

Minutes

**KENNEWICK IRRIGATION DISTRICT
MEETING OF THE BOARD OF DIRECTORS
CARL W. PETERSEN BOARD ROOM
January 3, 2008, 9:00 a.m.**

CALL TO ORDER/ROLL CALL: The meeting was called to order at 9:00 a.m. by President Ryan Pratt. Doug Grover, Secretary/Manager, took roll call as follows:

KID BOARD OF DIRECTORS: Ryan Pratt, President; John Pringle, Vice President; William "Bill" Kinsel, Director; John Jaksch, Director; Brian Iller, Legal Counsel; Doug Grover, Secretary/Manager.

STAFF GUESTS: Frank Corpuz, Deputy Manager Operations & Engineering; Margo Hines, Deputy Manager Business Administration; Doris Fiske, Executive Assistant.

I. APPROVAL OF AGENDA:

Director Kinsel asked to add discussion of Realty reporting structure to District Business. Manager Grover asked to add discussion of Northwest CPA Services, and Policy & Procedure 2.7 "Reserve Fund Accounts" to District Business, Finance. **Director Kinsel moved to modify the agenda as discussed. Director Jaksch seconded the motion and it carried unanimously.**

II. CONSENT AGENDA:

Vice President Pringle moved to approve the consent agenda and Director Jaksch seconded the motion. Discussion ensued. **The motion carried unanimously.**

III. SCHEDULED VISITORS: (None)

IV. UNSCHEDULED VISITORS:

James Wade, 1813 S Rainier Place, questioned the Board about the December 11, 2007 election and methods used to publicize KID elections. His questions were answered to his satisfaction.

V. ACTION ITEMS:

A. Interim Chair: Brian Iller, Interim Chair took control of the meeting at 9:15.

B. Oath of Office: Directors Pringle and Jaksch were sworn in by Mr. Iller.

C. Election of Board Officers: Director Jaksch nominated Director Kinsel for Board President. Director Kinsel seconded the nomination. Director Pringle nominated Director Pratt for Board President. Director Pratt seconded the nomination. Mr. Iller called

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for a vote. Directors Jaksch and Kinsel voted for Director Kinsel; Directors Pringle and Pratt voted for Director Pratt. Discussion ensued. Brian Iller advised that Washington statutes have no requirement of immediate action in electing new Board Officers.

Director Pratt moved to table election of Board Officers until the first regularly scheduled Board Meeting following the appointment of a new Director. Director Pringle seconded the motion. The motion carried with Director Kinsel abstaining.

D. Interim Chair excused: President Pratt resumed Chair at 9:27 a.m.

E. Positions and Appointments:

1. Secretary/Manager – Doug Grover
2. Treasurer (acting) – Darrell Stewart
3. Auditing Officer – Beth Smith
4. Legal Firm – Rettig, Osbourne and Forgette
5. Claims Agent – Diana Rourk
6. Assistant Secretary – Frank Corpuz

Discussion ensued. Manager Grover said Bylaws specify appointing the Secretary/Manager as Acting Treasurer in absence of a Treasurer. Discussion ensued. **Vice President Pringle moved to retain all the current appointments. Director Kinsel seconded the motion and it carried unanimously.**

F. Appoint Committee Members:

Director Jaksch moved to table appointing committee members until the Board Meeting January 15, 2008. Vice President Pringle seconded the motion and it carried unanimously.

VI. DISTRICT BUSINESS:

A. Executive:

1. **KID Bylaws:** **Director Jaksch moved to table reaffirming the Bylaws until the next Board Meeting. Vice President Pringle seconded the motion.** Discussion ensued. **The motion carried unanimously.** Brian Iller confirmed the existing Bylaws remain in force until they are changed or reaffirmed.

2. **Policy & Procedure 1.1, “Conflict of Interest – Board Members/District Officers”:** The Policy and Procedure were reviewed and disclosures were signed by all Board Members.

3. **Policy & Procedure 1.4, “Board Meetings”:** Discussion ensued. **Director Kinsel moved to include the format for conducting Board Meetings in the Bylaws. Vice President Pringle seconded the motion.** Discussion continued. **The motion carried unanimously.**

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4. Policy & Procedure 21, "Conflict of Interest": Conflict of interest issues for District Employees were discussed. **No action was taken.**

B. Finance:

1. Interest Rates for Loans: Discussion ensued. **Director Pringle moved to put a statement in a Policy & Procedure that when funds are available, LID construction notes are to be at prime lending rate for the United States as published in the Wall Street Journal. Director Kinsel seconded the motion.** Discussion continued. **The motion carried unanimously.**

2. Auditing Firm: The Board was notified by Manager Grover that Auditor Sandy Gamble of Northwest CPA Services was hired by the District as a budgeted item and that if she finds any evidence of fraud she will bring it directly before the board. Discussion ensued. **No action was taken.**

3. Policy 2.7 – Funds: Discussion ensued. **Director Kinsel moved to refer the issue of reserve fund accounts to the Finance Committee for the purpose of developing a new Policy and Procedure to deal with those funds, and to rescind Policy and Procedure 2.7. Director Jaksch seconded the motion and it carried unanimously.**

Meeting broke for recess from 10:50 a.m. to 10:58 a.m.

C. Operations and Engineering:

1. AquaLastic Sealer Contract C0719: Discussion ensued. Opening paragraph of Resolution 2008-02 was corrected to authorize the District Manager to approve instead of the Board President. **Director Pringle moved to approve Resolution 2008-02 as revised. Director Jaksch seconded the motion and it carried unanimously.**

D. Realty:

1. Realty Reporting Structure: Discussion Ensued. **Director Kinsel moved to restore the Realty function to reporting directly to the Board and referred the issue of the interface between Realty and District Operations to the Realty Committee for recommendations to be finalized by the full Board. Director Jaksch seconded the motion and it carried unanimously.**

Director Jaksch moved to adjourn the meeting at 11:28 a.m. Director Pringle seconded the motion and it carried unanimously.

ATTEST:

WITNESS:

Ryan Pratt, Board President

Doug L. Grover, Secretary/Manager