

MOAB IRRIGATION DISTRICT #20

Special Board Meeting Minutes

Date: October 20, 2025,

Location: 25025 E Heather Lane, Newman Lake, WA

Time: 6:15 pm

1. Call to Order

- Meeting called to order at 6:15 PM by Chair Erwin.

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 several community members. No public comment sign-ups were received prior to the meeting, though time was provided at the end for comments.

The meeting focused on reviewing and revising water service rates, with discussions centered on a new pricing structure. The board deliberated on various rate adjustments, including base charges, usage fees, and additional costs for specific areas and services, while considering budget implications and potential legal concerns. After extensive discussion, the board approved several rate increases and established new charging structures for different types of water users, with plans to post the approved rates and complete the assessment roll by specific deadlines.

2. Presentation of Revised 2026 Rate Proposal

Director Snow presented updated rate model calculations following identification of previously omitted parcels and adjustments to account for multi-dwelling connections. The revision incorporated:

- 31 additional parcels identified with multiple domestic dwellings.
- Updated usage data from Fall 2025 and Spring 2025 billing cycles.
- An overall delinquency recovery rate of 6% based on reduced exposure to direct-billed accounts.

Director Snow explained that the base rate had been recalculated to distribute fixed costs more evenly, reflecting the updated parcel total and the implementation of multifamily dwelling adjustments.

3. Proposed Base and Usage Rates

Director Snow described the redefined terminology:

- Base charge for potable water service: \$1,308.57 per parcel receiving domestic service.
- Additional service charge: \$684.63 for each additional dwelling unit on the same parcel.

An example for clarification was provided for the Sutton Bay Trailer Park, illustrating how base and additional service charges apply to multi-unit properties.

Administrative costs were incorporated on a per-parcel basis. The updated model recovers all budgeted 2026 expenses plus 6% delinquency reserves using 2025 actual usage as the calibration benchmark.

4. Booster Station Surcharges

Discussion: Director Ayles and several Board members discussed the proposed booster station surcharges for Morris Road (122 customers) and Garry Lane (8 customers). Director Ayles expressed concern regarding fairness, noting that these parcels previously paid annexation and equalization fees. He questioned whether additional base-charge surcharges were justified beyond electrical costs for pumping.

Attorney Dunham advised that differential classifications of rates could be lawful if a “reasonable operational justification” exists, such as elevation-based pumping costs, but advised reviewing any past annexation agreements to ensure compliance.

Director Snow clarified that the proposed surcharges reflect operations and maintenance costs, not infrastructure costs. They cover incremental staff time, equipment maintenance, and pump-motor replacement specific to the booster stations. Director Ayles maintained that all customers already contribute to district infrastructure and that booster maintenance should be a shared cost.

5. Customer Rate Structure Impacts

Director Snow and staff presented sample billing analyses illustrating customer impacts under the proposed rate structure.

- Bulk-water users may see slight savings.
- High-usage irrigators would see modest increases (\$150–\$300 annually).
- Seasonal or low-usage parcels would experience minor increases due to higher base charges.
- If a parcel has a potable water connection, it will pay the base charge (\$1,308.57).
- If a parcel has irrigation only, it will pay a \$743.00 base charge plus usage.
- Parcels that previously had both domestic and irrigation charges will pay the base charge plus usage. It was confirmed that an irrigator with a home on the parcel would pay the base rate of \$1,308 and all usage at the standard \$0.237 per 100 cubic feet.
- It was noted that the calculations with staff, and changes, may occur as refinements continue.
- Board members revisited the question of 30–40 parcels currently receiving service but not yet annexed into the District. Manager Inch shared the historical annexation procedure, Attorney Dunham and Manager Inch noted that annexation procedures should be looked at in 2026.

Action: Consensus was reached to review and prepare annexation of remaining parcels during 2026.

Director Snow confirmed that the revised model:

- Recovers all budgeted 2026 operating costs plus delinquency reserves.

6. Public Comment

Public attendees raised questions and comments regarding transparency, budget access, and reserve levels:

- **Denise Smart** confirmed overall revenue projections aligning with budget targets. She suggested the Board clarify whether booster costs would be shared districtwide or retained locally.
- **Scott Carver** reported on the Strategic Planning Sub-Committee's progress. The group has begun compiling capital improvement priorities and requests continued coordination with the District Manager to align projects with the 2026 budget.

- **Pat Brown** talked about the importance of paying for the water we use in a timely manner. Stated support of the new rate structure as customers will be aware of what they use.
- **Bill Jackman** expressed concern regarding staffing levels and district expenditures. Director Erwin responded that the expense budget had been approved at the prior meeting and was available upon request.
- **Another** community member spoke and did not believe that the property owners should have to request the financial information, They asked that financial information be readily available on the district website. Suggested deferring adoption of new rates until greater public review but acknowledged the logic of a usage-based model.
- **Additional Public Comments:**
Several attendees expressed appreciation for the Board's willingness to hold a special meeting focused solely on rates and equalization. One participant noted that predictable billing cycles and simplified rate explanations would improve community understanding. It was also suggested that future public materials include clear charts showing how base and usage charges are determined.

7. Board Discussion and Motion on Revised Rates

Board deliberated final modifications to the booster station surcharges:

- **Motion:** Remove the additional base charge for booster stations (Morris Road and Garry Lane) and redistribute the cost equally across all domestic users.
- **Motion by:** Director Ayles
- **Seconded by:** Director Pfeiffer
Motion: carried 4-1. Director Snow opposed.

Action: The base charge will be adjusted from \$1308.24 to \$1324.82. Proposed usage charges will remain the same as proposed.

Board deliberated final modifications to the 2026 rate proposal:

- **Motion:** 2026 Base Charge for Potable Water Service \$1,324.82
- **Motion by:** Director Ayles
- **Seconded by:** Director Pfeiffer
- **Motion:** carried unanimously.

- **Motion:** 2026 Multiple Domestic Service add to base charge \$684.63 for each additional service
- **Motion by:** Director Ayles
- **Seconded by:** Director Pfeiffer
- **Motion:** carried unanimously.

- **Motion:** 2026 Base Charge for Other Parcels \$743.26
- **Motion by:** Director Pfeiffer
- **Seconded by:** Director Ayles
- **Motion:** carried unanimously.

- **Motion:** 2026 Usage Charge \$0.239 per 100 ft³
- **Motion by:** Director Ayles
- **Seconded by:** Director Pfeiffer
- **Motion:** carried unanimously.

- **Motion:** 2026 Surcharges Above Boosters
2026 Surcharges Apply for Service Above Morris Booster - Additional Usage Charge \$0.111 per 100 ft³.
Further Surcharges for Service Above Garry Lane Booster - Additional Usage Charge \$0.245 per 100 ft³
- **Motion by:** Director Ayles
- **Seconded by:** Director Pfeiffer
- **Motion:** carried unanimously.

- **Motion:** 2026 Fire Station: 2025 charges increased by 15%
- **Motion by:** Director Ayles
- **Seconded by:** Director Pfeiffer
- **Motion:** carried unanimously.

The Board directed staff to:

- Prepare a final draft of the 2026 Rate Proposal (Appendix A) reflecting approved changes. Both the final draft of the rate proposal and a copy of the proposed 2026 budget will be posted on the district website.
- Prepare assessment roll before November 4, 2025.
- Attorney Dunham to prepare the public equalization resolution notification.
- Schedule the Equalization Meeting for December 18, 2025, to formally adopt rates and assessments.

8. Executive Session

At 8:50 the Board Chair announced that the Board would convene at 8:55 pm in executive session for 5 minutes until 9:00 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. Open session resumed at 9:00 PM, and it was announced that the executive session would be extended for 15 minutes from 9:01 pm to 9:16 pm, for the same purpose, to discuss potential litigation with counsel present.

The Board Chair called the open portion of the meeting back to order at 9:16 pm.

9. Adjournment

There being no further business, Chair Erwin adjourned the meeting at 9:16 p.m.

Motion: To adjourn the Special Meeting of October 20, 2025.

- **Motion by:** Director Allan
- **Seconded by:** Director Pfeiffer
- **Decision:** Approved unanimously

Meeting adjourned at 9:17 PM.

-Next special meeting scheduled for October 24, 2025, at 6:15 PM. October 24th meeting to be held at the Moab Irrigation District Office. Address is 25805 E Trent Ave., Newman Lake, WA 99025

- 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 27, 2025

Appendix A – 2026 Rate Proposal (Revised 10/20/2025)

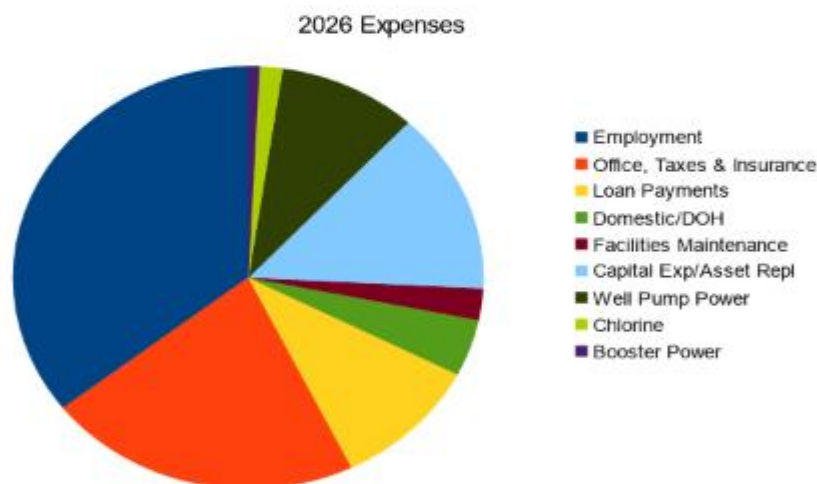
Rate Proposal for 2026 (Revised 10/20/2025)

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
- Limited in scope to 2026 budget – longer term expenses not evaluated
- Water usage data from 2025 Spring + Fall meter reads (revision)

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 might look. 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 delinquency rate for excess charges billed directly by Moab has been much higher than the rate for the tax assessment. The model used by this rate proposal reduces the revenue from usage charges compared to the previous excess charges by about half, with a corresponding reduction in exposure to the direct-billed delinquency component, and justifies a lower expected delinquency overall. The rates proposed below recover required revenue for expenses plus an additional amount for delinquencies of 6%. (revision)

Proposed Rates: (revised)

Base Charge for Potable Water Service \$1,308.57

- This recovers Moab's fixed costs to be able to provide potable water
- Regardless of meter size
- Applicable to parcels with domestic service

Multiple Domestic Service add to base charge \$684.63 for each additional service

- Trailer park 24 total services (historical practice)
- Sutton Bay Resort 16 total services (equivalent residential unit standard)
- 31 parcels with an additional dwelling unit

Base Charge for Other Parcels \$743.26

- Unburdened of fixed costs to meet DOH potable water requirements

Usage Charge \$0.239 per 100 ft³

- Applies to all water used (no allotments)

Surcharges Apply for Service Above Morris Booster:

- Additional Base Charge \$77.93
- Additional Usage Charge \$0.111 per 100 ft³

Bringing total above Morris booster to \$1,386.50 and \$0.350 per 100 ft³

Further Surcharges for Service Above Garry Lane Booster:

- Additional Base Charge \$343.55
- Additional Usage Charge \$0.245 per 100 ft³

Bringing total above Garry Lane booster to \$1,730.05 and \$0.595 per 100 ft³

No change to System Development Fee

- No new connections expected
- Analysis requires long-term capital expenditure planning, more appropriate to rate study scope

Fire Station: 2025 charges increased by 15%

- Represents increase in total 2026 expenses compared to 2025
- Special Case

Some relevant characteristics:

- Resolves several customer issues related to irrigation: discontinuation of bulk water; those who historically have irrigation and now don't use it, and either pay extra to keep it just in case or want to relinquish but that will cost more with their larger meter; those who want irrigation but aren't allowed to get it and overage at the current rate is expensive
- Usage charges are calibrated to the cost of moving the water, so the picture is relatively resistant to changes in use patterns – increases in use generate the revenue to cover increased cost while decreases in use proportionately reduce the associated costs.
- Provides a valid basis for irrigation conservation
- The base charge rate hurts, but this is what it costs Moab to be hooked up to a potable water customer