



MINUTES

Regular Meeting of the KID Board of Directors
Carl W. Petersen Board Room
May 19, 2009

At 8:30 a.m., the Board met in Executive Session for thirty minutes to discuss with legal counsel potential litigation risks of a proposed action.

Call to Order/Roll Call – Board Secretary: The meeting was called to order in open public session at 9:00 a.m. by President Jaksch. Interim Secretary/Manager Revell called the roll.

Directors Present:

John Jaksch, President
John Pringle, Vice President
David McKenzie
Patrick McGuire
Gene Huffman

Staff Present:

Scott Revell, Interim Secretary/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
Lynda Rosenbaum, Administrative Contracts Specialist
Doris Fiske, Executive Assistant

President Jaksch tabled New Business item 3, Policy & Procedure 2.20 "Parcel Account Consolidation" until May 30, 2009. He added three topics to the second executive session: litigation regarding easements, litigation regarding personnel, and litigation regarding Acquavella.

President Jaksch announced that the Board meeting will be recorded and the recording will be made available on the KID website. Mr. Revell said staff hopes to be able to stream the audio live by the next meeting.

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

Consent Agenda: Director Huffman 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, May 5, 2009
3. Authorization to Settle Grievance

Accounts Payable

Numbers:	56873	through	56875	\$	5,897.91
"	56876	through	56920		305,573.14

Total Accounts Payable 311,471.05

Payroll

Numbers:	31124	through	31137	13,980.88
Direct Deposit				<u>71,016.23</u>

Total Payroll \$ 84,997.11

Total Disbursements \$ 396,468.16

Voided Checks

None

Unscheduled Visitors: Dale Walter, residing at 5624 W 10th Avenue, distributed a paper to the Directors and Mr. Haueter, and addressed the Board regarding assessments. He reviewed the material presented on his paper said he believed there was a discrepancy between the amount of assessments collected from LIDs in 2008, the expenditures, the 2007 carry-over LID account balances, and the amount credited in 2009. He asked how much overhead should be put on \$4.9 million. After three minutes, President Jaksch told Mr. Walter his time had expired and suggested Mr. Walter meet with Mr. Haueter to discuss the allegations presented by Mr. Walter. Vice President Pringle suggested the Finance Committee could discuss the topic at the meeting tomorrow. Mr. Walter said Mr. Haueter had not provided him with answers to the questions that he had asked at previous Board meetings.

President Jaksch said the Board and staff met last week with the Tri-City Herald Editorial Board. The relative costs of City water and KID water were discussed and materials on the subject are included in the Board meeting's packet which is available on the KID website. Mr. Revell said a printed copy will be provided to Mr. Walter.

Resource Management and Planning:

1. Proposed Red Mountain Master Planning Contract: Richard Evans presented benefits of approving the Red Mountain Master Planning proposal including input on the proposed interchange and road alignment and marketing materials for the KID Red Mountain properties. \$14,000 will be needed from the Realty reserves. Mr. Evans noted soil surveys of the KID properties have been done. Discussion ensued. **Director Huffman moved to approve hiring MacKay & Sposito to provide consulting services for the first phase of the Red Mountain Plan at a total cost not to exceed \$14,000.00, to be appropriated from Realty reserves. Vice President Pringle seconded the motion and it carried unanimously.**

2. Proposed Red Mountain Surveying: Mr. Evans presented the proposal for surveying of KID's Red Mountain properties. The proposed not-to-exceed contract for \$52,500 will include \$5,000 from the 2009 Realty budget for Red Mountain engineering, \$31,500 from the unused portion of the Realty budget for the Senior Planner position and \$16,000 from Realty reserves. Mr. Haueter stated he is keeping track of the amount of funds coming out of Realty reserves. **Director McGuire moved to approve MacKay & Sposito's proposal for surveying KID**

properties at Red Mountain in an amount not to exceed \$52,500*. The funds shall be appropriated from the 2009 Real Estate budget in the amount of \$5,000, \$31,500 from the Planner salary/fringe and \$16,000 from Realty reserves. Vice President Pringle seconded the motion and it carried unanimously. *Correction: Mr. McGuire confirms that he intended to read the motion as proposed at \$52,500 as stated in the staff report but misspoke and said \$52,000.

➤ **Red Mountain South LID update:** Mr. Evans said future water use surveys are going out to Red Mountain South LID land owners. The LID cost estimates may be revised after the responses are processed. He added that notices will be published prior to the hearing to form the proposed LID.

➤ **Feasibility Study grant application:** Mr. Evans said the grant application has been sent in to the USBR. He has been in contact with Mr. Jacoby and will provide him one more paper. A consultant will be selected this week. Required contributions will be \$218,000 from the USBR, \$26,000 from the Department of Ecology, and \$56,000 from the KID. At this point, the KID's portion is unbudgeted. Discussion ensued.

New Business:

3. Policy & Procedure 2.20 "Parcel Account Consolidation": Tabled until the May 30th special Board meeting.

4. 4th Avenue Water Line Phase II: Jason McShane reviewed the benefits of KID participation in Phase II of the 4th Avenue project, and Harry Fox presented the benefits of waiting to better determine if the \$250,000 project cost would be better spent in other areas of the District. Discussion ensued. No motion was offered.

5. Tri-City Herald Editorial Board: Mr. Revell said staff and two directors met with the Tri-City Herald Editorial Board on May 8th. Materials presented to the Editorial Board were included in the Board packet for this KDI Board meeting. Clark Haueter reviewed the charts and graphs presented to the Editorial Board. Mr. McShane discussed the relative costs of city water versus KID water. He reported that Bruce Beauchene of the City of Kennewick said one must look at the full cost of city water not just gallon per gallon cost. Mr. McShane said staff has also done a comparison of KID rates to those of other irrigation districts in the area, especially Badger Mountain and Columbia Irrigation Districts. He showed an illustration of the increased infrastructure needed when an agricultural parcel is subdivided for homes. He said the City of Kennewick has said they can pump 30 million gallons per day at maximum capacity on a short term basis while the KID conveys several times that amount. The cost to the City would be in the hundreds of millions of dollars in system renovation if they must begin to service current KID customers. He added that the staffs at the cities of Kennewick and Richland have confirmed that they each depend on the KID providing irrigation water to allow the city to continue to expand.

6. Overview of the District's Public Outreach and Education Strategy: Beth Smith reported to the Board that staff is looking at opportunities to educate customers about the KID to regain their trust, and discussed several strategy options.

7. District Manager's Report: Mr. Revell reviewed several items from the District Manager's report:

- The May 30th special Board meeting will be held at 10:00 a.m. in the Peterson Board Room at the District Administrative Office. A press release announcing the meeting was sent to the media yesterday and block ads will be placed soon. Handouts are available at the reception desk.
- KID's stimulus funding request was not approved by the USBR. A copy of the letter will be included in the next Board meeting packet. No official notification of YRBWEP funding has been received yet.
- The Water Allotment Transfer policy and procedure will be reviewed June 3rd by the Operations & Engineering Committee.
- Lynda Rosenbaum gave a PowerPoint presentation on KID's participation in the Salmon Summit at Columbia Park on May 11th and 12th. The safety activity for follow-up in the classroom was well received. Staff plans to make this an annual event for the KID.
- A siphon mockup to illustrate their dangers is available from the USBR.
- Encroachment permit policy revision is underway and will be reviewed at the June 3rd Operations & Engineering Committee meeting.
- The 2009 water supply information from the USBR indicates an average water year and that the reservoirs are full.
- The USBR urban canal inspection program is moving forward. No districts in the Yakima Basin are planned to be in the first phase, but will probably be included in the future.
- On June 2nd, KID will attend a workshop with the Kennewick City Council. If more than two directors want to participate, KID will advertize it as a special meeting.

➤ **Meadow Springs Golf Course:** Mr. Fox apprised the Board of landscaping done by the Meadow Springs Golf Course in the 400' KID Wasteway right-of-way and reported on his inspection of right-of-way. Mr. Fox has been in contact with Mr. Hogue at the Meadow Springs Golf Course. Mr. Fox walked the right-of-way on May 18th and found the water level was back down after the recent spill and was running freely. Meadow Springs Golf Course has added large riprap to canal banks near 16th hole, and cleaned up some low ground next to the canal changing swamp to fairway grass. There is no access for maintenance through the golf course and the exit and entrance areas are thickets of Russian Olive. If KID has to spill water, it will damage the new landscaping.

➤ **Elliot Lake PSA 112:** Mr. Fox said the Elliot Lake PSA 112 went down on Sunday, but was being repaired and should be back up by now.

➤ **Clean Water Act:** Mr. Revell said a draft document on the Clean Water Act is available for Board review.

At 10:20 a.m., President Jaksch called a break.

At 10:30 a.m., the Board reconvened in Executive Session for one hour

- to discuss with District legal counsel litigation regarding easements,
- to discuss with District legal counsel litigation regarding personnel,
- to discuss with District legal counsel litigation regarding Acquavella, and
- to review the performance of a District employee,

At 11:30 a.m., executive session was extended for thirty minutes.

At 11:47 a.m., the meeting returned to open public session.

Director Huffman moved to adjourn the meeting at 11:48 a.m. Director McGuire seconded the motion and it carried unanimously.

Attest:

Witness:



John A. Jaksch, Board President



Scott Revell, Secretary/Manager