MINUTES OF THE BOARD OF DIRECTORS MEETING FOR MOAB IRRIGATION DISTRICT #20

The Board of Directors of Moab Irrigation District #20 met in regular session at the District Office, 25805 E. Trent, Newman Lake, Washington, on December 17, 2024. The meeting was called to order at 3:00 p.m. by Chairman Neff.

## ROLL CALL

Chairman Neff and Board Directors Ayles, Phelps, Peplinski and Rasmussen were in attendance. Others in attendance included District Manager Inch and Board Secretary Radmer.

**OPEN:** Equalization of the District’s 2025 Assessment Roll Meeting

## VISITORS

## There were many visitors, although not all recorded their names on the sign-in sheet available at the entryway. Media were present including KHQ, KAYU, and KXLY.

## GENERAL BUSINESS

The Board reviewed vouchers #1301 through #1302 totaling $51,943.77. Director Phelps motioned for the vouchers to be paid; Director Rasmussen seconded. The motion passed unanimously.

The Board reviewed the November 2024, December 3, 2024, and December 6, 2024, meeting minutes. Director Rasmussen motioned to accept the minutes for all dates as presented with an amendment to the December 6th minutes confirming it was Director Rasmussen who motioned to increase the rates by 45% and seconded by Director Ayles. Director Phelps seconded the motion. The motion passed unanimously.

Financial statements for November 2024 were accepted as presented.

### ENGINEER’S REPORT

Engineer McMulkin did not attend this session.

### MANAGER’S REPORT

Manager Inch provided a copy of an earlier communication from WA DOH regarding Water Rights.

He discussed the Lakeview Drive development and the strengths and weaknesses of the three options for providing water to these parcels: 1) Moab builds out the system 2) Moab becomes the Satellite Management Agency (SMA) or 3) Authorize a Group B system within our System. A representative for the Lakeview Drive development, Mike Kosmicki, provided background information and proposed the Board authorize a Group B system, up to 14 ERUs, over seven one-acre lots with the caveat that, should Moab expand water main to the area, they will have up to 10 years to hook up to Moab’s system and; that Mike Kosmicki will pay all the attorney’s fees to draw up this agreement. Director Phelps motioned to accept the proposal for the Group B water system including the caveat for hooking up to Moab’s system and payment for all attorney’s fees to draw up the agreement. Director Rasmussen seconded the motion. The motion passed unanimously.

Manager Inch discussed Facilities Maintenance, which included finding a Reservoir leak which went undetected with Moab’s current SCADA and Telemetry. This required additional capital outlays for repair which included labor charges from B&E, the cost for a new Transducer, and required overtime by Moab’s Field Tech to ensure district customers had enough water.

### ATTORNEY’S REPORT

Attorney Aaron Dunham agreed to draft the Water Agreement according to the Board’s earlier approved motion. Attorney Dunham reminded the Board during the budget process that the budget must recognize impairments and that using reserves to covering the deficiency is not an accepted practice.

### SECRETARY REPORT

Secretary Radmer provided a current budget YTD position report accompanied by the most up to date information and outstanding payables available, as Spokane County Treasurer’s office was in the second half of their system upgrade. The total financial impairment to the District due to cost overruns on 12/16/24 was estimated at $56,878.76. Additional impairments for uncollected assessment revenues totaled $34,943.42 (9 customers) and uncollected excess water charges totaling $51,837.55 (109 customers). This meant that the 2025 budget had a deficit of approximately $140,000.00. She reminded the Board about RCW 87.03.260 whereby it outlines levying an assessment which recognizes financial impairments due to delinquencies, cost overruns, and so forth. The RCW outlines a framework for budgeting along with when the assessment roll must be turned into the county.

Secretary Radmer had completed the preliminary 2025 Tax Assessment Roll for Equalization based on the Board-approved motions to date. The budget was still out of balance as a result of the most recent rate decision made by the Board. The Board proceeded to discuss balancing the budget. Additional inquiries by the Board were directed to Secretary Radmer about the budget, despite the earlier presentations of the budget that began in September 2024. She clarified the additional allocation for 2025 Attorney Fees was because of the updates she was making to the Employee Policy manual, that earlier the Board agreed that it would be submitted to the attorney for review upon completion of the draft. Director Phelps proposed the laying off of an employee as a means to cut 2025 expenses. Manager Inch objected and discussion was had. Secretary Radmer reminded the Board of the earlier discussions about the District being ‘self-insured’ for unemployment claims and how the District’s past audits reflect State Auditor’s Office recommending the District establish a “reserve fund” for self- insurance. She explained that given the District’s reserves were already deficient, and in light of the budget cuts to the 2025 budget that were already made, that paying unemployment claims and the vacation payout (compensated absences) would further compromise the District not only financially, but also from a service perspective, especially after moving two employees to an exempt status.

The Board discussed where further reductions to the budget would need to be made. Chairman Neff suggested increasing the excess water revenue *(amended 01.21.25)* The Registrant for Board Director seat 3, Robert Snow suggested the Board consider levying a level fee to each parcel to address the out of balance 2025 budget. Discussion took place.

Director Ayles motioned to accept the Toll of Assessments for 2025 including all delinquents with an amendment to add an additional parcel owner charge of $200.00 and the additional budget cuts proposed in the December 17th meeting to balance the 2025 Budget. Director Phelps seconded the motion. The motion passed unanimously. All Directors signed the motion and the accompanying 2025 Budget notating their changes.

Secretary Radmer declared Director Position #2 and Director Position #3, which will commence on January 7, 2025. Visitor, Rebecca Snow *(amended 01.21.25 to reflect wife of Robert Snow)*, expressed her interest in becoming a Director, should any Director desire to resign or if a position were to be vacated for any reason.

**CHAIRMAN AND/OR DIRECTOR REPORT**

Election of the 2025 Officers were presented. Director Peplinski motioned to elect the 2025 officers as presented. Director Rasmussen seconded the motion. The motion passed unanimously.

**NEW BUSINESS**

Director Rasmussen suggested the District Manager should present future budgets.

## OLD BUSINESS

None at this time

## ADJOURNMENT OF THE EQUALIZATION OF THE DISTRICT’S 2025 ASSESSMENT ROLL

## ADJOURNMENT

As there was no further business, Chairman Neff adjourned the meeting at 5:30 p.m. this 17th day of December 2024.

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Chairman Holt Ayles

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Secretary to the Board, Jeanette Radmer