

CALL TO ORDER

At 7:00 PM, Chairman Foster called the June 12, 2018 Regular Board Meeting of the Moses Lake Irrigation and Rehabilitation District to order. The record shows that all Board of Directors were present except Vice Chairman Bailey who attended via-telephone. Legal Counsel, Brian Iller and General Manager, Chris Overland was also present. The record indicates that this meeting was recorded. The Pledge of Allegiance was then recited.

DISCUSSION OF AGENDA ITEM(S)

Chairman Foster called on the board members, and the audience for discussion on any agenda items and nothing was brought forward.

DISCUSSION OF NON-AGENDA ITEM(S)

Chairman Foster called on the board members, and the audience for discussion on any non-agenda items and Carlos Diaz with Pro Touch Rentals and Norman Estoos asked to be added to the agenda.

APPROVAL OF THE AGENDA

Chairman Foster called on the board members to approve the agenda. Director Selmann made a motion to approve the agenda. Director Teals seconded the motion. The motion carried unanimously.

APPROVAL OF CONSENT AGENDA

Chairman Foster called on the Board of Directors to approve the consent agenda. The consent agenda consisted of the meeting minutes from 05/08/18 Regular Meeting and the meeting minutes from 05/24/18 Special Meeting, the Bills/Checks (#16657-#16709) and Voucher #1000201 totaling \$104,819.35. Director Dexter made a motion to approve the consent agenda. Director Selmann seconded the motion. Vice Chairman Bailey abstained from voting on anything related to Basin Property Management, Inc. The motion carried unanimously.

PRESENTATIONS/SCHEDULED GUESTS

J.R. Newhouse & Co. – Jim Newhouse

Jim Newhouse with J.R. Newhouse & Co. presented the 2017 Year End Financial Statement to the Board. At the beginning of the year, MLIRD Financials were at \$1.6 million and by the end of the year was at \$2.77 million. The District investments are held by the Grant County Treasurer as its agent. 2018 assessments were not issued by the Grant County Treasurer and ratepayers have not yet been billed for 2018. The Grant County Treasurer has taken the position that the Districts' assessment method of applying the millage rate to the total assessed value of ratepayer property is improper. Legal Counsel, Brian Iller said that the District had received everything they were looking for. Chairman Foster mentioned that these decisions were made recently and were after the 2017 Year End Financial Statement was finalized. Jim Newhouse added the 2018 Year End Financial Report would reflect that information. Director Teals asked if it was possible not to have the District's investments held by the County as its agent. Jim Newhouse said he did not know the answer to that, and that the District's investments always

have been since J.R. Newhouse has done the financials. Discussion was then held and was decided it was best to keep things the same. The Board of Directors and General Manager, Chris Overland thanked Jim Newhouse for attending the Board Meeting.

PUBLIC COMMENTS

Pro Touch Rentals– Carlos Diaz

Carlos Diaz owns Pro Touch Rentals in Moses Lake, WA and has been in business for around 12-15 years. As his business has grown, he has noticed an area on Moses Lake where there is a large pile of rocks that cause a lot of damage to his rental and other customer's watercraft. He would like to know who to talk to about placing buoys in the area to warn the boaters of the rocks. He is willing to place the buoys and even pay for the buoys if MLIRD allows him. Legal Counsel, Brian Iller stated any time signage of hazards are involved, there is a potential liability risk. There is also an expense involved and the Board would have to make a policy decision on the expense and whether or not to undertake the increased liability risk. After discussion, no action was taken and Legal Counsel, Brian Iller mentioned the United States Army Corp of Engineers might be an entity to discuss the issue with.

Norman Estoos reported that some landowners are selling their water rights to their well because they can get water out of the lake if they live within the District and pay their assessments. He was asking if this was legal or not. Chairman Foster noted that the landowner's exercising their right to withdraw water from the lake within MLIRD is legal and he believes MLIRD does not have any jurisdiction over what the landowners do with their well water rights. Mr. Estoos asked if when someone petitions their parcel into the District if the District requires the landowner to pay back assessments. Chairman Foster stated there wouldn't be any back assessments because, in theory, they have not had any irrigation benefit prior to them being in the District. Legal Counsel, Brian Iller said it is authorized under the statute to impose and potentially charge to put them on an equal basis with existing landowners. However, he does not believe MLIRD has ever done that. Chairman Foster thinks it would be difficult for one, if the landowners just purchased the property how far back would you charge and two, how many people would want to petition into the District if they had to pay 20 years of back assessments. Legal Counsel, Brian Iller said it would be something the Board could consider the next time there is a new annexation on the table.

MLIRD STAFF REPORTS

General Manager, Chris Overland reported the following:

- General Manager, Chris Overland provided a booklet for all of the Directors to review. The booklet included the Moses Lake 2018 Phase One Aquatic Treatments & Summary of Proposed Work; a Limnologist report by Gene Welch, Prof. Emeritus at the University of Washington; the MLIRD June 5th, 2018 Meeting presentation with the USBR and others where they discussed the importance of Columbia River water flows through Moses Lake; and possible next steps to take if MLIRD were to proceed down a path to examine the feasibility of a W20 Lateral feed route project as another way to bring Columbia River water flows into Moses Lake. Director Selmann said he wanted to report back to the Board that the information General Manager, Chris Overland put together is worth the Directors taking their time to read through. He added everyone that was in attendance at the meeting was happy with the amount of data, and the discussion with everyone was extremely helpful. Director Selmann commended General Manager, Chris Overland for

putting everything together and everyone was pleased with the data he provided. Director Selmann would like to know the steps involved in MLIRD coming up with its own independent analysis of the cost involved in the project. General Manager, Chris Overland said he did not think it would be hard to find that information.

- Lake elevation was at 1046.77 feet as of June 12, 2018 at the Hallmark Gauge Station.
- The Rocky Coulee Waste Way was shut off mid-May due to demand.
- Dredge spoils are removed at a good pace. The Nickelsaver advertisement for the dredge spoils is ongoing.
- Harvester Operations will be starting soon. Residents that live near the Harvester site have asked that MLIRD either fence or place “No Trespassing” signs on MLIRD property as a means of keeping issues related to litter, trash and dead carp to a minimum. No action was taken.
- 2018 Aquatic Treatments start June 25th and there will be over 400 acres treated. More details are available on the MLIRD website.
- Connelly Park is doing well and the Rotary Club is planning on building a covered picnic shelter soon.
- The Financials are currently very favorable to budget.

WORKSHOP/DIRECTOR QUESTIONS AND/OR COMMENTS

Director Teals asked what the plan was for the dredging operations. General Manager, Chris Overland said the intent is to go back out for bids with re-designed specifications and advertise for the 2019 year on the fountain side of the Fill project. General Manager, Chris Overland expressed that the east side of the Fill has gone about as far as it can reasonably go for now with the equipment that MLIRD has and the conditions MLIRD is under. Chairman Foster asked to set a goal no later than the August Regular Board Meeting for having a plan for the Dredging Program moving forward through 2019 and possibly 2020 with anticipated permit’s schedule. Chairman Foster said the MLIRD’s goal is to reduce sediment to make for better flow possibilities.

ADJOURNMENT

The meeting was adjourned at 7:45 PM.

Jeffrey B. Foster, Chairman

Bill Bailey, Vice Chairman

Kris Dexter, Director

Richard Teals, Director

Kaj Selmann, Director

By: _____
Secretary to the Board of Directors