

CALL TO ORDER

At 7:00 PM, Chairman Foster called the December 13, 2016, Regular Board Meeting of the Moses Lake Irrigation and Rehabilitation District to order. The record shows that all Board of Directors except Director Teals and Director Perry were present. 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? Legal Counsel, Brian Iller stated that a change to the agenda to note that the Executive Session will be to discuss the legal risks of a purposed action of a current practice as it relates to the assessment basis as authorized under RCW 42.30.110 (1)(i)(iii). Legal Counsel, Brian Iller also wanted to add as a possible action item discussion on the assessment basis after Executive Session.

Vice Chairman Bailey asked to add to the action items, an offer for an improvement at Connelly Park by the Rotary Club of Moses Lake.

APPROVAL OF THE AGENDA

Vice Chairman Bailey moved to approve the agenda with the addition of items in Executive Session and the two action items. Director Dexter seconded the motion. The motion was then carried unanimously.

APPROVAL OF CONSENT AGENDA

Chairman Foster called on the board members to approve the consent agenda. The consent agenda consisted of the meeting minutes from 11/08/16, the Bills/Checks (#15892 thru #15935) totaling \$137,278.02 and Voucher #1000183. Director Dexter made a motion to approve the consent agenda. Vice Chairman Bailey seconded the motion. Vice Chairman Bailey abstained from voting on any items related to Basin Property Management, Inc. The motion was then carried unanimously.

MLIRD STAFF REPORTS

General Manager, Chris Overland reported the following:

- Lake elevation was at 1041.76 feet as of December 13, 2016.
- General Manager, Chris Overland reported that dredge spoils have recently been measured and that information would soon be available. Now that spoils have been measured, spoils will be moving soon.
- Handouts for the Board and visitors were then distributed relating to the dredge dewatering area. General Manager, Chris Overland spoke of ongoing dredging challenges and how operations have been

hampered by effective dewatering, which is currently limited by the size of the site three pond area. The original site footprint showed pond sites one, two, and three where pond three was to be more a finishing pond. General Manager, Chris Overland believes that dredge run time and overall dredge production needs greater water handling capacity. As a lease renewal opportunity approaches, General Manager, Chris Overland would like to explore a possible land purchase of more space for dewatering. He feels owning the parcels would better support MLIRD investments as it relates to future 'maintenance dredging' in upper Parker Horn which amounts to maintaining gains made in upper Parker Horn area by returning to remove sediment as needed. General Manager, Chris Overland favors purchasing property where we are dewatering because, if the property where the dewatering ponds are located is no longer available to lease, the opportunity for maintenance dredging of an area may be lost. General Manager, Chris Overland spoke of beginning conversations with the landowner regarding his parcels and if that doesn't work out for a long term solution, possibly follow up with another owner of parcel #110007008 which is just northwest of the parcels that we are currently using.

General Manager, Chris Overland has also asked Ryan Walker with Grette and Associates to look to see what mechanical dredging might look like for the area that is on the west side of the Alder Street Fill now that the island appears more like a 'peninsula' where access is concerned. General Manager, Chris Overland said that he sees two roles for dredging now that he has some experience with the dredging operations and spoke of an apparent need for 'maintenance dredging' of incoming sediment coming into upper Parker Horn area, which may go on for many years added to a desire to address smaller, more portable projects around Moses Lake and noted that there have been several locations identified by others in the past for future dredging. General Manager, Chris Overland commented that it would likely take smaller, more portable equipment, to get into some of those areas effectively. Consistent with this second role, General Manager, Chris Overland has communicated with a dredging contractor and has shown him video clip examples which illustrate sediment islands on either side of the Alder Street Fill as potential project work. These video clips have also been shared with the MLIRD Board of Directors. General Manager, Chris Overland is working to get a visit where the contractor comes to Moses Lake and believes MLIRD can do more exploring of different dredging concepts and probably get an estimate from him as a contractor, for sediment removal through discussions on his environmental friendly equipment or other ideas he may have to offer.

Chairman Foster asked for more discussion on the dredging and asked what the quantity of material if MLIRD was doing only maintenance dredging might be. Vice Chairman Bailey responded that he thinks the issue is related to what happens with Crab Creek. The maintenance dredging will come after we finished in the Parker Horn area and said that there are a variety of issues. Vice Chairman Bailey feels the first several years that the DNR lets the water come down from Brook Lake through Crab Creek there will be horrendous amounts of silt coming into the Parker Horn area.

Vice Chairman Bailey then spoke of a meeting that took place with General Manager, Chris Overland, Pace Engineers, and Ryan Walker from Grette and Associates in regards to what MLIRD is doing in dredging operations and what MLIRD might do differently for dewatering with different types of equipment that could be used, including a smaller Dredge. Vice Chairman Bailey continued that

mechanical dredging was not talked about a lot at this meeting, as the two immediate problems are, where the dredging operations is at now and where it goes next - which is across to the west side of the Alder Street Fill and that area is not very conducive for access unless MLIRD can come up with a way to get the railroad track. He added we don't know what yet, however, he felt that's a pretty viable option. Plus, if we had permission to use the railway, that may lead to other opportunities. A pumping station was also discussed, pumping the water somewhere else after a rough dewatering then pumps the dirty water someplace else, so there won't be the problem of turbid water going back into Moses Lake directly.

Vice Chairman Bailey said it's important to look at as many potential and possible scenarios and to leave no stone unturned for this immediate portion of dredging. He felt the consensus probably is that either change what we are doing on the site currently being used or run the waste-water someplace else. Chairman Foster said that he was picturing a line of railcars moving south or west with the dredge, down from of Crooks place or following the dredge in that direction and we need to crunch the numbers as far-fetched as that might be, he felt it would be important to look at the cost of moving the silt material via the railroad rather than owning the land where the settling ponds are located. Director Dexter asked how the muddy water would stay inside the railroad cars. Vice Chairman Bailey said there are waterproof cars, but we are still going to have to deal with more water than we can handle. So some kind of pumping system and pump it up the right away and dispose of it in several places that might be available. He feels the railway would be an attractive option for MLIRD, and added the Laguna area might be a totally different situation because the possibility of being able to pump water out onto the ground in the sand dunes area and that could be an option that hasn't been talked about before. However, that's in the future, and Vice Chairman Bailey said that right now MLIRD is trying to deal with the most immediate situation.

Vice Chairman Bailey is interested in hearing from the contractor that General Manager, Chris Overland has had contact with to see what the contractor has to say about mechanical dewatering. Vice Chairman Bailey said considering contracting the work out is something MLIRD has to look at. Director Dexter referred to site three on the handout and asked if that parcel is available to be purchased? General Manager, Chris Overland said he had not yet asked about purchasing that parcel, but it has been on a year to year lease in the recent past. General Manager, Chris Overland commented that an annual lease renewal requirement makes our risk a little shaky for the scope of that project. Director Dexter, asked is the dredging operations going to need that land for the long term? Director Dexter felt that it would be good to have the land. General Manager, Chris Overland added if MLIRD purchased the two parcels the dredging operations would be in good shape for the future of 'maintenance dredging' in upper Parker Horn, depending on the cost of the land. Vice Chairman Bailey spoke on the concerns of how the City of Moses Lake is going to look at long term project in Parker Horn. There are a lot of things that need to be analyzed. Vice Chairman Bailey added, he thinks what is being discussed won't be for the 2017 year but maybe for 2018. Chairman Foster, asked the question of where would MLIRD move the sediment to and Vice Chairman Bailey responded, maybe with the railroad out by the base somewhere. Chairman Foster cautioned General Manager, Chris Overland on the talks about the purchase of the land until there is more known and advised General Manager, Chris Overland to look into a five-year lease on the land.

- Financials are a little over 75% of the budget. General Manager, Chris Overland is working on the 2017 budget and is almost complete and is waiting for the December data then will finalize it. The new budget should be ready to present to the board at the January meeting.

EXECUTIVE SESSION

The Board went into Executive Session at 7:20 PM to discuss with Legal Counsel potential litigation regarding risks of current practices as it relates to assessment basis as authorized by RCW 42.30.110 (1)(i)(iii). The expected time was 15 minutes, and the Board was to return at 7:35 PM. 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 Board entered back into Regular Session at 7:35 PM.

ACTION ITEMS

- Vice Chairman Bailey reported that the Moses Lake Rotary Club President approached him with a Connelly Park improvement project that the club is interested in doing. The Moses Lake Rotary Club would like to donate construction of a “gazebo” as a covering for picnic tables for public use. Vice Chairman Bailey reported that the Rotary Club is considering about \$16,000.00 and the Rotary Club would complete the work themselves. Both Chairman Foster and Director Dexter were supportive of the idea. Director Dexter moved that Vice Chairman Bailey coordinates with the Moses Lake Rotary Club for this project. Vice Chairman Bailey seconded the motion. The motion carried unanimously. Vice Chairman Bailey said that he along with General Manager, Chris Overland would work together to find the best location at Connelly Park for the “gazebo.”
- General Manager, Chris Overland reported to the Board of Directors on a categorization of estimated 2017 expenses in a report titled, “Report to Board on Categorization of Estimated 2017 Expenses”, which underlines and adds emphasis to RCW 87.84 as related to Connelly Park. RCW 87.84 is the Rehabilitation and Recreation piece of MLIRD assessments where .25 per \$1,000.00 assessed valuation is allocated accordingly. Legal Counsel, Brian Iller added, General Manager, Chris Overland is reporting to the Board of Directors his view of the applicable statutes and budget expenses as it relates to the divisions between activities under RCW Chapter 87.84 for the irrigation and rehabilitation districts statutes and actions and activities under RCW Chapter 87.03 irrigation districts statutes. This issue was raised in litigation and the challenge being made was that MLIRD might be spending more than .25 per \$1,000.00 assessed valuation on RCW 87.84 for rehabilitation expenses. This report from General Manager, Chris Overland to the MLIRD Board, as to the difference between those activities and those assessments and his estimates of what will be likely spent in 2017 for purposes that properly categorized as RCW Chapter 87.84 rehabilitation purposes which are activities that are associated with Connelly Park. Based on General Manager, Chris Overland understandings of the District’s activities only Connelly Park is solely the only activity to be performed under RCW Chapter 87.84. The other activities that the district does particularly sediment removal (dredging), weed removal, algae control are all activities that we understand that every district in eastern Washington does and every other district is authorized under RCW Chapter 87.03; it is the

staff's report to the Board of Directors that this adoption of the report that was just handed out, indicates that those other activities should be considered activities pursuant to RCW Chapter 87.03. On page two of this report, it indicates that historical 87.84 expenditures have been below 25% of the district's budget and will be for 2017. Legal Counsel, Brian Iller stated that this means the Board of Directors have properly segregated the assessments between the two statutory authorizes .25 per \$1,000.00 assessed valuation under RCW Chapter 87.84 and .75 per \$1,000.00 assessed valuation under RCW Chapter 87.03 as included in draft assessment roll that was presented to the Board of Directors when the District went through the Board of Equalization in November.

The MLIRD assessment roll will be before the Board of Directors for final approval in January and General Manager, Chris Overland believes it is appropriate for the Board of Directors to accept and adopt the report to the Board of Directors on categorization of estimated 2017 expenses the Board's basis for making that assessment with those authorities and categories. Legal Counsel, Brian Iller finished by saying he'd be happy to answer any questions. Vice Chairman Bailey made a motion based on two corrections one being the last sentence of the first page; he would like it to read "claims made in a recent lawsuit have challenged MLIRD's assessment authority and methodology." Vice Chairman Bailey also added, on page two the second sentence after the word include add "but are not limited to." Vice Chairman Bailey moved with those two corrections that the board accepts and adopt the staff's report to the board on the categorization report of estimated 2017 expenses as the board's basis for assessing .25 per \$1,000.00 of assessed value under RCW Chapter 87.84 and .75 per \$1,000.00 assessed value under RCW Chapter 87.03. Director Dexter seconded the motion. Vice Chairman Bailey amended his motion to add that correction and Director seconded to amend his second. Director Dexter amended his 2nd. Legal Counsel, Brian Iller, added to his and staff's understanding that this is really what the District has done historically just hasn't been in writing. Vice Chairman Bailey said he had been coming to these meetings since 1990 or before, and it has always been this way that he can recall. Chairman Foster said it's good to memorialize it. After no more discussion Chairman Foster, asked for the vote and the motion carried unanimously.

ADJOURNMENT

The meeting was adjourned at 7:50 PM.

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: _____