

CALL TO ORDER

At 7:00 PM, Chairman Foster called the March 08, 2016 Regular Board Meeting of the Moses Lake Irrigation and Rehabilitation District to order. The record shows that all Board of Directors was present, as well as General Manager, Chris Overland and Legal Counsel, Brian Iller. 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 nothing was brought forward.

APPROVAL OF THE AGENDA

Chairman Foster added to Executive Session to discuss with Legal Counsel, Brian Iller the legal risks of a proposed action and/or current practice as it relates to water rights, contracting, repairs or replacements and union negotiations. Chairman Foster also added to the agenda to discuss communications with Gilbert Law Firm regarding Curt Carpenter's settlement. Chairman Foster then called on the board members to approve the agenda as amended. Director Perry then made a motion to approve the agenda as amended. Director Dexter seconded the motion. The motion was then 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 regular meeting minutes from 02/09/16, the Bills/Checks (#15457 - #15498) and Vouchers (#1000156 - #1000158) totaling in \$87,999.16. Vice Chairman Bailey made a motion to approve the consent agenda and abstained from voting on any items related to Basin Property Management, Inc. Director Dexter seconded the motion. Director Perry abstained from voting on item 3. a. of the consent agenda as she was not present for the 02/09/16 Regular Board Meeting. The motion was then carried unanimously.

MLIRD STAFF REPORTS

General Manager, Chris Overland reported the following:

- Lake elevation was at 1043.49 feet as of March 08, 2016.
- 1000 CFS is drawing from the Potholes Reservoir according to USBR
- The I-90 culvert project is 75 percent finished. As an FYI, the dimensions of the culverts are 72 inches wide by 44 inches high. The culverts by design were never round.
- The requested Pelican Horn Carp Barrier has been placed for the season. General Manager, Chris Overland has been told that particularly after weed treatments, the Carp Barrier may blind over so we'll need to monitor it. General Manager, Chris Overland said that the Carp Barrier is probably going to be redesigned next year.

- The current MLIRD shop location is near Animal Crackers Dog Grooming and Broadway Animal Hospital and is fairly congested with restricted space. General Manager, Chris Overland has been told that if the MLIRD shop blows a breaker, it can create issues with neighboring businesses and as such poses a potential liability to MLIRD. The current shop appears to be 2,500 to 2,700 square feet. The useable area outside the current shop is approximately .10 to .15 of an acre. The shop being proposed offers 7,500 square feet and is on a one plus acre parcel. The new shop lease will be twice the amount of what the current shop lease is, however the new shop has more to offer MLIRD. General Manager, Chris Overland is advocating to get MLIRD into a different shop that will better protect assets and get employees out of the weather when doing equipment and vehicle maintenance.
- The Oquawka Barge Work Boat motors need to be replaced. The powerhead and lower unit assemblies on both motors are damaged beyond any reasonable cost to repair. Replacing the motors, plus the cost of other vessel repairs will cost approximately \$50,000. General Manager, Chris Overland has also been informed that, the motor on the Chief Boat is not far behind, as it relates to motor issues. The two Suzuki motors came with the Oquawka Barge Work Boat in 2009. Other motors were looked at recently, but the Suzuki was said to be more suitable for what we do. Vice Chairman Bailey asked if General Manager, Chris Overland had talked to any other vendors about overhauling the motors. General Manager, Chris Overland said he has not spoken with anyone else at this time, but indicated that the shop where the Barge is located is an authorized Suzuki dealer and repair shop. Vice Chairman Bailey also wanted General Manager, Chris Overland to consider looking into seeing if lower horse power motors would work, as they would be less expensive. General Manager, Chris Overland said the Oquawka Barge Work Boat is primarily used in the dredging operations and to move the Fountain and will need to be back up and running around June of this year. Vice Chairman Bailey also suggested General Manager, Chris Overland talk with the Oquawka Barge Work Boat manufacture.
- A Port of Moses Lake representative has examined the spoils at the dredge site and thought the spoils were extremely fine material and told General Manager, Chris Overland that they would take some if MLIRD would provide the transportation of the spoils. General Manager, Chris Overland said that some of the spoils need to be moved soon so that the pile is manageable for this dredging season. General Manager, Chris Overland has quotes from Tommer Construction and North Central Construction to have 25,000 cubic yards of spoils moved to Connelly Park. Tommer Construction was \$118,000 and North Central Construction was \$207,750. General Manager, Chris Overland then showed areas where the dredge spoils could be placed at Connelly Park. Vice Chairman Bailey said that it might be half the price to have the spoils hauled to the Port of Moses Lake. General Manager, Chris Overland said that the Port of Moses Lake had mentioned contractors need to be trained and have a security badge to gain access to the Port of Moses Lake. Tommer Construction is qualified to do so at this time. Director Teals believes that it is pretty much the same distance whether the spoils are hauled to Connelly Park or the Port of Moses Lake. Director Teals would like to know why MLIRD could not haul the spoils to Connelly Park and dump them where there used to be a gravel pit. Other directors did not agree because of having to keep the spoils watered down to keep it from blowing away. Director Dexter asked if anyone could come in and haul some of the spoils away since MLIRD currently believes that the spoils have little to no market value. Chairman Foster said he doesn't think MLIRD would have any luck with putting a sign on the spoils indicating "free, come and

get it”, nor can MLIRD do so until they determine the spoils have no value. Legal Counsel, Brian Iller added that they would discuss this topic in Executive Session.

- Both dredge pumps are being rebuilt for approximately \$45,000.
- MLIRD staff is about to begin relining the bottom of the secondary pond and indicated that the roadwork around the ponds at the dredge site is nearing completion.
- Financial commitment has been made for 800 feet of dredge discharge pipe for approximately \$20,000.
- The dredge permit renewal is still underway. The permit renewal still has steps to finish which include a 30-day notice with the city, the filing of comments, scheduling a hearing and the issue notice of hearing with the Department of Ecology, which has a maximum of 30 days.
- MLIRD advertised for Request for Proposals (RFP) and later went out to bid for the Connelly Park Center Strip Irrigation System and received interest from four contractors. Since the Connelly Park Center Strip Irrigation System is a public works project, WA state law requires it to go out for bids. After the bidding process, MLIRD awarded the contract to Minitani Landscaping. Director Dexter said that the Connelly Park Center Strip has always been a pain to deal with and suggested we do a “desert look” with just the trees and adding some basalt rocks. General Manager, Chris Overland said that you would still need some level of an irrigation system for the trees. General Manager, Chris Overland also said that the well does not need to be putting out 90 PSI when it is that far up a hill, concluding that throughout the system there is already systematic issues that need to be dealt with. Chairman Foster added that MLIRD has already awarded the bid, the project is underway and that if this system fails, then the landscaping can be reconsidered.
- Lakeshore Cleanup Clean-Up is March 12, 2016 at 9:00 AM at the Moses Lake Fire Station #1.
- Chairman Foster wanted the discussion brought up about Mr. Penhallurick contacting General Manager, Chris Overland about possibly using MLIRD loading equipment for use in loading dredge spoils for personal use. Chairman Foster has said no to the idea as that would be gifting the District’s assets. General Manager, Chris Overland said that Mr. Penhallurick was waiting to hear back from him for an answer. Legal Counsel, Brian Iller did not want to give legal advice in an open public meeting so they were to add this topic for discussion in Executive Session. Director Teals added that one way MLIRD could be rid of the pile would be just to have it hauled to Connelly Park. Chairman Foster added that both Landlords have given MLIRD written consent that they currently are not interested in the dredge spoils.
- Vice Chairman Bailey asked if General Manager, Chris Overland had given any thoughts on the effect the weeds in Moses Lake will have this year due to the colder weather this past winter. General Manager, Chris Overland said that Lakeland Restorations, LLC sprayed 14.5 acres of shoreline for the dryland treatment that was talked about at the last meeting. This will give MLIRD the chance to examine Lakeland Restoration’s efficacy of their dry land treatment before the water rises each year. Vice Chairman Bailey said he was referring more along the lines about the freezing weather that has occurred and if it will slow some of the weeds down this year.
- Vice Chairman Bailey also asked if General Manager, Chris Overland had looked into other prices of chemicals at other local vendors to compare prices. General Manager, Chris Overland said that he had all the chemicals MLIRD used last year priced at two other local suppliers. The price difference between suppliers was about \$10,000 in chemical costs. General Manager, Chris Overland

believes it may be worthwhile to get applicators to bid with chemicals and without chemicals.

EXECUTIVE SESSION

The Board went into Executive Session at 8:05 PM to discuss with legal counsel the legal risks of a proposed action and/or current practice as it relates to MLIRD water rights, equipment repair or replacement, dispensing with dredge spoils, and building lease as authorized by RCW 42.30.110(1)(i)(iii) and negotiation of the MLIRD Union Contract as authorized by RCW 42.30.140(4)(b). Legal Counsel, Brian Iller indicated that there may or may not be further action taken as a result of the discussion in Executive Session. The expected time was 25 minutes, and they were to return to Regular Session at 8:30 PM.

Chairman Foster entered back into the room at 8:30 PM to extend Executive Session another 15 minutes. They were to return to Regular Session at 8:45 PM.

Chairman Foster entered back into the room at 8:45 PM to extend Executive Session another 10 minutes. They were to return to Regular Session at 8:55 PM.

Chairman Foster entered back into the room at 8:55 PM to extend Executive Session another 10 minutes. They were to return to Regular Session at 9:05 PM.

The Board entered back into Regular Session at 9:05 PM.

The proposed terms of the shop lease were then discussed. Vice Chairman Bailey said that it is very common that there is a provision that allows early terminations on leases. Vice Chairman Bailey moved to instruct General Manager, Chris Overland to pursue the shop lease for a total of 5 years and within the lease there needs to be a provision for early termination instituted by MLIRD. The negotiated contract will then be brought back to the board for approval. Director Dexter seconded the motion. The motion was then carried unanimously.

ACTION ITEMS

The previous year's actual costs and the proposed 2016 budget was then reviewed and discussed. General Manager, Chris Overland explained that the only significant amount of money that is not accounted for in the 2016 proposed budget at that moment was money for the 2016 weed treatments. There was only \$10,000 budgeted in the weed treatment program for the 2016 survey. Vice Chairman Bailey made a motion to approve the proposed 2016 budget. Director Teals seconded the motion. Chairman Foster announced that as presented at the time the net increase in cash flow for the season is roughly \$380,000. Director Dexter mentioned adding the approximate amount of \$180,000 for weed treatments this year. Chairman Foster added that he supported that change to the budget. General Manager, Chris Overland added the \$180,000 back into the 2016 budget for weed treatments, which increased the total 2016 budget to \$1,588,383. Vice Chairman Bailey and Director Teals were both agreeable in amending the motion to include the additional funds for weed treatments in the 2016 budget. The motion was then carried unanimously.

WORKSHOP/DIRECTOR QUESTIONS and/or COMMENTS

Director Dexter asked if General Manger, Chris Overland had looked into all options for a shop such as how much a building would cost to build

down at Connelly Park or if it was possible. General Manager, Chris Overland replied that it is possible and that he had contacted ALSC Architects out of Spokane, based on the previous work they had done for the District and they thought it was going to be a considerable amount of money just to get something off the ground at Connelly Park. General Manager, Chris Overland also had considered adding something in the back of the current office building but understands that it is a rented/leased property. Director Teals thinks we need to be looking at Connelly Park shortly as it relates to amending the Grant County Growth Management Plan because as it is now, MLIRD cannot build anything at Connelly Park. Chairman Foster said that this is a multifaceted discussion that needs to happen over a period of months and nothing to rush into. Director Teals believes that next year we should have the Grant County Growth Management Plan amended so that MLIRD has possibilities, whether or not anything happens within that year, should opportunities arise. Vice Chairman Bailey agreed to analyze the issue with General Manager, Chris Overland and get back to the Board when they have more information in the July – August range.

Communications with Gilbert Law Firm regarding Curt Carpenter’s Settlement was then discussed. Legal Counsel, Brian Iller said Mr. Gilbert was complaining about the W-2 tax treatment of the settlement amount to Mr. Carpenter. As it was discussed last month, the District followed the IRS guidelines and apparently Mr. Carpenter and his lawyer Mr. Gilbert are both unhappy. Legal Counsel, Brian Iller sent Mr. Gilbert the IRS documents that the District relied on and his email back was “oh, well we did segregate the settlement amounts”. So Legal Counsel, Brian Iller sent Mr. Gilbert a copy of the executed settlement agreement, and he has not heard back from them. Chairman Foster mentioned that it probably isn’t the last time Legal Counsel, Brian Iller will hear from them and that himself and Legal Counsel, Brian Iller are both confident that the agreement says what it says. He also said that it is unfortunate that there may have been some misunderstanding on their end.

ADJOURNMENT

The meeting was adjourned at 9:13PM.

Jeffrey B. Foster, Chairman

Bill Bailey, Vice Chairman

Mary Perry, Director

Kris Dexter, Director

Richard Teals, Director

By: _____
Secretary to the Board of Directors

Transcribed By: _____