

MINUTES

**Kennewick Irrigation District
Meeting of the Board of Directors
Carl W. Petersen Board Room
May 15, 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

Loren Watts, Director

Victor Johnson, Secretary/Manager

Doug Grover, Director (9:05 a.m.)

Bill Kinsel, Director

John Pringle, Vice President, was absent. Attorneys are available by phone if needed.

STAFF GUESTS:

Richard Evans, PE, Project Mgr.

Rod Shipley, Water Coordinator

John Duncan, District Treasurer

Brad Wellenbrock, Engineering Mgr.

Beth Smith, Business Admin. Mgr.

Scott Revell, Senior Planner

Harry Fox, Operations Mgr.

Margo Hines, Executive Assistant

John Blanco, Operations

Joetta Rupert, Real Estate Manager

Jason McShane, Engineering

APPROVAL OF AGENDA

Manager Johnson explained the offer to purchase real estate had been withdrawn. Therefore, the Committee Recommendation to request approval of that sale needs to be removed from the agenda. President Pratt said the Board may want to discuss this item under Realty in Executive Session.

**DIRECTOR KINSEL MOVED TO APPROVE THE AGENDA AS PRESENTED.
DIRECTOR WATTS SECONDED THE MOTION AND IT CARRIED,
UNANIMOUSLY.**

CONSENT AGENDA

**DIRECTOR KINSEL MOVED TO APPROVE THE CONSENT AGENDA AS
PRESENTED. DIRECTOR WATTS SECONDED THE MOTION AND IT
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SCHEDULED VISITORS

There were no scheduled visitors for this meeting.

UNSCHEDULED VISITORS

Jose Chavallo, 102 N. Lincoln, Kennewick, WA: Mr. Chavallo had two areas of concern:

- a. **Request to the Bureau:** Mr. Chavallo explained he has property adjoining the KID canal at Panoramic Heights. He wants to put in high-end homes and needs another 25 feet of the KID's right-of-way to construct a retaining wall to increase the size of his lots so larger houses can be built and still have back yards. He is after a gated community in the City of Kennewick and has 20 half-acre lots spoken for. He feels with the new hospitals going in, this would be a good residence for doctors. The KID has suggested, pending approval from the Bureau, the KID will provide cost estimates to pipe the area. Mr. Chavallo said he is willing to spend the money it will take to create what he thinks the Tri-Cities needs. Mr. Chavallo said he has not submitted a request to the KID, just to the Bureau, and says they do not respond to his calls and have told him it's up to the KID. The KID agreed to ask the Bureau for their response to Mr. Chavallo's request.
- b. **Water Rights:** Mr. Chavallo said Jamie at the USBR took his letter and said he has water rights. He said he has asked the KID to respond to "that one" and has received nothing. The KID asked Mr. Chavallo for a copy of what he gave to the Bureau. Manager Johnson noted the KID is meeting with the Bureau on May 23rd. President Pratt said the staff will try to have information for Mr. Chavallo at the first Board meeting in June.

DISTRICT BUSINESS

MANAGER'S SUMMARY:

1. **Board Retreat Update/Appropriation Request:** Manager Johnson referred to the appropriations request in the packet and asked if all Directors were available for the meeting of the 17th. Dr. Kinsel asked who the presenter was and asked for a bio on Mr. Stiffler who is coming in this afternoon from Boise. Mr. Johnson said Mr. Stiffler has done work for both the Cities of Kennewick and Richland

DIRECTOR GROVER MOVED TO TABLE THE APPROPRIATIONS REQUEST FOR THE COST OF BOARD GOVERNANCE.

After discussion, Manager Johnson agreed to charge the cost of Board Governance to administrative services and advise the Board of cuts made to accommodate adding this unbudgeted cost. Board governance will become a new line item on next year's budget.

THE MOTION WAS SECONDED BY DIRECTOR KINSEL AND CARRIED, WITH DIRECTOR WATTS OPPOSING.

2. Manager Search Update/Budget Appropriation: Manager Johnson noted we had shortened the advertisement for the replacement District Manager for cost savings. He noted we don't have a feel for the true total cost because of moving expenses and due diligence. We have no idea on the number of applicants, etc. This is a first guess.

DIRECTOR WATTS MOVED TO APPROVE APPROPRIATIONS IN THE AMOUNT OF THIRTY-FIVE THOUSAND DOLLARS (\$35,000) FROM RESERVE FUNDS TO BEGIN THE INITIAL SEARCH FOR THE DISTRICT MANAGER. THE MOTION WAS SECONDED BY DIRECTOR WATTS AND CARRIED, UNANIMOUSLY.

President Pratt: Dr. Kinsel provided the Board with a procedure on where we plan to go with the Manager Search. One item is that Dr. Kinsel will be the Committee Chair for that Search Committee.

- 3. Metering:** District Manager Johnson spoke regarding different types of metering available to the KID so volume can be documented. He stressed the need to get metering established and stabilized.
- 4. Office Space:** Manager Johnson noted the office is filling up rapidly and there is the need to provide more space as we move ahead with the new water permit and Red Mountain. The KID will need support people as interim employees or otherwise,
- 5. Irrigation Pond Fencing/Indemnification:** Manager Johnson noted the KID has ponds not fenced at the wishes of the homeowners which leave KID in a liability position. We need a policy from the Board to fence or indemnify the KID if they want it unfenced for beautification. Discussion ensued that if the KID owns a pond and operates it, we need a fence around it. But, if we don't own it, maybe the owner should fence it. It was determined we should get a legal opinion on this matter.
- 6. Meeting Schedules:**
 - a. Commissioners' Meeting tomorrow:** The Commissioner's meeting is tomorrow. We will meet with the County Commissioners to talk about Red Mountain and permitting. We have included DNR in that meeting to talk about their position. DNR drilled wells to supply irrigation water to portions of their land. Do they want to go surface water or well water on these lands? The second item is land ownership and services to the land: Sewage, drainage, etc., as a result of planning for the Red Mt. project. There is no governance out there. What is the County's plan? Large leasers make themselves self-contained. But, for smaller chunks of land, you can't do that. We are working on our irrigation permits; but, these are other examples of what will come out of County Planning.

- b. **YBJB**: Manager Johnson will be attending a Yakima Joint Board meeting this Friday in Yakima.
- c. **Fish and Game**: The Fish and Game people are concerned about work we've done on the east Amon Waste Way. They received information that we had been in there working which was not true.

DEPARTMENT REPORTS:

1. Planning:

- a. **Red Mountain**: Scott Revell gave a brief example of what would be presented to the County Commissioners.
 - i. The KID has about 800 acres with about 600 in the AVA Master Plan area. The County expects to have the Master Plan formally adopted in the fall along with implemented zoning.
 - ii. The KID has an 80-acre parcel and the Red Mt. planners have proposed using 40 acres of that parcel for the Wine Village. If the Board doesn't want it, we can certainly convey that message through the committee process.
 - iii. Some of the property owners who signed up for the LID are outside the District; so, we need to work out the technical details.
 - iv. DNR has about 1,500 acres total at Red Mt.
 - v. The Voluntary Regional Agreement is under negotiation between the DOE and CSRIA. It should be signed at the end of the month before the water right can be issued. Mr. Revell met with Dr. Darryl Olsen on this. The Master Plan creates need for services.
 - 1. We are working under the assumption the KID will be providing irrigation water even if this area remains farms and grape growing goes away and there is another crop there.
 - 2. Fire prevention is a big issue. Requirements have ponds which take up quite a bit of space and two fire districts currently serve the area.
 - 3. Potable water is another huge issue. The Port of Kennewick is not interested even though they have the authority, same with the Benton County PUD.
 - 4. The City of West Richland is not interested in providing service but is interested in knowing what's going to happen with the geothermic wells.
 - 5. A common sewage treatment facility is attractive to most. A density transfer system would make it easier to provide public services and needs to be considered.
- b. There are four new zoning districts. The Wine Village, Red Mt. Agricultural District, and the 20 acre minimum will stay the same. There are detailed design standards in the ag zone which is now the same as for dry land wheat.
- c. This would be a tourist attraction balancing the demand for housing and trophy homes. Cluster developments are being considered.

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The Board has not made a decision on what we plan to do with our land at Red Mt. and requested a financial analysis. We need to evaluate an approach to taking on these services and make a decision to sell or retain to lease. If this Master Plan dissolves, the homeowners would have to agree before we will form an LID. The Board emphasized the importance of tracking staff time to recapture those moneys we've already spent on Red Mountain work saying at some point we can ask these landowners to contribute to that expense.

The meeting broke for recess at 10:25 a.m. and reconvened at 10:35 a.m.

2. Operations:

- a. **Reclamation - Water Status:** Harry Fox, Operations Manager, noted he had distributed current indices on water in our reservoirs which shows they are full at 120% of the 1980-2000 average. We currently have 240 cfs being diverted at Chandler. The next meeting with River Ops is scheduled for June 7.
 - b. **USBR 2007 Estimates:** Mr. Fox noted the cost summary from the USBR with the KID's share at \$85,938. Total projected costs to date are \$156,842 with the estimated \$25K to rebuild the turbine - which may go up or own. Adding those two figures, we are currently at \$242K for 2007.
 - c. **Water On Status:**
 - i. Mr. Fox said one Chandler pump went down and we cut back on cfs for a few hours seen mostly in Division 4 but there was no impact on specific deliveries.
 - ii. Operations has completed repair of the pond in LID 171. There was a three-foot diameter hole in the base of the pond and along the piping. The LID was started up 10 days ago and has operated since.
 - iii. LID 161 was down for mainline repair.
 - iv. LID 176, Hansen Park: Parts are down.
 - v. Work order status: Since beginning of the season, there were 474 work orders entered and 20 are still open.
 - vi. We will shift to weed control efforts as pipeline repairs reduce.
 - vii. Aquatic weed control started last week and we are doing chemical applications this week
 - viii. Discussed missing water last week being from the turbine that was down.
- 3. Customer Service:** We have had some calls on pumps going down but the field is pretty well caught up on work orders and it has made a difference in our calls. Manager Johnson noted calls to the queue are up a total of 40% since 2005 and we are up on total calls 50% from 2005 and that's a product of growth indicating increased activity. These figures do not count calls transferred to other departments. These figures are just calls for Customer Service.

Elliott Lake: Staff is putting together the history on what has been fixed and what repairs and improvements we are doing now. This system was quite a mess and the homeowners knew there was a lot of work to be done when we took the system over.

Springbrook User Convention: Ms. Smith noted she had attended the Springbrook user's convention with John Duncan and Darrell Stewart last week. It is a series of classes on how to use modules. The KID will want to send actual users every year. There were users from all over the US. It was very worthwhile.

4. Engineering:

- a. **Policy and Procedure 4.4, "Service Cost":** Engineering Manager, Brad Wellenbrock, explained this is a re-write of the inspection fee schedule. He noted it has been some time since the rates were reviewed for recovery of costs.

DR. KINSEL MOVED TO APPROVE POLICY AND PROCEDURE 4.4, SERVICE COST, AS PRESENTED. DIRECTOR GROVER SECONDED THE MOTION.

Director Watts asked how much it was raised. Mr. Wellenbrock gave him a copy of the previous schedule for review explaining it had been simplified as an average of what it costs the KID to perform each service. **THE MOTION CARRIED, UNANIMOUSLY.**

5. Accounting:

- a. **Assessment Update:** District Treasurer, John Duncan, presented year-to-date assessments received from the utility billing module of Springbrook – the revenue module. We have collected \$2.4-million of the KID O&M so far which makes up \$3-million of the core budget.
- b. **Investment Update:** Mr. Duncan noted the KID has taken three investments earning 5.3% matured. The interest rate is 4.0% to 4.96% on the CPI.
- c. **Accounting Software:** Mr. Duncan said the recent conference was the best he'd ever attended in his career. The KID is the task force for the task management portion of Version 7 for our work orders as we use that more than any other customer.

COMMITTEE RECOMMENDATIONS

REAL ESTATE: This recommendation was deleted as the offer was withdrawn.

EXECUTIVE SESSION

There was a need for 15 minutes in Executive Session to discuss a Realty matter. The meeting closed from Open Public Session to Executive Session at 11:05 to 11:20 a.m. at which time an additional 15 minutes was requested. The meeting returned to Open Session at 11:35 a.m.

DIRECTOR KINSEL MOVED TO ADJOURN THE MEETING AT 11:36 A.M. THE MOTION WAS SECONDED BY DIRECTOR WATTS AND CARRIED, UNANIMOUSLY.

APPROVED:

ATTEST:

Ryan Pratt, President

Victor V. Johnson, District Manager/
Board Secretary