huffman moved to approve submittal of a letter from the Kennewick Irrigation District Board of Directors to the Port of Kennewick Commissioners, in support of keeping the Vista Airport open until the expiration of the contract between the Port of Kennewick and the City of Kennewick in 2021. Vice President Pringle seconded the motion and it carried unanimously.

2. Feasibility Study: Richard Evans reported that paperwork is being completed for submittal of KID's application to the USBR for funding of up to \$300,000. KID is seeking a consultant to perform the work.

New Business:

3. Resolution 2009-14, "Authorized Signers for Kennewick Irrigation District Banking and Investment Services": Treasurer Haueter reviewed the purpose of the resolution. Discussion ensued. President Jaksch moved to approve Resolution 2009-14, "Authorized Signers for Kennewick Irrigation District Banking and Investment Services." Vice President Pringle seconded the motion and it carried unanimously.

4. Canal Sealing Contract Change Orders: Mr. Revell reviewed circumstances surrounding the emergency canal sealing contracts and change orders for work on the Highlift Canal and Main Canal that was done just before start up. Discussion ensued. Director Huffman moved to acknowledge and approve the referenced change

orders to Contract 2009-03. Director McGuire seconded the motion and it carried unanimously.

5. State and Federal Funding Requests Update: Margo Hines reviewed a synopsis of state and federal funding requests. Federal funding has been made available for canal safety surveys of urban areas by the USBR, and the KID is hoping for a commitment in writing that the KID will be part of this program.

6. Public Records Requests Update: Ms. Hines updated the Board regarding the transfer of responsibility for public records requests from Beth Smith to herself last week, and on request activities since that transfer. Mr. Walter acknowledged that he has received and signed for all the material he has requested, but questions the accuracy of some of the data. President Jaksch reiterated that all time spent on public records requests must be recorded and tracked by request.

7. Business Administration Update: Ms. Hines discussed items not included in her written report and responded to questions from the Board.

- Customer Service call volume is on par with last year.
- 997 people, representing about 5% of ratepayers, have signed up for Online Billing and Payment.
- At the Water Transfer Group meeting on May 4th in Yakima, the group processed two transfers which will leave more water in the Columbia by moving withdrawals from the Suncadia area to the Columbia River.
- The Washington Water Bill, SB5583, for improving the effectiveness of water bank authorization and exchange provisions was signed by Governor Gregoire on April 29th.
- The early water issue is in final stages of negotiation, and Mr. Revell has been briefed and will be taking over this responsibility. President Jaksch and Mr. Revell agreed discussion of early water will occur at the Operations and Engineering Committee meeting following the May 8th meeting.

8. District Manager's Report: Mr. Revell reviewed items of interest not included in his written report.

- Water planning in the Lattin Road area and coordination between KID and West Richland.
- The KID received a counterfeit \$20 bill last week. The proper authorities have been notified and staff has received training.
- The need to return calls within one day has been emphasized with staff. President Jaksch requested statistics on calls regarding problems with PSAs versus other areas. Ms. Hines will provide a call summary at the next Board meeting.
- Mid-Year Financial Reports will be reviewed at the July 21st Board meeting.
- Revisions to Policy 67 will be discussed at the May Finance Committee meeting.
- Mr. Haueter is working with Operations and Engineering staff on a capital projects review. Information will be available to the Board in about thirty days.

- The front window of the KID Administrative Offices was painted with an Otto Otter message for water safety month.
- Staff has been asked to keep parking spaces in front of the building and adjacent businesses clear and not to use the parking lot behind the building. Directors are asked to do the same.
- Scott Revell reported on attending, with Brian Iller, a Yakima Basin Joint Board of Defense (YBJB) meeting at which the Upper Yakima Basin steelhead study and the Amon Basin habitat study were discussed.
- Finance Committee met on April 23rd and discussed planning for contingencies and the need to define canal rehab or capital projects as projects with benefits which last over a year.
- Staff is reviewing the draft revisions to the Water Allotment Transfer policy which will be brought to a future Operations and Engineering Committee meeting. Upon approval of the revised policy and procedure, public outreach will be made to advertize the program.
- A letter on LID credits in 2008 from Accounting Manager Stewart was included in the packet. There was no double crediting. High balances were drawn down and the remaining balance credited in 2009.

Director McGuire asked that the Finance Committee meeting be rescheduled from May 21st to May 20th.

President Jaksch asked that and Operations and Engineering Committee meeting be scheduled in early June.

9. Red Mountain South LID Update: Mr. Evans reported on actions to follow the April 20th Red Mountain South LID meeting. Information is being gathered to facilitate redefining boundaries and determining how much irrigable land is needed by each land owner taking into account the feasibility of putting water to beneficial use. Draft materials for the LID formation hearing are being prepared and required notifications will be sent out for the hearing which is optimistically targeted for June 2nd.

10. Water Right Meeting with Ecology: President Jaksch asked that a meeting be scheduled on the change and transfer concept.

11. SCADA Technical Audit: Mr. Revell reported that the technical audit is on hold temporarily, pending an internal examination. Mr. Evans said several options are available to correct problems with the equipment at the Badger East bifurcation. Mr. Revell will provide more information at the next Board meeting.

12. District Manager Search Update: Ms. Smith reported that the advertizing campaign is being developed by Bob Murray and Associates.

President Jaksch called a fifteen minute break at 9:55 a.m.

Executive Session: At 10:10 a.m., the Board meeting reconvened in executive session for one hour

- to discuss with legal counsel litigation regarding easements,
- to discuss with legal counsel potential litigation – personnel,
- to discuss with legal counsel litigation regarding Acquavella,
- to discuss with legal counsel potential litigation regarding assessments, and
- to review the performance of a public employee.

At 11:10 a.m., the executive session was extended one hour.

At 12:10 p.m., the executive session was extended one hour.

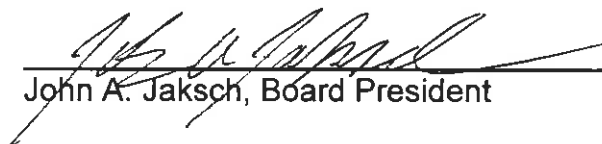
At 12:45 p.m., the meeting returned to open public session.

President Jaksch asked if anyone wished to make a motion regarding severance. No such motion was made.

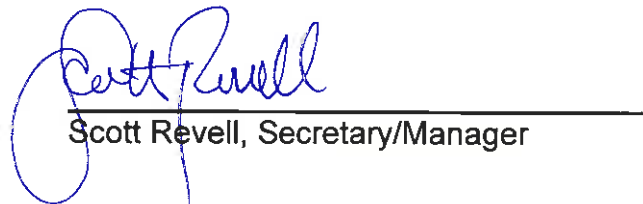
Vice President Pringle moved to adjourn the meeting at 12:46 p.m. Director Huffman seconded the motion and it carried unanimously.

Attest:

Witness:



John A. Jaksch, Board President



Scott Revell, Secretary/Manager