

MINUTES OF THE REGULAR MEETING  
OF THE COMMISSIONERS OF THE  
HEART MOUNTAIN IRRIGATION DISTRICT  
AUGUST 08, 2017

The August regular meeting of the Heart Mountain Irrigation District's (HMID) Board of Commissioners was held at the Heart Mountain Irrigation District office located at 1206 Road 18, Powell, Wyoming on Tuesday, August 08, 2017. Commissioners present: President Brian Duyck, Vice President Pat Nelson, Brad Ferguson Scott Hecht and Travis Jackson. Staff attendances: District Manager Randy Watts, Secretary/Treasurer Tyler Weckler and assistant Sec/Treas. Toni Perrine. District representatives Mary Reed and James Seckman were present. Business representatives attending discussions were Harris Trucking representatives Roger Koontz & Sterling Christler and Todd Ernest from Pinnacle Bank. The meeting was called to order at 8:58 a.m. by President Brian Duyck.

President Brian Duyck called for the reading of minutes from the Regular Meeting of Commissioners held on July 11<sup>th</sup>, 2017. Review followed and a name correction was made. Commissioner Scott Hecht made a motion to approve the minutes, as amended. Commissioner Brad Ferguson seconded the motion; motion passed.

President Brian Duyck called for the Treasurers report presented by Secretary/Treasurer Tyler Weckler. After the payment of the bills presented, the O&M checking account will have a balance of \$5,294.15. The New Equipment Money Market at Bank of Powell #...2439 has a balance of \$6,778.44; Money Market (MM) at Bank of Powell #...1233 has \$229,670.22; MM Bank of Powell #...2383 holds \$122,648.28; Certificate of Deposit (CD) at Big Horn Federal #...1489 stands at \$113,060.38; CD at First Bank of Wyoming #... \$390,593.62. Bank of Powell Enlargement fund #...2382 holds \$104,801.82. Commissioner Travis Jackson made a motion to accept the treasurer's report. Commissioner Brad Ferguson seconded the motion; motion passed. A copy is filed with these minutes.

Commissioner Scott Hecht made a motion to transfer \$50,000 from the Bank of Powell, 5<sup>th</sup> Enlargement account into the First Bank of Wyoming O&M checking account. Vice President Pat Nelson seconded the motion; motion passed unanimously.

Vice President Brian Duyck asked district auditor James Seckman to provide his fiscal year (FY) 2017 audit report. Mr. Seckman handed out the financial statements and analytical assessment. Talking points focused on the evaluation of FY17 budget overrun and the critical need to identify \$150,000 in cuts to reverse this trend in FY18 (current FY). Proposed solutions include a reduction in staff and changes to the medical reimbursement program. Mr. Seckman noted he will supply some sample medical reimbursement plans for the board to evaluate. Mr. Seckman also stressed the pension liability of the district, which increased in FY17 due to elevated payroll and staff. This liability can be reduced proportionately in FY18 with the reduction of labor costs. Mr. Seckman provided the Treasurer two copies of financial statements to accompany the submittal of State form F-32 (Survey of Local Government Finances form). Mr. Seckman was thanked and left the meeting. A copy of the financial statements and analytical is included with these minutes.

The FY17 Budget Amendment (revised) was presented to the board. Commissioner Scott Hecht so moved to amend the budget in accordance with the FY17 amendment, and then it be signed by the Board of Commissioner President, Brian Duyck. Travis Jackson seconded the motion; motion passed unanimously.

President Brian Duyck called on guest Todd Ernest from Pinnacle Bank to discuss a possible money market transfer into a higher interest rated account at Pinnacle Bank. After discussions, Mr. Ernest offered a \$300,000 limit at 1.6% and additional account at \$200,000 limit at 1.2%. Current money market interest rate is at .7%. Mr. Ernest thanked the board for his time and left the meeting.

After review of current accounts, it was concluded that the change would be a benefit to the district. Commissioner Travis Jackson made a motion to move the HMID CD from Big Horn Bank and 1<sup>st</sup> Bank of Wyoming, into two Pinnacle Bank money market accounts, with guarantee of proper insurance. Discussions were had; districts' attorney noted that there would be pledges required by the bank due to this being public fund account for investment security. Vice President Pat Nelson seconded the motion; motion passed unanimously.

President Brian Duyck called in Harris Trucking owner Roger Koonts and his general manager Sterling Christler. Vice President Pat Nelson invited these parties to evaluate and provide comment on the Rattle Snake Liner. Discussion focused on the current design options, cost projections, weather issues and potential unforeseen conditions. After the meeting the board thanked Mr. Koonts and Mr. Sterling as they left the meeting.

President Brian Duyck called on District Manager Randy Watts to provide his managers' report. Mr. Watts began with the Rattlesnake liner and the Wyoming Water Development Commission (WWDC) application submittal deadline. The Board of Commissioners asked district attorney Mary Reed of the required steps for proper irrigator notifications. Mrs. Reed noted a resolution to approve the application was needed. Accompanying the resolution should include the choice of final design path and if known, the funding source, re-payment schedule and rates. If a loan is requested, and then approved by the legislature, then a petition will need to be filed with the court. After legislature approval, the irrigators will need to be informed of the board's petition recommendation to the court and petition hearing date so any irrigators have a chance to appear at the hearing. The board can make known these details (if approved by legislature) during the annual meeting in February, calendar year 2018. The board discussed the avenue of debt and payment schedule options for funding the Rattlesnake liner project. All board members agreed on repayment as quickly as possible.

Commissioner Scott Hecht made a motion to allow the WWDC project to move forward with the trapezoidal design and with payment option #3, a 40 year loan at 4% interest. Vice President Pat Nelson seconded the Motion; motion passed unanimously.

Mr. Watts continued with an update on the Enlargement and requested a deadline date be determined. Assistant Sec. Treas. Toni Perrine passed out an updated list of pending petition participants. After review, the Board of Commissioners requested the district staff to make one final phone call attempt in reaching the remaining parties. Mr. Watts volunteered to reach out to the two larger landowners affected.

Commissioner Brad Ferguson made a motion to set the 5<sup>th</sup> and Final Enlargement petition participant deadline to Wednesday, August 15<sup>th</sup>, 2017. Commissioner Travis Jackson seconded the motion; motion passed unanimously.

Mr. Watts asked Secretary Treasurer Tyler Weckler to comment on assessment changes and influences these changes would have during the irrigation season excess billing. The Commissioners directed assessment changes to be made after excess is billed and the irrigation season is completed.

District Manager updated the board on the submittal to the state for surface water permit -1 (SW1). The state rejected the SW1 permit and noted our request is actually an SW2, officially an enlargement of the district by giving adjudicated water rights up to 1 acre. Board of commissioners discussed the intent of permits, cleaning up existing irrigated land, not breaking new irrigation grounds. The SW2 fee was also noted as being \$50, vice \$25 for the SW1 permit.

Commissioner Travis Jackson made a motion that SW2 permits not be utilized for breaking new ground and if determined as such, then the permit is not allowed. Vice President Pat Nelson seconded the motion; motion passed unanimously. This motion disqualified landowner (Welch), possibly a second upon manager further review, but qualifies the remaining applicants.

Mr. Watts discussed a call he received from Scotty Owen, who is not a member of the district. Mr. Owen requested delivery of rip-rap (demoed scrap concrete and rebar) as has been provided by previous managers in the past. Commissioner Brad Ferguson added that doing work for non-members would be competing with the private sector and should not be involved in this practice. Board of Commissioners agreed with this determination.

Mr. Watts presented the issue of Larry Nelsons drive/crossing over HMID lateral 50 spillway. Yearly maintenance of the landowner's private drive was in question. Board of Commissioners agreed HMID should relinquish ownership of the crossing while maintaining the easement. District attorney commented that we could form a letter and state the easement is still a legal easement due to the operation and maintenance responsibilities over the canal & lateral facilities.

Commissioner Scott Hecht so moved that HMID relinquish the crossing at Larry Nelsons property near 2AB on lateral 50 spillway but still maintain the right of way/easement. Vice President Pat Nelson seconded the motion; motion passed unanimously.

Mr. Watts continued his report; landowner, Mr. Ringler, had been given 6 months by the board of commissioners to address his usage of HMID O&M roads to access his property. Mr. Watts informed that the easement issue is now approaching a 9 month timeframe with no resolutions. The district will begin advertising their "no trespassing" areas, putting up signs and closing district gates in September. The board of commissioners asked Mr. Watts to move forward with this process per our policy, however also write a letter and reach out to Ringler so he is aware.

The district manager asked the Board of Commissioners which (or all) of the three WWDC projects they would like to pursue, in terms of initial engineering costs. After discussions the board asked the manager to commit to the HG41 project at this time only, and proceed with payment to Sage Engineering in the amount of \$9,300.

Commissioner Scott Hecht made a motion to proceed with the WWDC project at HG41, servicing Ted Bullock. Commissioner Brad Ferguson seconded the motion; motion passed unanimously.

Mr. Watts presented a simple subdivision plat, sent by Engineering Associates surveyor, Cody Shatz. Mr. Watts addressed the plat which will need a water distribution and waste water plan along with identifying land classes and acreage for each class within the newly defined boundaries. After these edits, transfer documentation and fees have been received, the simple survey will be eligible for approval by the HMID manager.

Randy Watts continued with a problem of delivery adjustments being made by a landowner who is not a Watermaster. HG104-14 is an association headgate and landowner Bobby Wellner is continuing to open delivery after being asked to stop by the Watermaster, district manager and a District Commissioner. Mr. Watts is working with the Ditchrider and Watermaster but wanted to present this issue as an ongoing and elevated concern.

Mr. Watts noted continued complaints by landowners regarding the Alkali Pick-ups and their design flaws which contribute to sediment water, which is causing widespread pivot pump and spray nozzle damage. Attorney noted there may be an opportunity to re-apply to WWDC; prior WWDC funding allocations for this project have been closed. Commissioner Scott Hecht commented on his concern as it has also caused recurring yearly damage to his pivot infrastructure, causing thousands in damage per year. Commissioner sentiment is to get this systemic issue resolved, internally and asked the district manager to work with landowners and Commissioner Hecht on a design for repairing internally.

Vice President Pat Nelson made a motion to go into executive sessions regarding zone 4 and budgetary issues. Commissioner Brad Ferguson seconded the motion; motion passed unanimously.

Vice President Pat Nelson made a motion to come out of executive session. Commissioner Scott Hecht seconded this motion; motion passed. No decisions were made within this executive session.

Hearing no further business to come before the Board, President Brian Duyck adjourned the August 08th, 2017 Regular Meeting of the Heart Mountain Irrigation District's Board of Commissioners at 1:15 p.m.

RESPECTFULLY SUBMITTED,

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Brian Duyck, Board President

ATTEST:

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Tyler Weckler, Secretary/Treasurer