



Minutes

President Rathbun called the meeting to order at 12:22 p.m. on August 11, 2025, and Mr. Leonard called roll.

Directors:

Kirk Rathbun, President

Gene Huffman Vice President

David McKenzie

Arland Ward

Staff Present:

Shane Leonard, District Manager

Jason McShane, Assistant District Manager

Stuart Dezember, Comptroller/Treasurer

Ben Woodard, Engineering and Operations Manager

Dan Tissell, Engineering Manager

Lori Gibson, Executive Administrative and HR Manager

Melissa Olheiser, Accounting Supervisor

Matthew Berglund, Public Information and Employee
Engagement Coordinator

Mardi Perry, Executive Coordinator

Vice President Huffman moved to excuse Director Hanberg. Director Ward seconded. All present voted in favor and the motion carried.

CONFIRMATION OF AGENDA: Vice President Huffman moved to confirm the agenda. Director Ward seconded. All present voted in favor and the motion carried.

WORKSHOP:

The Mission Statement was displayed for review. Mr. Leonard suggested that our mission statement should reflect that one of our priorities is our employees. He suggested adding "Providing an Engaging and Fulfilling Workplace for our Employees" to the Mission Statement. There was a consensus with this revision.

Mr. Woodard handed out information regarding the canal lining program. There was a discussion regarding canal lining replacement and lining options.

Mr. McShane presented information on the capital program. He requested input from the directors regarding their priorities as to capital projects. There was a discussion and the directors identified the following priorities:

- Automation
- Storage and drought resiliency
- Addressing customer concerns including start up, outages, water quality, private line areas, rates

Mr. McShane shared the current System Capital Improvement, Drought Resiliency, and Modernization Program Goals as follows:

1. Create new long-term revenue
2. Complete projects that are reimbursable
3. Complete projects that offset future expenses
4. Accelerate project schedules through increased capacity
5. Drought resiliency

Mr. McShane continued the discussion on canal lining by sharing current and future canal lining displays. The group continued their discussion of the canal lining program, including the progress made and anticipated future replacement.

Mr. McShane displayed information regarding fund balance changes and annual revenue sources, as well as current debt obligations with and without reimbursable funds. There was a lengthy discussion regarding project priorities and availability and sources of funding.

At 4:54 p.m., President Rathbun moved to adjourn the meeting until 8:00 a.m. on August 12, 2025, when the meeting would reconvene. Director McKenzie seconded. All present voted in favor and the motion carried.

President Rathbun called the meeting to order to resume the agenda at 8:08 am on August 12, 2025, and Mr. Leonard called roll.

Directors:

Gene Huffman, President
Kirk Rathbun, Vice President
David McKenzie
Arland Ward

Staff Present:

Shane Leonard, District Manager
Jason McShane, Assistant District Manager
Stuart Dezember, Comptroller/Treasurer
Ben Woodard, Engineering and Operations Manager
Lori Gibson, Executive Administrative and HR Manager
Melissa Olheiser, Accounting Supervisor
Matthew Berglund, Public Information and Employee
Engagement Coordinator
Mardi Perry, Executive Coordinator

Mr. Dezember displayed and reviewed the draft three-year operation budget projection. Mr. McShane discussed budgeting methods to reduce major year-to-year variations in needed expenditures. Mr. Dezember continued with a review of the property and casualty insurance costs increases, which he stated are projected to be approximately 9% in the next year. Mr. Leonard spoke about researching the possibility of becoming self-insured rather than continuing with the current insurance program, and there was a discussion regarding the benefits and costs that might result from this change. Mr. Dezember continued his presentation of the projected operating expenses.

Mr. McShane spoke about development and voluntary mitigation agreements. He displayed a map of District service areas, and the group discussed the current method of payment. There was a consensus on continuing the program using the three payment triggering events (use of irrigation water, issuance of a building permit, change in property ownership).

EXECUTIVE SESSION: At 10:58 a.m., Mr. Leonard announced on behalf of the presiding officer that the board would go into executive session to discuss with legal counsel potential litigation, in the form of litigation or legal risks of a proposed action or current practice pursuant to RCW 42.30.110(1)(i)(iii), beginning at 11:00 a.m. for approximately 60 minutes unless extended.

There were no members of the public at the meeting.

OPEN SESSION: At 12:00 p.m., the meeting resumed in open session.

Mr. Woodard displayed and reviewed the proposed Annual Report. The group discussed the proposal and input was received.

Mr. Leonard requested final thoughts on the subjects brought to the Board during the workshop. Vice President Huffman suggested that the District vehicles should be housed in a lean-to to protect them from weather deterioration. Director McKenzie suggested that the District upgrade the phone system to one that would be more user friendly.

At 1:30 p.m., President Rathbun called for a motion to adjourn.

Vice President Huffman moved to adjourn at 1:30 p.m. on August 12, 2025. Director McKenzie seconded the motion. All present voted in favor and the motion carried.

Attest:



Kirk Rathbun, Board President
Minutes Approved November 4, 2025

Witness:



Shane Leonard, Board Secretary

Prepared by Lori Gibson