

CALL TO ORDER

At 7:04 PM, President Bailey called the November 14, 2023 Regular Board Meeting of the Moses Lake Irrigation and Rehabilitation District to order. The record shows President Bailey, Vice President Teals, Director Perry, Director Dexter, Director Ketterer, and Legal Counsel Brian Iller were present. The record indicates that this meeting was recorded.

DISCUSSION OF AGENDA ITEM(S)

President Bailey called for discussion on any agenda items, and Russ Torrison asked to discuss agenda items.

DISCUSSION OF NON-AGENDA ITEM(S)

President Bailey called 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 Perry made a motion to approve the agenda as written. Vice President Teals seconded the motion. The motion carried unanimously.

APPROVAL OF CONSENT AGENDA

President Bailey called on the board members to approve the consent agenda. The consent agenda consisted of the meeting minutes from the 10/10/23 Regular Meeting, the Bills/Checks (#18979-#19015), and Voucher #1000266, totaling \$79,093.40. Director Perry made a motion to approve the consent agenda as written. Vice President Teals seconded the motion. President Bailey abstained from voting on anything related to Basin Property Management. The motion carried unanimously.

EXECUTIVE SESSION

The Board went into Executive Session at 7:10 PM to discuss with Legal Counsel potential litigation in the form of the legal risks of a proposed action or current practice as authorized by RCW 42.30.110 (1)(i)(iii). The expected time was 15 minutes, and the Board was to return approximately at 7:25 PM. Legal Counsel Brian Iller indicated that further action is expected after Executive Session.

The Board entered back into Regular Session at 7:25 PM.

PUBLIC COMMENT ON ASSESSMENT METHODOLOGY

President Bailey recognized the Board had received Russ Torrison's letter addressed to the MLIRD Board of Directors, and President Bailey believed Mr. Torrison was not adverse about anything.

Russ Torrison 3107 W Lakeside Drive, re-emphasized that asserting that because he lives on one side of the street versus the other that he should pay a 350% premium to the family across the street is extremely prejudicial and wrong. The Board of Directors are asking roughly 1,400 parcel owners to carry the weight of the other approximately 11,000 parcels. He stated that someone at the last Regular Board meeting told him he was very fortunate and should be grateful to live on the lake and that it is a great

benefit to him. He said what if his “thing” was “basketball” and wanted to have a house across the street from a park with a basketball hoop. He asked who is to say what value and benefit is where. He asked the Board to be careful with asserting that waterfront property owners have a special benefit and that it would be a tough argument to make in front of a judge, court, or arbitrator. Mr. Torrison stated he felt the rehabilitation budget needed to be distributed more evenly across the 11,000 parcels.

Neal Welbourne with Welbourne Geographic Services clarified that the 5 points for the waterfront parcels in the District is not a multiplier compared to the parcel across the street. All of the points are equally distributed with a weighting of the points that equate to approximately \$34.72 a point. If one parcel changes, the whole 11,313 parcels must be recalculated. Mr. Welbourne also stated he analyzed approximately 2,000 irrigation and mosquito districts around the country that have assessments. The challenge Mr. Welbourne asked is if property owners would still live on the waterfront if the lake did not exist, would the value of the property still be the same if the lake did not exist, and would the community still be the same if the lake did not exist. Russ Torrison stated he has lived on lakefront properties his whole life and is not willing to not live on a lake. He said he only struggles with the assertion that his benefit is much greater than the properties across the street from him. He does not believe that is the case. He also stated the Grant County assessed tax values just came in the mail and is assured that he is being heavily penalized for living on the lakeside of the street versus the other side of the street with the taxes he is going to pay in 2024.

Roger Grant, 2595 Westshore Drive, said as he has listened in on the last few MLIRD Regular Board meetings and said the issue being discussed is the benefits of the lake itself, and he truly believes there is a benefit to living on the lake. He stated that is why he is here. The MLIRD assessment is not based on the what the benefit the property gets of the MLIRD, not the lake itself or what great benefits you, or I get out of it; it is what benefits the MLIRD has out of that piece of property that he happens to own. The assessment shouldn't have anything to do with the recreational part of the lake or anything else. The assessment itself is to help the lake grow, get cleaner and continue to get better. The MLIRD benefit of his property being on the lake or across the street has nothing to do with the recreational value of the property or why he happened to buy it. He looks at it like what value does his property have to MLIRD versus the guy across the street. He is all for the betterment of the community; however, agrees with Mr. Torrison that the points need to be more evenly spread out between all of the parcels.

Mr. Torrison stated the \$450 assessment isn't going to break him, he said it is the principle of carrying what feels like an unjust load relative to the neighbors across the street, several of whom have boats in their driveway and use the boat launches every evening in the summertime.

Vice President Teals stated if a parcel is in the District and on the waterfront, the parcel has irrigation water to use. A parcel across the street does not have that access. Mr. Torrison stated that was not a true statement as he said a parcel across the street can get an easement through a waterfront parcels yard in order to irrigate. Legal Counsel Brian Iller stated it would be a little more complicated than that; it would be a private condemnation action and Mr. Torrison would receive fair market value of the easement. President Bailey noted that there are a few subdivisions that are served with irrigation water and they all will be charged the irrigation assessment. Legal Counsel Brian Iller stated he wanted everyone to understand that statute RCW 87.84.070 states “(1)(a) The directors of the district shall annually determine the amount of money necessary to carry on the rehabilitation operations of the district and shall classify the property therein in proportion to the benefits to be derived from the rehabilitation operations of the district and in accordance with such classification shall apportion and assess the several lots, blocks, tracts, and parcels of land or other property within

the district...etc.” Legal Counsel Brian Iller stated he was correct that it was not like property taxes; however, the MLIRD Board is directed to go by what the statute is as best they can. Everyone will have a different opinion as to what value and benefit is, but the Board has to make determinations and class the properties which is what this point system does. The point system estimates the benefits and compares the benefits from the different classes. The point system is based on the benefits to the properties, not the property owners so the Board is not tasked with deciding whether or not the property owners values basketball more than water sports, or whether the property owner uses the lake or doesn't use the lake. Legal Counsel Brian Iller said it is not a simple calculation or consideration and believes everyone has made fair points for the Board of Directors to consider as they decide what to do or not to do in regards to the current assessment methodology. All the Board of Directors can do is take the best information it can gather and listen to the publics comments and concerns and make the best decision they can to be fair and equitable in classifying the properties in proportion to the benefits of each property.

Peter Staudenraus, 2600 W Marina Drive, Apt. 1, wanted to know what his assessment money for 2024 was going to go towards. Legal Counsel Brian Iller stated every Board meeting is open to the public to listen and learn exactly what the District does and will be doing for 2024 and gives the public a chance to add their input.

Roger Grant mentioned that homes that are worth \$2 million and homes that are lower in cost on the same size of lot will be paying the exact amount in assessments which may hurt the lower cost homes that are living on a tighter budget. He asked if the Board had taken that into account. Legal Counsel Brian Iller agreed and stated the District was sued for exactly the flipside because that is how the assessments for the rehabilitation activities in the District were. Prior assessments were \$1.00 per thousand of the total assessed value of the property and the court said the District was not allowed to continue to assess that way. The legislature changed the RCW to use the current method which follows the Grant County Mosquito District and is based on the benefits to the property and how the activities benefit the property and is not based on the size of house that sits on the property.

President Bailey mentioned there was a motion that was tabled at the October 10, 2023 Regular Board meeting. The tabled motion from last month made by Director Dexter who motioned to adjust the point system for the waterfront residential property owners to 3 points for the parcel being a waterfront residential property, 1 point for the parcel being in the District, and 1 point for the parcel being 0-1 acres for a total of 5 points. Vice President Teals made a motion to take the tabled motion off the table for discussion. Director Perry seconded the motion. The motion carried unanimously. Discussion on the motion then took place.

Vice President Teals stated he is not in favor to adjusting the point system and thinks there are so many benefits that a property on the lake receives versus a property that is not on the waterfront. There are many intangible benefits such as being able to irrigate from the lake saves the property owners hundreds of dollars. He stated he is not sure if five is the number the District needs to stay with; however, knows the District needs to have more than 3 points for the waterfront residential properties.

Director Perry stated the question had been asked of what benefits the waterfront property owners get from MLIRD's operations and to him, one of the major benefits is having the lake a lot cleaner than it might be otherwise. How that occurs is the District has maintained exceptionally good relations with the Bureau of Reclamation whose main role is to supply irrigation water to the farmers in the Columbia Basin. The Bureau has no responsibility to do anything with Moses Lake or any of the problems that might occur. However, because of the Districts relationship and continuing

good communication with the Bureau, they have seen the issues that the District has with the Blue-Green Algae and have said whenever it is possible, they will run irrigation water through Moses Lake to help dilute the algae. He thinks the benefits of living on the lake are large. Another benefit he stated was direct access to the lake and he believes that warrants a reasonable charge for what MLIRD does.

Director Dexter stated he wanted to review a part from the study written by Heather Sawyer, PhD and Kyle Mullen, MA titled "A Baseline Assessment of the Economic and Social Values of Moses Lake, Washington." The study states "The most recent available full year of data is from 2019 for houses sold on the lakefront in Moses Lake. The average 2019 sale price was \$423,532. The Grant County Assessor's office during 2019 and the rest of Grant County stated the total median resale value of the homes was \$226,200. The limited 2020 data shows lakefront home sale price increasing meaning the economical and cultural importance of the lakefront is alive and well." He stated what this study shows is a two to one ratio over the whole Grant County. He believes rather than have five points for the total for the waterfront residential properties, the Board should be considering 4 points total and 2 points for the non-waterfront residential properties based on the study quoted above. He also mentioned the list that was provided from Director Perry at the Special Board Meeting yesterday on November 13, 2023 of the MLIRD benefits for homes that are on the waterfront and stated he believes the benefits listed are benefits that the whole county and state gets when they visit Moses Lake without having to pay for MLIRD assessments.

Director Perry stated he understands Director Dexter's argument; however, his impression that was just pointed out again is that MLIRD can not use property values because the Court of Appeals and legislature said it was not allowed any longer. MLIRD's assessments have to be equitable based and it is what the Board is trying to do. Director Perry mentioned that someone who travels to Moses Lake from any area in the State of WA does not have to pay the MLIRD assessments; however they have to pay for the cost of traveling to and from Moses Lake just to use the lake and waterfront property owners do not have to do any of that to receive any benefits from the lake.

Vice President Teals also mentioned the irrigation portion again. He stated he gets water from the City of Moses Lake to do all his household activities that costs him approximately \$300 a year and his neighbor across the street who must pay the City of Moses Lake for irrigating native plants and his household activities has to pay approximately \$600 a year and has half as much smaller property than he has. Another neighbor of his who lives across the street who must pay the City of Moses Lake for irrigating a small lawn and his household activities must pay approximately \$670 a year.

Director Dexter said the assessment being discussed right now is the rehabilitation assessment and not the irrigation assessment. He stated everyone in the community is qualified to use the lake and benefit from the lake just as anybody else whether they are in the District or not. He does not believe the District needs to put one class of people 350% more than the rest of the classes for the same size and is the reason why he went to the economical value of two to one which would be 100% more and even with a three to one ratio it is more like 150%. He feels that lowering the waterfront residential property owners points would make it so everyone gets a similar benefit. Director Dexter stated it is true that the waterfront property owners get more of a benefit but if they're paying five points versus two points they're paying for it. He feels that 7 points total for the waterfront residential property owners is outrageous and believes it might cause problems for the District and for Moses Lake.

President Bailey stated he has listened to discussions for quite a while at the last multiple Board meetings and appreciates everyone that has commented and he has continually heard the three to one ratio when comparing the waterfront parcels to the non-waterfront parcels. He stated at seven points total; five points for the parcel being a waterfront residential property, 1 point for the parcel being in the District, and 1 point for the parcel being 0-1 acres, makes the ratio a three and a half to one. At five points total; three points for the parcel being a waterfront residential property, one point for the parcel being in the District, and one point for the parcel being 0-1 acres is actually a ratio of two and a half to one. President Bailey stated he wants everyone to understand that MLIRD and Mr. Welbourne with Welbourne Geographic Services has spent the last ten months trying to make the assessments simple, understandable, and as fair as can be determined.

President Bailey suggested the Board compromise and possibly amend the motion to changing the waterfront residential properties to six points total; four points for the parcel being a waterfront residential property, one point for the parcel being in the District, and one point for the parcel being 0-1 acres which would make the ratio a three to one. The District has to start someplace. Legal Counsel Brian Iller suggested that instead of amending the motion, it may be simpler to vote on the existing motion and then make a new one if the Board chooses too. President Bailey repeated the existing motion made by Director Dexter is to adjust the point system for the waterfront residential property owners to 3 points for the parcel being a waterfront residential property, 1 point for the parcel being in the District, and 1 point for the parcel being 0-1 acres for a total of 5 points. President Bailey called for the question. Director Dexter voted in favor of the motion. Vice President Teals, Director Perry, and President Bailey voted against the motion. Director Ketterer abstained from voting on this particular motion. The motion was defeated.

President Bailey asked if any other Board Members were interested in making another motion. Director Perry stated based on all the discussions that were had at the last multiple Board meetings, he agreed with the suggestion to lower the rehabilitation assessment. Director Perry made a motion to lower the waterfront residential properties to six points total; four points for the parcel being a waterfront residential property, one point for the parcel being in the District, and one point for the parcel being 0-1 acres. Vice President Teals seconded the motion.

Discussion was then had on the motion.

Director Ketterer noted that in lieu of being sworn in less than 24 hours ago, there has been a lot of work that has been done by the Board, by the MLIRD staff, by MLIRD's legal representation, and a lot of good points by the constituents of the District; however, he has not been privy to the education, research, executive session, and the legal guidance, nor has he had the opportunity to vet any concerns, pros, or cons from his neighbors within the District regarding the MLIRD assessment methodology and is the reason he is abstaining from voting on the motion. Director Ketterer stated his intent as a servant of the District is to participate in the research and the executive sessions moving forward and to vet and feel any concerns and information from the constituents of the District.

Director Dexter made a motion to amend the motion to lower the waterfront residential properties to four points total; two points for the parcel being a waterfront residential property, one point for the parcel being in the District, and one point for the parcel being 0-1 acres. The motion to amend the current motion died for a lack of a second.

President Bailey called for any further discussion on the current motion.

Vice President Teals stated there will be approximately a \$1.00 difference in the cost per point with the seven points total for the waterfront residential parcels being changed to the 6 points total for the waterfront residential parcels. He believes the assessment is more fair for the parcels on the waterfront to pay a little more for their assessments.

Director Dexter stated he believes that the six points total for waterfront residential parcels is better than the seven points total; however he personally feels the total number should be four points. He stated everyone uses the lake, there is noise coming from the lake from boaters, and anybody can enjoy the lake, and all of a sudden it is being pinned on the waterfront residential property owners and believes it to be excessive and arbitrary.

Director Perry agreed that everyone enjoys the benefits of the lake; however, only the waterfront parcel owners have direct access to those benefits whenever they please and everyone else has to take some action on their own in order to take advantage of those benefits. Therefore, he feels that the assessment of four points for the parcel being a waterfront residential property, one point for the parcel being in the District, and one point for the parcel being 0-1 acres, which involves the benefits that have been discussed is appropriate.

President Bailey restated the motion for clarity "Director Perry made a motion to change the waterfront residential points from five points to four points, in addition to the two points for the parcel being in the District and the parcel being 0-1 acres for a total of six points.

President Bailey called for the question. Vice President Teals, Director Perry and President Bailey voted in favor of the motion. Director Dexter voted against the motion. Director Ketter abstained from voting on the motion. The motion carried.

Neal Welbourne with Welbourne Geographic Services confirmed that the motion had passed and stated he would start updating the rehabilitation assessment methodology with the newly approved points for the waterfront residential parcels. Mr. Welbourne also stated he is available anytime for the newly appointed Board member, Mr. Ketterer, to answer any questions he may have to keep the process as transparent as possible for him to understand the assessment methodology calculation. He stated there was a lot of research done to get to this point for the assessment methodology and Mr. Ketterer can call or email Mr. Welbourne at anytime to go over everything.

MLIRD STAFF REPORTS

Interim Manager Beth Yonko reported the following:

- Lake elevation on November 14, 2023 was 1043.31.
- Connelly Park has been winterized and repairs are taking place while the park is shut down for the season.
- The City of Moses Lake has shut off the water to the Parker Horn Pump Station and has been winterized.

ACTION ITEMS

Director Dexter made a motion to accept and start the process for the Petition for Addition of Lands to Moses Lake Irrigation & Rehabilitation District Pursuant to RCW 87.03.560 owned by Charles and Barbara Hornaday – Parcel #161736000. Vice President Teals seconded the motion. The motion carried unanimously.

Vice President Teals noted that there have been multiple property owners recently that have joined the District, especially in McConihe Flats because

they understand the importance of how their property is enhanced and having access to irrigation water. He stated the Board of Directors encourage property owners to join the District and is a perfect example of how property owners in the McConihe Flats that have joined the District in the last few years.

RESOLUTIONS

Resolution 2023-004 – Land Petition

Director Dexter made a motion to approve Resolution 2023-004 – Land Petition for parcels #314248000 owned by Cherie M. Harris and #121126008 owned by Jeffrey Earl & Rebecca Earl. Director Perry seconded the motion. The motion carried unanimously.

Director Dexter stated he believed one of the reasons why these two parcels are probably joining the District is so the property owners can legally irrigate their properties from the lake because property owners have been irrigating from the lake illegally.

WORKSHOP/DIRECTOR QUESTIONS and/or COMMENTS

Vice President Teals thanked the audience for coming and stated the MLIRD Board of Directors strive to do the right thing and strive to make the Moses Lake as good of a lake as it can be.

Director Perry stated he appreciated all of the audience members that took the time to state their opinions. The MLIRD Board does listen and consider the ideas and believes having audience members is a positive thing.

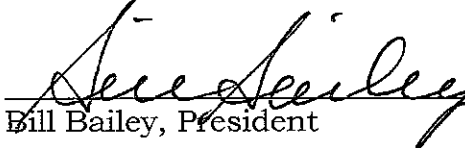
President Bailey stated everyone has the opportunity to be a part of the Board for MLIRD and to see the community and water quality continue to be as good as it is and improving for the better. He stated the water quality has changed greatly for the better since the 1970's.

Director Dexter thanked the audience for coming and commented that he sincerely wishes the audience will consider being a Moses Lake Irrigation and Rehabilitation District Director. He stated it is not that hard and is a lot of fun because learning about the lake, and what the Board can do to make the lake better because it benefits economically for Moses Lake and Grant County tremendously. He believes it benefits by 15-20% and its easy that the District is doing it so that it is not a \$500 million deal by keeping the lake better quality. It is a big money thing to have a nice lake and the Moses Lake community gets to enjoy it.

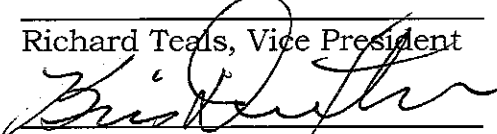
Russ Torrison acknowledged that the Board of Directors are all volunteers and does not mean to beat up on anyone personally or as a group. He appreciates the effort the Board puts into Moses Lake and also appreciates the “nudge” from 5 points to 4 points for the waterfront residential parcels.

ADJOURNMENT

The meeting was adjourned at 8:36 PM.


Bill Bailey, President

Richard Teals, Vice President


Kris Dexter, Director

Chuck Perry
Chuck Perry, Director

Joe Ketterer
Joe Ketterer, Director

By: Beth York
Secretary to the Board of Directors