

CALL TO ORDER

At 7:00 PM, President Bailey called the November 10, 2020 Regular Board Meeting of the Moses Lake Irrigation and Rehabilitation District to order. The record shows that President Bailey, Vice President Teals, Director Dexter, Director Selmann, and Director Foster were present. Legal Counsel Brian Iller, and General Manager Chris Overland was also present. The record indicates that this meeting was recorded.

DISCUSSION OF AGENDA ITEM(S)

President Bailey called on the board members and anyone attending via-telephone for discussion on any agenda items, and nothing was brought forward.

DISCUSSION OF NON-AGENDA ITEM(S)

President Bailey called on the board members and anyone attending via-telephone for discussion on any non-agenda items, and nothing was brought forward.

APPROVAL OF THE AGENDA

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

APPROVAL OF CONSENT AGENDA

President Bailey called on the Board of Directors to approve the consent agenda. The consent agenda consisted of the meeting minutes from 10/13/2020 Regular Meeting, the Bills/Checks (#17786-#17818), and Voucher #1000230 totaling in \$81,673.25. Director Teals made a motion to approve the consent agenda. Director Foster seconded the motion. The motion carried unanimously. President Bailey abstained from voting on anything related to Basin Property Management, Inc.

MLIRD STAFF REPORTS

General Manager Chris Overland reported the following:

- Lake elevation was at 1043.8 as of November 10, 2020.
- Director Selmann completed and turned in a Petition of Nomination form for MLIRD Director Position #2 on November 2, 2020. There were no challengers for this position; therefore, Mr. Kaj Selmann was declared MLIRD Director Position #2 with his new term beginning January 2021. Director Foster made a motion to declare Mr. Kaj Selmann elected as MLIRD Director Position #2. Director Dexter seconded the motion. The motion carried unanimously.
- Toxin testing at Connelly Park was completed from mid-July to mid-October through King County Environmental Labs for the year 2020. Toxin and water chemistry test results for the year were then discussed. The Board asked General Manager Chris Overland to create a spreadsheet/graph of all the historical water chemistry data that has been collected for the last few years. Director Foster stated the results need to be looked at as a marathon and not a snapshot. He believes trends are only generated after years of a study. Director Selmann stated it is good to have the test results so MLIRD can continue to see how each location behaves in terms of

developing a strategy. President Bailey asked General Manager Chris Overland to see if MLIRD has water chemistry data of the Pelican Horn area from the time before MLIRD switched to running the Parker Horn Pump Station part-time versus when it ran all the time 10-20 years ago and make a comparison of the two by next month. Solutions that may help with water quality include reducing phosphorus, dilution water, Alum treatments, Peroxide, and other technologies.

- The pipe project for dilution to the north end of the lake was then discussed. The project that has the most support and least resistance with the Irrigation Districts and the Bureau of Reclamation would be a pipeline from Round Lake to the north end of Moses Lake. Director Selmann stated the pros of the Round Lake pipe project versus the W-20 is, the Bureau of Reclamation is a lot happier about the water coming from Round Lake because the water does not have to come from any of the Irrigation Districts infrastructures. President Bailey asked if this would potentially be a way to limit the Phosphorus in dilution water. Director Selmann stated it would be a good way to get a source of initial water. The project would be higher capital expenses and higher operating expenses so, an evaluation will need to be done. However, the W-20 uses the Quincy District's infrastructure, and it would need to be figured out how to recompense them if they would even be interested in allowing their infrastructure to be used in the project. The W-20 would bring approximately 600 CFS of dilution water during the feed months, while the Round Lake Pipe project would bring approximately 100 CFS all summer. Director Selmann spent a morning with Peter Burgoon, an engineer with Gray & Osborne and they looked at the possibilities for the Round Lake pipe project.
- Assessment income is at 101%, and expenses are at 61% of the budget. The 2021 MLIRD budget was then discussed. General Manager Chris Overland stated he hoped to get the assessment rate down to \$0.65 per thousand of total assessed value. President Bailey asked General Manager Chris Overland how the \$0.65 per thousand of total assessed value would be split. He stated it would be split 75% for RCW 87.03 and 25% for RCW 87.84; however, he has not done the exact calculations of what it would come out to cent wise.
- The owner of the shop that MLIRD has leased that is located on Pheasant Street is asking for lease renewal and assures the same rate if MLIRD renews soon. MLIRD is currently under a five-year lease, and the lease will be up in May 2021. Director Dexter asked if MLIRD is going to continue with the same amount of equipment. General Manager Chris Overland stated at some point, MLIRD could look at some of the equipment used for dredging purposes and possibly decide to sell it; however, stated that would be a Board decision. Director Foster asked if General Manager Chris Overland can ask the landlord if MLIRD could shorten the lease to a 3-year contract and, if so, how much more the lease would be a month. General Manager Chris Overland stated he would speak with the landlord. President Bailey agreed and is not sure if all the equipment MLIRD has right now is needed. He would like to schedule a meeting to evaluate MLIRD's equipment within the next couple of weeks with himself and Director Dexter.

WORKSHOP/DIRECTOR QUESTIONS and/or COMMENTS

Director Dexter asked if General Manager Chris Overland had an approximate cost amount for the Round Lake Pipe project. General Manager Chris Overland stated that according to Peter Burgoon, it would cost approximately \$80 million. Director Selmann said the cost estimate was for a double-barreled pipeline, and they do not have a price on the single barrel yet. He believes a single barrel pipeline will cost

approximately \$50 million. Both the W-20 and the Round Lake Pipe projects are viable; however, each has different hurdles, so it will be a matter of what makes the most sense.

President Bailey stated he saw MLIRD is sending a \$12,000 check to Gray & Osborne, and he asked how much more MLIRD has to send them. General Manager Chris Overland stated there is another \$5,000 budgeted with a total of approximately \$35,000 for the year. Director Foster asked General Manager Chris Overland to update the consultant spreadsheet to share at one of the next Moses Lake Watershed Council meetings how much MLIRD has contributed towards the Moses Lake Watershed Council efforts. The Moses Lake Watershed Council is trying to get their public exposure out, and having information on how much MLIRD has contributed towards the Moses Lake Watershed Council is good to have. Director Selmann hopes that with the last money budgeted for Gray & Osborne, MLIRD receives the actual documents and numbers for what 100 CFS will look like and how much water it will deliver. Then the documents can be taken to the Moses Lake Watershed Council, and different options can be discussed. Director Foster asked if there had been any discussions on obtaining right-of-ways for the Round Lake Pipe project. Director Selmann stated that obtaining right-of-ways have been budgeted; however, he believes they aren't anywhere close to that point yet.

Director Selmann then gave a summary report on the meeting between President Bailey, General Manager Chris Overland, himself, and the City of Moses Lake Manager. They discussed using the MLIRD water right to provide irrigation water to more ratepayers in the District. The City of Moses Lake is currently using 9,300 acre-feet of potable water from deep wells that come through their system. About 50% or more of the 9,300 acre-feet of potable water goes to irrigating lawns and other sources. Director Selmann explained that having more ratepayers that have access to using lake water for their irrigation needs gives that much more water available for potable use. He believes it makes sense for the City of Moses Lake to be able to deliver the irrigation water, and the City benefits from having more water available for potable and developmental uses without having to acquire more water rights. This could potentially give the ratepayers a lower water bill. Director Selmann believes the MLIRD water right is a massive asset, the key to the long term development of Moses Lake and currently underutilized at this point. He stated they discussed looking at the options more carefully in the spring. Director Selmann stated there is enough potential to see why it would be a huge asset for the development of Moses Lake. President Bailey said he believed it was an excellent meeting with the City of Moses Lake Manager and that there were no decisions made, but he left the meeting knowing the City of Moses Lake is building there engineering department and not to expect any quick answers; however, the City is willing to look at different options from a staff level. President Bailey believes that was a tremendous win overall.

EXECUTIVE SESSION

The Board went into Executive Session at 7:55 PM to discuss with legal counsel pending litigation as it relates to the Hansen litigation and potential litigation in the form of risks of a proposed action as it relates to equalization and/or assessments and issues raised by the City of Moses Lake and Grant County. Possible action may be taken after Executive Session. The expected time was 20 minutes, and the Board was to return approximately at 8:15 PM. After the Board is through with Executive Session, it was noted that the Board would be going back into the Equalization Session.

At 8:15 PM, President Bailey extended Executive Session 10 minutes. The Board was to return to Regular Session at approximately 8:25 PM.

The Board entered back into Regular Session at 8:25 PM.

The Board decided to suspend the Regular Meeting and continue after the Equalization Meeting was adjourned

WORKSHOP/DIRECTOR QUESTIONS and/or COMMENTS cont.

Director Selmann made a motion to adopt the 2021 assessment rate at \$0.80 per thousand of assessed value. Legal Counsel Brian Iller stated 25% of which would be for RCW 87.84 and 75% of which would be for RCW 87.03. Director Selmann restated his motion to limit the 2021 assessment rate to \$0.80 with \$0.25 under RCW 87.84 and \$0.55 under RCW 87.03. Director Foster seconded the motion. Director Foster stated that would give General Manager Chris Overland a budget of \$1.8 million, which is more than what has been spent in the last couple of years. General Manager Chris Overland’s goal is to be able to drop the 2021 assessment rate even lower than \$0.80 per thousand of total assessed value after the 2021 budget is completed. Legal Counsel Brian Iller stated there is nothing that would prevent the Board from dropping the 2021 assessment rate later on if it decided it does not want to assess at \$0.80 per thousand of total assessed value. Legal Counsel Brian Iller stated this is the issue the County seems to have raised, and he stated he is going to ask if the County has any authority for it because he is not aware of any. The motion carried unanimously.

Director Foster stated there is no MLIRD Election this year and that the Board would still be meeting the second Tuesday of the month. He asked if General Manager Chris Overland would have a 2021 Draft Budget for the Board to review, who stated he would have it ready for review come next month.

Vice President Teals asked if there was an update on Jeremy Nolan, who spoke with the Board a couple of months ago on obtaining access from MLIRD parcel near the Moses Lake North Dam. President Bailey stated he believes Jeremy Nolan knew it was going to be a long process and that it was up to him to get things going. MLIRD has not had any communications with Jeremy Nolan since he last attended a board meeting.

ADJOURNMENT

The meeting was adjourned at 8:44 PM.

Bill Bailey, President

Richard Teals, Vice President

Kris Dexter, Director

Kaj Selmann, Director

Jeff Foster, Director

By: _____
Secretary to the Board of Directors