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

The Board of Directors of Moab Irrigation District #20 met in special session at the District Office, 25805 E. Trent, Newman Lake, Washington, on December 6, 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.

## VISITORS

## There were many visitors, noticeably more attendees than the December 3rd Special Meeting, although not all visitors recorded their names on the sign-in sheet available at the entryway. Media members from the Spokesman Review, KHQ, and KXLY also attended.

### ATTORNEY’S REPORT

Attorney Aaron Dunham attended.

## GENERAL BUSINESS: 2025 RATES

Following the Special Meeting held on December 3, 2024, to establish the 2025 Budget, the Board met to establish the 2025 Rates.

As a follow up to the items requested by the Board, Manager Inch and Secretary Radmer discussed the Board’s request to lower the current water allotment. Manager Inch and Secretary Radmer discussed what is needed to accommodate and facilitate the Board in making an informed decision: 1) Time. Given the time constraints and competing demands during this time of the year, it was recommended to start this work in early 2025 in preparation for 2026. 2) More information. There is no way to know whether lowering the allotment with the potential for increased excess water use will make a meaningful contribution to the District’s deficit and budgetary shortfall, and more specifically, in what ways.

3) Conditions. The District’s *Rules, Regs, and Bylaws* will need to be revised, along with Board motions for approval in advance of any billing changes taking place. Manager Inch discussed the importance of a rate study, which the Board disabled when it passed the 2025 Budget by removing the Contingency line item in the amount of $200,000.

Secretary Radmer presented the approved 2025 Budget reflecting the Board’s revisions. She reiterated and clarified that the *Contingency* line item was not earmarked for *Reserves*, but for the upcoming DOH required System Plan, with additional proceeds going towards DOH Strong Lane Booster over a two-year period, and a subsequent rate study by 2027. She explained to the Board that the accounting system Moab has used is an accrual accounting system versus a cash accounting system which resulted in a $225,000 budget cut. The rate needed to support the District’s approved 2025 Budget, recognizing 2024 cost overruns being brought into the 2025 budget year, and addressing the impairments to revenue due to uncollected assessments and unpaid water excess charges was 62%.

Discussion took place. Additional questions were posed by the Directors regarding the revenue projections. Secretary Radmer reiterated the impairments to assessment revenues, experienced by the district year over year at an average of 7-15%, and uncollected excess water charges dating back to 2022. She stated that the delinquent assessment revenue had a greater degree of impairment because the collectability averaged 47%.

Robert Snow, visitor and upcoming 2025 Moab Director, shared that based on his calculations, he arrived at a 60% rate increase. He shared that WA State statute requires that the Board recognize historic revenues, expenses, and impairments. Attorney Dunham confirmed this information.

Chairman Neff opened up the conversation to the visitors to share their feedback, ideas, concerns, and impacts.

Some of the feedback and ideas that were brought forward included: more communication, utilizing one of the area’s universities for a rate study, utilizing students as interns, pressuring neighbors to pay their water bills, submitting grant applications, sending regular newsletters, and revisiting the existing rate structures because they are archaic. Other ideas centered around the distinctions between irrigation and domestic water and expressed concern over where there may be inequities in the cost allocations. Other suggestions included: incentivizing those that invest in their own conservation and suggesting the Board divide up into subcommittees to tackle the challenges faced by the District.

Chairman Neff deliberated with his fellow Board Directors to discuss establishing the 2025 Rates. He queried the other Directors around the table about what they thought the rate should be, although it is unclear as to how they each arrived at their opinions.

Chairman Neff queried Manager Inch and Secretary Radmer regarding their rate recommendation. Each expressed 62% as it is needed to support the Board-approved 2025 Budget passed on December 3,2024, and to keep the district from going into further decline.

Chairman Neff used the feedback from the other Directors to average their suggested rates.

A motion was made by ElRay Rasmussen to increase the rates by 45% and seconded by Holt Ayles. The motion passed unanimously.

A subsequent declaration of the 2025 rate increase was generated and signed by all Directors.

## ADJOURNMENT

Chairman Neff adjourned the Special Meeting at 5:30 p.m. on Friday, December 6, 2024.

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Chairman Jack Neff

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Secretary to the Board, Jeanette Radmer