



Minutes

President McKenzie called the meeting to order at 9:00 a.m. and Mr. Leonard called roll.

Directors:

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

Staff Present:

Shane Leonard, District Manager
Jason McShane, Assistant District Manager
Stuart Dezember, Comptroller/Treasurer
Seth Defoe, Land and Water Resources Manager
Ben Woodard, Engineering and Operations Manager
Lori Gibson, Executive Administrative and HR Manager
Matthew Berglund, Public Information and
Employee Engagement Coordinator
Mardi Perry, Executive Coordinator

Other Persons Present:

John Crotty, Western Legal

APPROVAL OF AGENDA: Vice President Huffman moved to approve the agenda. Director Hanberg seconded. All present voted in favor and the motion carried.

CONSENT AGENDA: Director Hanberg moved to approve the consent agenda. Vice President Huffman seconded. All present voted in favor and the motion carried.

The consent agenda items were:

1. Vouchers/Warrant Approval

Accounts Payable:

Check Numbers:

90247	through	90254	\$	3,008.30
90255	through	90289	\$	59,710.20
90290	through	90301	\$	60,124.91
90302	through	90331	\$	73,955.23
90332	through	90338	\$	37,581.75
90339	through	90344	\$	118,708.53
90345	through	90350	\$	134,259.79

Electronic Payments \$ 117,214.16 \$ 604,562.87

Bank Drafts	AP	\$	1,034.25
Bank Drafts	FSA	\$	3,644.76
Bank Drafts	General	\$	3,665.59
			<u>\$ 8,344.60</u>

Total Accounts Payable \$ 612,907.47

Payroll:

Direct Deposit	1/13/2026 *Clothing Allowances*	\$	31,748.04
Direct Deposit	1/20/2026	\$	200,603.83
Total Payroll			<u>\$ 232,351.87</u>

Voided Checks:

89999	VOID & Reissue	\$	<u>(3,500.00)</u>
			<u>\$ (3,500.00)</u>

Total Disbursements \$ 841,759.34

PUBLIC COMMENTS:

Randy Jackson: Mr. Jackson briefly reminded the Board of his letter to the District dated January 12, 2026.

PRESENTATIONS:

Rich Romm, HUB International – Public Officials Liability:

Mr. Romm presented this training regarding public officials liability, including:

- Organizational and Board liability
- Minimizing risk
- Deliberating in many voices, but governing in one
- Roles of Board vs management
- Board and management expectations of each other
- Guidance for Board and management actions
- Open Public Meetings Act
- Executive Sessions
- Public Records Act
- Confidentiality
- Media
- Effective communication and building trust

Financial Statements, November and December 2025: Mr. Dezember presented the draft financial statements for November and December 2025, and reviewed the following pages:

- Balance Sheet – As of December 31, 2025
- Balance Sheet – Comparative – As of December 31, 2025 and 2024
- Revenues & Expenditures – Budget to Actual – Period ending December 31, 2025
- Revenues & Expenditures – Comparative – Period Ending December 31, 2025 and 2024
- Statement of Grant Revenues for Current Awards – Period Ending December 31, 2025
- Fund Balance Change – As of December 31, 2025
- Cash Investment Report – As of December 31, 2025
- Long-Term Debt – As of December 31, 2025

Vice President Huffman moved to accept the DRAFT Financial Statements for the periods ending November 30 and December 31, 2025. Director Hanberg seconded. All present voted in favor and the motion carried.

PUBLIC HEARING: None

BOARD REPORTS:

Director Hanberg reported that the Operations and Engineering Committee was working on smaller subdivisions, PLAs, and the activities to complete before water on. He stated that he was impressed by the number of tasks they will undertake.

ACTION ITEMS:

Approval of Public Works Contract PW2025-06 Brookshire Consolidation Pipeline: Mr. Woodard presented the item. He gave a brief history of the takeover of the Brookshire system and spoke about the Brookshire Consolidation Pipeline project. He explained that the bid received for the public works project was similar to the engineers' estimate for the project. He added that the goal is to complete the project prior to the irrigation season this year.

President McKenzie inquired if KID has communicated the preliminary surcharge amount to the customers. Mr. McShane responded that the HOA has that information. He displayed a map of the development and explained the consolidation. He also spoke about the PLA Conversion program and expressed his appreciation for the Board's support of the program.

Vice President Huffman moved to approve contract PW2025-06 Brookshire Consolidation Pipeline in the amount of \$417,479.87, including tax, to the lowest responsible bidder, with funding from the Capital Upgrade and Improvement Fund and authorize the District Manager, Shane Leonard, to execute the contract. Director Hanberg seconded. All present voted in favor and the motion carried.

RESOLUTIONS:

Resolution 2026-03 Approval of Water Allotment Transfer for Sherman Heights Phase 5: Ms. Gibson presented the resolution, explaining that the development was located on a parcel that was included in reserved water and that the process for the allocation was similar to the previous phases for Sherman Heights.

President McKenzie inquired if the lots would be included in the 2026 assessments, to which Ms. Gibson replied that they would be included in the first or possibly the second mailing for 2026.

Dave – Will these be on 2026 assessments?

Lori – Should make it into the first mailing, or the second mailing.

Director Hanberg moved to approve Resolution 2026-03 Approval of Water Allotment Transfer for Sherman Heights Phase 5. Vice President Huffman seconded. All present voted in favor and the motion carried.

STAFF REPORTS:

Public Information Officer: Mr. Berglund reported regarding:

- Delta High School presentation report
- Upcoming Presentations to: Tri-Cities Badger Club, Columbia Center Rotary, and Safe Kids Coalition

Comptroller/Treasurer: Mr. Dezember reported regarding:

- Finance Committee Meetings scheduled for 2026
- 2026 Assessments are scheduled for completion in mid-February
- Employer-Provided Health Insurance reporting to the IRS has been completed
- Helping Hands report
- Foreclosures – currently 16

Engineering & Operations Manager: Mr. Woodard displayed videos for several capital projects. He also reported regarding:

- Water On – testing anticipated for March 24
- Operations Training planned

Land & Water Resources Manager: Mr. Defoe was not present at the meeting.

Mr. Leonard reported regarding:

- Snow water equivalent is low
- Bureau facilitated discussion upcoming
- Overall water shed conditions in the western states

Mr. Mcshane displayed and discussed webpages including:

- usbr.gov - Hydromet - Major Storage Reservoirs in the Yakima River Basin (“Teacup”) diagram, and Water Year Graph
- usda.gov - Washington SNOTEL Current Snow Water Equivalent % of Normal map
- noaa.gov - Monthly and Seasonal Temperature and Precipitation Outlook maps

Assistant District Manager: Mr. McShane reported regarding:

- Department of Ecology grant funds availability
- Water Stargrass and results from flooding
- Chandler Electrification – ongoing discussions regarding subordination
- YBIP Project Scoring Committee – the first meeting will be Friday with possible approval for projects by March
- Facilitated meetings regarding curtailment ongoing

District Manager: Mr. Leonard reported regarding:

- Risk management update
- Comprehensive Plans for adjacent municipalities
- Facilitated meetings regarding curtailment ongoing
- WSWRA legislative updates

WORKSHOP: None

EXECUTIVE SESSION: At 11:05 a.m., Mr. Leonard announced on behalf of the presiding officer that the board would go into executive session at 11:15 a.m., 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), and to consider the minimum price at which real estate will be offered for sale or lease, pursuant to RCW 42.30.110(1)(c), for approximately 30 minutes unless extended.

No members of the public were attending on Zoom.

At 11:45 a.m., executive session was extended for 5 minutes.

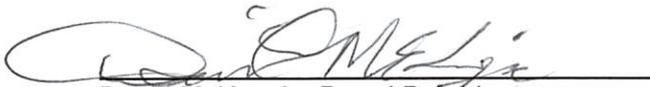
OPEN SESSION: At 11:50 a.m., open session resumed.

President McKenzie called for a motion to adjourn.

Vice President Huffman moved to adjourn at 11:52 a.m. Director Ward seconded. All present voted in favor and the motion carried.

Attest:

Witness:


David McKenzie, Board President
Minutes Approved February 17, 2026


Shane Leonard, Board Secretary

Prepared by Lori Gibson