

# MINUTES

## KENNEWICK IRRIGATION DISTRICT MEETING OF THE BOARD OF DIRECTORS CARL W. PETERSEN BOARD ROOM OCTOBER 21, 2008, 9:00 A.M.

**CALL TO ORDER/ROLL CALL – BOARD SECRETARY:** The meeting was called to order at 8:58 a.m. by President Jaksch. Secretary/Manager Grover took roll call as follows:

**PRESENT:** John A. Jaksch, President  
William C. “Bill” Kinsel, Vice President  
John C. Pringle, Director  
Dale Walter, Director

**STAFF:** Doug Grover, Secretary/Manager  
Margo Hines, Assistant Manager-Administration  
Joetta Rupert, Real Estate Manager  
Brian Iller, Legal Counsel  
Jason McShane, Interim Engineering Lead  
Scott Revell, District Planner  
Richard Evans, Professional Engineer  
Doug Ricard, Union Steward  
Doris Fiske, Executive Assistant

**I. APPROVAL OF AGENDA:** Manager Grover asked to postpone all Finance agenda items due to District Treasurer’s absence for jury duty. President Jaksch added a discussion of Frost Control Water, an update on the proposed policy regarding KID staff serving on non-KID boards, and scheduling of a Planning Committee Meeting in November. **Vice President Kinsel moved to approve the modified agenda. Director Pringle seconded the motion and it carried unanimously.**

**II. CONSENT AGENDA:** KID O&M Vouchers were removed from the Consent Agenda for separate consideration.

Director Walter identified an issue with check #55199. Discussion ensued. The matter was referred to the Finance Committee. **Vice President Kinsel moved to approve all vouchers except check #55199. Director Walter seconded the motion and it carried unanimously.**

**Vice President Kinsel moved to approve the modified consent agenda. Director Walter seconded the motion and it carried unanimously.** Items remaining on the modified consent agenda were:

- A. Minutes, KID Board Meeting, October 7, 2008
- B. Resolution 2008-35 “Authorizing Sale of Real Property, 4<sup>th</sup> Ave Right of Way”

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**Accounts Payable**

Numbers:	55006 through 55065	\$	120,323.11
"	55066 through 55067		1,000,000.00
	55068 through 55068		1,000.00
"	55069 through 55139		209,095.71
	55140 through 55195		<u>81,731.36</u>

**Total Accounts Payable** \$ 1,412,150.18

**Payroll**

Numbers:	30861 through 30861	\$	116.39
	30862 through 30875		13,491.26
	30876 through 30876		869.00
Direct Deposit			<u>66,699.58</u>

**Total Payroll** \$ 81,176.23

**Total Disbursements** \$ 1,493,326.41

**Voided Checks**

Refund Check #54340 in the amount of \$114.87 returned and Void. Amount was posted to wrong account, redistribute to correct parcel.

**Check Excluded by Board of Directors from Voucher Approval on October 21, 2008:** Check # 55199.

**III. UNSCHEDULED VISITORS:** None

**IV. DISTRICT BUSINESS:**

**A. District Manager:**

**1. Bylaws:** Manager Grover presented the revised Bylaws for discussion. There being no discussion, President Jaksch directed the Bylaws be offered for approval at the next board meeting.

**2. 2009 Budget:** Manager Grover asked the Board approve the presented budget. On November 4, 2008 the Board of Equalization will be opened. Discussion ensued. **Director Pringle moved to accept the KID O&M 2009 budget of \$8,989,000 as presented which includes \$1,291,000 dollars for rehabilitating the aging canals and infrastructure of the Kennewick Irrigation District. Vice President Kinsel seconded the motion. Directors Kinsel, Pringle and Jaksch voted in favor of the motion. Director Walter voted against the motion. The motion carried.**

**3. Capital Projects for 2009:** Manager Grover presented the document outlining the Capital Projects for 2009 to the Board. He stated there will be a separate document produced for each project as it is done, with actual costs and actions. Discussion ensued.

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**4. Summit on Rural and Urban Water Delivery Challenges, October 8, 2008:** Manager Grover reported on the meeting he attended in Boise, Idaho.

**5. WSWRA:** Manager Grover reported to the board on topics discussed at the recent WSWRA meeting including land division structures and challenges of canal breaks in residential versus agricultural areas. Discussion ensued. President Jaksch asked whether other districts have expressed willingness to participate in the legal counsel cost of pursuing legislative changes regarding LID authorities. Brian Iller said that could be investigated at next WSWRA meeting.

**6. 4H, M&I, USBR Payoff and Reclassification:** Manager Grover reported on a meeting with the USBR at KID. Among the topics discussed were reclassification possibilities and benefits of USBR payoff. Discussion ensued.

**7. Legislative Changes Update:** No further discussion at this time. President Jaksch instructed this item remain on agenda for the next Board Meeting.

**8. Frost Control Water:** Assistant Manager Hines reported on progress made in discussions with the USBR. Based on 1917 water law, it appears the canals may be used as reservoirs and water may be used under emergency conditions to protect against crop loss. The KID is still working on the details with USBR oversight. President Jaksch instructed this item be kept on the agenda for the next meeting.

**B. Operations and Engineering:**

**1. Resolution 2008-34 “Approve Sole Source Contract for Aqualastic Sealer Application”:** Discussion ensued. Vice President Kinsel moved to approve Resolution 2008-34 “Approve Sole Source Contract for Aqualastic Sealer Application”. Director Pringle seconded the motion and it carried unanimously.

**2. Senior Engineer Advertisement Update:** Manager Grover reported no further applications have been received. Discussion regarding advertising and the job market ensued. Director Pringle moved to continue looking for qualified applicants but to purchase no further advertisement at this time. President Jaksch seconded the motion. Discussion ensued. Directors Jaksch, Pringle and Kinsel voted in favor. Director Walter abstained. The motion carried.

**C. Business Administration:**

**1. Water Allotment Transfers:**

**a. Resolution 2008-33 “Water Allotment Transfer Out, Creekstone”**

**b. Resolution 2008-36 “Water Allotment Transfer Out, Angus Village”**

Assistant Manager Hines presented details of the two resolutions. Applicants have met all requirements of the policy in place at the time of application. KID staff has met with USBR and received preliminary approval. The KID Board must sign the Resolutions before the USBR will formally approve the transfers. Director Pringle move to approve Resolution 2008-33 “Water Allotment Transfer Out, Creekstone,” and Resolution 2008-36 “Water Allotment

**Transfer Out, Angus Village.** Discussion ensued. **Vice President Kinsel seconded the motion and it carried unanimously.**

**D. Finance:** Finance agenda items were postponed due to the Treasurer serving jury duty. The following items will be included on the November 4, 2008 Board Meeting agenda:

1. **Cash Receipts Report**
2. **Cash Investments Report**
3. **Policy & Procedure 2.8 “Investment and Portfolio Guidelines”**
4. **Purchasing Policies Update**
5. **Policy 67 - Draft Policy & Procedure 2.11 “Funds, Reserves and Asset Management” Update**

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

**V. REALTY:**

**A. Non-Disturbance, Attornment and Subordination Agreement, Gage East, Lot 7:** Real Estate Manager Rupert presented the agreement and background on the underlying sale on which the KID carries a note. This agreement has been reviewed by the Realty Committee and legal counsel. Discussion ensued. **Vice President Kinsel moved to approve the execution of the Non-disturbance, Attornment and Subordination Agreement with McDonald’s for Gage East, Lot 7. Director Walter seconded the motion and it carried unanimously.**

**DISTRICT BUSINESS, Operations & Engineering (Continued):**

**3. Encroachment Permit – McDonalds:** Discussion ensued. **Director Pringle moved to approve Permit 2008-02. Vice President Kinsel seconded the motion.** Voting was delayed until the permit was produced in the meeting. **The motion carried unanimously.**

**REALTY (Continued):**

**B. Union Pacific Railroad Request for Conveyance to Clear Cloud on Title:** Real Estate Manager Rupert displayed map on overhead and discussed the history of the issue. Staff has thoroughly researched and discussed with legal counsel. **Director Pringle moved to approve executing the Quit Claim Deed to the Union Pacific Railroad to clear the title on the Union Pacific Railroad’s vacated right-of-way at Steptoe and Victoria Streets in Kennewick. Vice President Kinsel seconded the motion and it carried unanimously.**

**C. Recalibration Update:** Richard Evans reported on meeting with the Department of Ecology about recalibration methodology. Mr. Evans provided a Water Re-allocation Summary report dated October 21, 2008 and updated the Board on progress of work being done by Jim Edgar and himself. Discussion ensued.

**D. Planning meeting:** Scott Revell distributed a memo regarding a Planning Committee meeting and tentative agenda. President Jaksch instructed a Planning Committee Meeting be scheduled for November 7, 2008. Scott Revell will provide a packet on Monday, November 3, 2008.

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**E. New Water Permit Update:** Discussion ensued regarding a future draft agreement with the Department of Ecology and work being done by McKay and Sposito.

**F. Membership in Northwest River Partners:** Scott Revell distributed a memo regarding memberships in Northwest River Partners and the Columbia Snake River Irrigators Association. Discussion ensued. **Vice President Kinsel moved to approve membership in the Columbia Snake River Irrigators Association for 2009 and that the funds be included in the Real Estate Department budget for 2009. Director Pringle seconded the motion.** Discussion ensued. Board chose not to join Northwest River Partners.

**G. Acknowledgement of Red Mountain LID Petitions Update:** Discussion ensued. Scott Revell said a \$100 bond check was received. **Director Pringle moved to acknowledge that the KID has received petitions for formation of a Red Mountain South LID and \$100 check for bond. Vice President Kinsel seconded the motion and it carried unanimously.**

**H. Amon Permitting Update: No discussion.**

President Jaksch called a five minute break at 10:56 a.m.

The meeting reconvened in open public session at 11:05 a.m.

**VIII. SCHEDULED VISITOR:**

**B. 11:00 A.M. BOARD TRAINING:** Bruce Reim, from Canfield Insurance distributed handouts to accompany a PowerPoint presentation titled “Creating Balance: Boards and Administration.” Discussion ensued during the presentation between Board Members, staff, Canfield and Conover representatives, legal counsel, and John Trumbo of the Tri-Cities Herald.

**IX. EXECUTIVE SESSION: None**

President Jaksch directed that the November 4, 2008 Board Meeting be convened at 8:30 a.m. in Executive Session for thirty minutes to review the performance of a public employee, followed by open public session beginning at 9:00 a.m.

**Vice President Kinsel moved to adjourn the meeting at 12:01 p.m. Director Pringle seconded the motion and it carried unanimously.**

**ATTEST:**

**WITNESS:**

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John A. Jaksch, Board President

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Doug L. Grover, Secretary/Manager