Moab Irrigation District #20

Regular Board Meeting Minutes
Date: October 16, 2025
Location: 25025 E. Heather Lane, Newman Lake, WA 99025
Time: 6:00 PM

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1. Call to Order

- Meeting called to order at 6:00 PM by Vice Chair Ayles.

Roll call: Board Directors present included Deanna Erwin (Chair), Rosalee Allan, Dave Pfeiffer, Robert Snow, and Holt Ayles (Assistant Chair). Staff present included Scott Inch, Distract Manager and Jeannette Radmer, Office Manager. Others present included Attorney Dunham and Engineer McMulkin and several community members.

Visitors: Director Erwin noted the public sign-in per District procedure.
Members of the public who asked to present at the meeting included William Jackman and Scott Carver (Strategic Planning Sub-Committee). Kevin Gould submitted a request to present but was not present.

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2. General Business

a. Vouchers 1321 & 1322

- **Motion:** Approve payment of Vouchers 1321 and 1322 totaling $50,854.28 as presented.
    - **Motion by:** Director Ayles
    - **Seconded by:** Director Pfeiffer
    - **Decision:** Approved unanimously.

b. Approval of September 18, 2025, Minutes

- **Motion:** Approve the minutes from September 18, 2025, Regular Board Meeting as amended (spelling and paragraph corrections).
    - **Motion by:** Director Snow
    - **Seconded by:** Director Pfeiffer
    - **Decision:** Approved unanimously.

Action Item: If possible, Director Allan will identify directors who make a motion and a second in future versions of minutes.

c. Treasurer's & Financial Reports

Presented by: District Manager, Scott Inch

Summary:

- Fund balance as of September 30, 2025: **$1,083,212.13**.
- **Expected expenditures through year-end:**
  • Insurance – ~$95,000 (anticipated 8–12% increase)
  • Audit – $15,000–$20,000
  • Attorney fees – ~$10,000
  • Loan payment – $55,000
  • Election costs – $8,000–$10,000
  • General operations – ~$100,000
- **Expected revenue through year-end:**
  • Approximately 54% of annual 2025 income has been received; remaining from Spokane County ~$450,000 to be collected.
  • Summer excess billing: ~$149,000 billed; Anticipate a % of these invoices will not be paid by the due date. Amounts due not paid by the due date will have service charges added and both the 2025 summer excess amounts and the 2025 overdue winter excess water assessments ($6,762.03) will be included in the 2026 Roll of Assessments to be submitted to Spokane County for collection.

Decision: Report reviewed and accepted.

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3. Operations Report

Presented by: Office Manager, Jeanette Radmer, and Attorney Dunham

Topics Covered:

- **Q3 filings complete**.
- **Washington State Audit Office (SAO) Audit in progress** for fiscal years 2022–2025 year-to-date.
- **Digitization of records:** In-house effort continues to digitize paper files.
- **Equalization paperwork:** To be prepared for Board review and resolution in November.

Action Item: Continue preparation of Equalization Resolution and digital archive for audit compliance.

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4. Election Update

Outcome of Petitions Received Declaring Candidacy for Board Position:

- Certificates of Election delivered to **Directors Pfeiffer** and **Allan** (**Seats 4 & 5**).
- **Seat 1 election** between **William Jackman** and **Dennis Geckler** to proceed as an **all-mail election** under new statute.
- **Seat 2** The board discussed the upcoming vacancy in Director Erwin's seat, that Director Erwin resigned effective December 31, 2025. Attorney Dunham explained that the District posted the position as open and that while Mr. Hughes submitted a declaration of candidacy, the position won't officially open until a vacancy occurs, at which point the County Commissioners will make an appointment.
    - **Motion:** Director Snow to Inform the county on behalf of the board of the pending vacancy and request for appointment.
    - **Amended Motion:** Director Snow to Inform the county on behalf of the board of the pending vacancy and request for appointment and recommend Mr. Hughes as the appointee.
    - **Amended Motion by:** Director Allan
    - **Seconded by:** Director Pfeiffer
    - **Decision:** Amended Motion Approved. Voted for amended motion: Directors Allan, Pfeiffer, Erwin, and Ayles. Director Snow voted against the recommendation based on Mr. Hughes history of invoice payments.

Action Item: Board of Directors will canvas and count ballots.
Action Item: Director Snow to notify the county commissioners about the pending vacancy on the board and recommend Mr. Hughes as the appointee.

Election Board Appointments

Discussion: Election Board to assist with verification of voter eligibility.

- **Motion:** Appoint **Pat Brown** as **Inspector of the Election Board**.
    - **Motion by:** Director Snow
    - **Seconded by:** Director Pfeiffer
    - **Decision:** Approved unanimously.

- **Motion:** Appoint **Kathy Wilson** and **Tim Regan** as **Election Judges**.
    - **Motion by:** Director Allan
    - **Seconded by:** Director Ayles
    - **Decision:** Approved unanimously.

- **Motion:** Compensate Election Board members at the standard district per diem rate.

- **Motion by:** Director Erwin
- **Seconded by:** Director Pfeiffer
- **Decision:** Approved unanimously.

Action Item: District staff issue election board appointment letters and coordinate ballot preparation.

Out-of-District Voter Eligibility

- Approximately **39 out-of-district accounts** discussed; **6–7 qualify** due to overlapping parcels.
- Out-of-district customers **will not receive ballots** unless annexed.

Decision: Eligibility reaffirmed per district boundaries.

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5. District Manager Report

Presented by: District Manager, **Scott Inch**

Field Maintenance & Operations

- Completed meter readings and system winterization.
- Two policies have been reviewed by legal counsel and need approval:
  1. **Hiring Policy** (includes anti-nepotism clause).
  2. **Asset Disposition Policy** (requires board approval and public notice for major asset sales).

Action Items:

- Prepare finalized policy drafts for November authorization.

District Manager Absence

- Manager Inch to serve **jury duty October 20–31, 2025**; will maintain water quality testing as required.

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6. Engineer's Report

Presented by: Engineer McMulkin

Summary:

- Presented draft Asset Management Plan, including inventory, condition scores, and risk prioritization.
- Distributed digital mapping and asset spreadsheet for Board review.

- Discussion held regarding integration with insurance asset list.

- **Action Item:** Board to review draft plans and submit comments before November meeting. Board should be prepared to vote on both policies at the next meeting.

Action Item: Manager Inch to cross-check the asset list in the asset management plan against the listed assets in the district's insurance policy to avoid premium charge discrepancies.

7. Attorney's Report

Presented by: Attorney Aaron Dunham

Discussion:

- Equalization hearing to be scheduled after rate decisions are finalized.
- Other legal items are deferred to Executive Session.

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8. Chairperson and/or Director Report

2026 Proposed Revenue and Rate Discussion
Presented by: Director Snow

Overview:
Director Snow presented the 2026 Rate Proposal, developed as a cost-based rate structure in accordance with RCW 87.03.260–270. The proposal aligns with the 2025 approved expense budget and aims to fairly distribute costs between fixed and variable components.

Key Points:

- Expenses grouped and allocated by function (employment, administrative, operations, facilities).
- **Fixed costs** assigned to base service charges; **variable costs** tied to usage.
- Accounts for an **8% delinquency factor** based on historical data.

Proposed Rate Summary:

- **Base Charge – Domestic Service:** $1,440.00 (includes $667.37 administrative cost)
- **Usage Charge:** $0.237 per 100 cubic feet (all users)
- **Base Charge – Irrigation-Only:** $1,076.53
- **Above Morris Booster Surcharge:** +$84.74 base, +$0.132 per 100 ft^3 usage
- **Above Garry Lane Booster Surcharge:** +$469.57 base, +$0.360 per 100 ft^3 usage

Discussion:

- Board discussed the methodology and intent to simplify billing by eliminating allotments.
- Consensus that the approach offers transparency and more equitable cost allocation.
- There was discussion on how the proposed rates may negatively impact certain users in the community.
- The discussion also covered total water usage statistics and water loss rates in the system.

Decision: The board agreed to table the discussion and schedule a special meeting to review usage data and sample scenarios.

Action Item: The board has scheduled a special meeting for Monday, October 20th at 6:15 PM at the Grange to discuss the proposed rates. Director Snow and Manager Inch will prepare a cross-section of district user data for review, with the goal of meeting an upcoming November deadline. The meeting will include public comment at the end.

Action Item: Incorporate Board feedback and prepare final rate recommendation.

Attachment: *Full 2026 Rate Proposal attached as Appendix A and incorporated by reference.*

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9. New Business

There was no new business discussed.

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10. Community Public Commentary

Participants:

- **Scott Carver –** Provided update on the Strategic Planning Sub-Committee's ongoing work and requested continued coordination with staff.
- **Motion:** The Strategic Subcommittee, led by Scott Carver, continues to do a feasibility study looking for other organizations that might be willing to collaborate with Moab Irrigation District and bring that information back to the board.
    - **Motion by:** Director Allan
    - **Seconded by:** Director Pfeiffer
    - **Decision:** Approved unanimously.

- **Action:** Attorney Dunham disclosed that he represents several irrigation districts and may have a conflict of interest depending on the recommendation.
- **Action:** The board will continue to move forward with the pursuit of a rate study at the same time as the subcommittee is working on a feasibility study.

- **William Jackman** – Offered comments on election procedures and eligibility. Also presented his research on transitioning from a self-insured unemployment situation to converting to a plan where Moab Irrigation District will pay the State of Washington a tax on a quarterly basis.

- **Action:** William Jackman to research and provide exact calculations on employment security tax conversion and employee tax costs for the November meeting.

- **Doug Hughes** - discussed the process where all irrigation charges can be paid through property taxes and community members who choose to pay via this method should not be considered delinquent in their payments.

- **Kevin Gould** – Signed up but was not present for this segment the meeting. Customer did submit a letter to the board that commented on behalf of low use seasonal water users.

- **Denise Smith** - reported on progress with grant applications. She and Director Allan are ready to submit the first application in December 2025 (this grant is focused on Strong Lane improvements) and they also have identified a second grant to submit for infrastructure improvements.

  Action: Director Inch to send the official Department of Health water plan to Director Allan.

Comments were limited to three minutes per District Bylaw 7.2.

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11. Executive Session

At 8:48 The Board Chair announced that the Board would convene at 9:03 pm in executive session for 20 minutes until 9:23 pm.

The purpose of the executive session was announced as: to discuss potential litigation with counsel present under RCW 42.30.110(1)(i). By statute potential litigation includes legal risks of a proposed action or current practice that Moab has identified where public discussion of the litigation or legal risks is likely to result in an adverse legal or financial consequence.

The Board Chair called the open portion of the meeting back to order at 9:23 pm.

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12. Adjournment

- Meeting adjourned following executive session.

- Next special meeting scheduled for October 20, 2025, at 6:15 PM. October 20th meeting to be held at Tri-Community Grange Hall for community accessibility. Address is 25025 E Heather Lane, Newman Lake, WA 99025. Community comments will be allowed at this meeting.

- Next regular meeting scheduled for November 20, 2025, at 6:00 PM. November meeting to be held at the Moab Irrigation District Office. Address is 25805 E Trent Ave., Newman Lake, WA 99025

Chair Deanna Erwin

Rosalee Allan

Minutes prepared by: Director Rosalee Allan Date: October 26, 2025

Appendix A – 2026 Rate Proposal

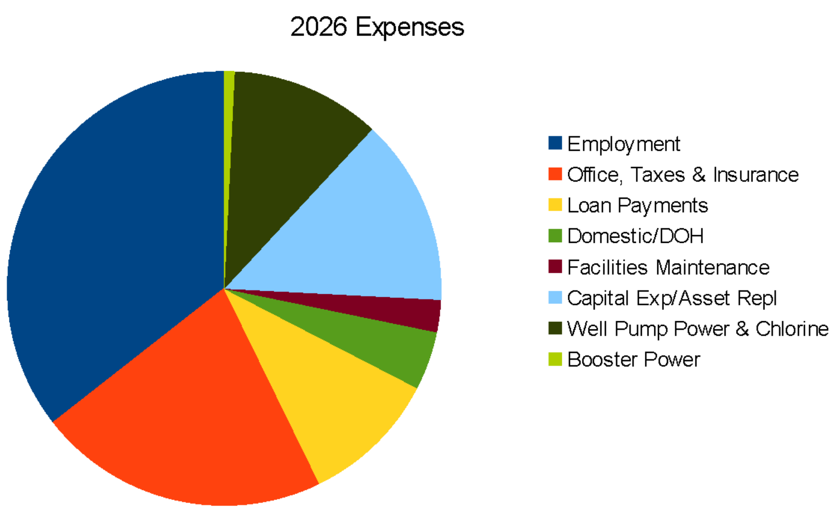
Rate Proposal for 2026

Basis:

- Expense budget as approved September 18
- No contribution to or withdrawal from reserves in meeting expenses
- Cost based analysis of budgeted expenses intended to guide the fairest possible allocation of costs to elements of rates

Methodology:

Expenses were first grouped together in a way to be parsed out into areas of cost for recovery in rates. Employment expenses were fully burdened by job function and administrative expenses were lumped together (e.g. office utilities, taxes, insurance).



The majority of the expenses are fixed, independent of the quantity of water delivered, either administrative costs of running the business, or expenses of being able and qualified to deliver water in the necessary quantity and quality, before any water is pumped. Fixed costs were allocated to fixed base charges. Some expenses are a direct function of water quantity, and were allocated to usage charges.

Each expense element was evaluated and parsed out into the different elements of rates, often more complicated than it looks. A small but somewhat characteristic example is the budget item of Booster Power, which is the bill from Inland Power. It is actually four accounts: power to the Morris booster station, the Garry Lane booster station, the Morris reservoir, and the main reservoir. The reservoir power use is essentially constant and fixed, and was divided out and allocated to the appropriate base charge.

Overall required revenue was first reduced by the elements of revenue other than rates, a total of $29,300 (mostly investment income from the accounts at the county), prorated for each expense group, leaving required revenue to be recovered by rates at $1.05M. It was assumed that there will be no new installs for 2026.

RCW 87.03.260 requires that levies and assessments be not only sufficient to cover expenses, but that an additional amount be assessed for expected delinquencies, a provision historically ignored by Moab before last year, stirring great controversy when it was attempted with very limited success. In recent years Moab has seen a delinquency rate of about 9.5%, when both tax assessment and excess charge collections are reviewed. This year there are some indications that the situation may be easing a little, but unless everyone pays all their bills on time in the next few weeks, we won't know until January. The rates proposed below recover required revenue plus an additional amount for delinquencies of 8%.

Proposed Rates:

Base Charge for Domestic Service $1,440.00

- Includes administrative fees of $667.37
- Regardless of meter size

Usage Charge $0.237 per 100 ft^3

- Applies to all water used, domestic and irrigation alike (no allotments)

Base Charge for Irrigation-Only Service $1,076.53

- For accounts with no domestic service
- Includes administrative fees of $667.37

Surcharges Apply for Service Above Morris Booster:

- Additional Base Charge $84.74
- Additional Usage Charge $0.132 per 100 ft^3

Bringing total above Morris booster to $1,524.74 and $0.369 per 100 ft^3

Further Surcharges for Service Above Garry Lane Booster:

- Additional Base Charge $469.57
- Additional Usage Charge $0.360 per 100 ft^3

Bringing total above Garry Lane booster to $1,994.31 and $0.728 per 100 ft^3