

MEMO TO BOARD: Agenda Commentary for February 1, 2023

Wheatland insurance renewal update – John Anderson with Wheatland Insurance will go over our insurance renewal and answer any questions from the board.

Action Items

- a. Budget Committee Appointments:** We have 4 budget committee appointments to make. Jim McNamee and Bryce Molesworth have each served another full 3-year term. Bo Lindell and Dave Wagenblast have retired from the committee. The budget committee consists of the 7 elected members of the board plus 7 appointed members of the public who are voters within the district. Per statute, appointive members of the budget committee may not be officers, agents, or employees of the district. We have 5 individuals willing to fill the 4 spots; they are: Jim McNamee, Jason Lewis, Jerod Warnock, Lacy Underhill, and Chris Sorensen.
- b. Annual Meeting Resolution** – We must pass a resolution and provide public notice ahead of our annual meeting. Per board discussion, we will hold the annual meeting in conjunction with a regular board meeting and then hold a celebration later. The WyEast RC&D Council expressed interest in holding a joint celebration. I suggest a picnic at the 15mile MUS site with a presentation & project update.
- c. Policy Review – Updating Board Policies:** This item was tabled at the last meeting. Please review the draft updated board policies and bring any comments to the meeting. These are based on a template provided by SDAO, so feel free to flag anything that doesn't accurately reflect how we do business. Some things are required by law and others are simply best practices that we can tweak to fit how we prefer to operate.
- d. District Cost-Share Program** – We have fully expended our budget for the year and don't currently have any pending requests. We will discuss increasing the rates by 10% to offset the incredible recent inflation and rising cost of everything. We compared this proposed update to historical cost share rates. They very closely match the rates set out in 2008, at which time the fuel prices were the same as today. The rates were originally indexed to fuel prices, and we feel that this comparison is good justification to go with an overall increase of 10%. We will also review proposed updates to policy.
- e. Cost of Living Increase 4.64% retroactive to 1/1/2023** – The federal government has issued a 4.64% COLA as of 1/1/2023. We normally adopt these increases at the beginning of our Fiscal Year in July; however, I would like the board to consider making an exception this year to help our staff keep up with the increasing costs of living now rather than waiting 6 months. I have examined our budget and we are below cost on personnel expenditures due to Dusty working significantly less than budgeted. The estimated additional cost to the District over the next 6 months is approximately \$1,800 total, if Dusty works a similar schedule as he did last spring (this figure includes the proposed promotion for the Watershed Coordinator). We will be able to increase our grant billing rates accordingly, so most of the increase will be reimbursable. We are also below budget on benefits, so our overall personnel expenditures will be within budget if this increase is approved.
- f. Promotion for Watershed Coordinator retroactive to 1/1/2023** – Drake has been doing a tremendous job as our Watershed Coordinator and I recommend he be promoted from GS7-2 to

GS8-1. As noted under item e. (above), I have scrutinized our current budget vs actual expenditures, and this will have a relatively minor impact on the District budget, but will have an important positive impact on Drake. This suggested promotion is in line with the Equal Pay Act. As noted above, we will be able to increase our grant billing rates accordingly, so most of the increase will be reimbursable.

Updates

- a. **Next Regular Mtg, March 1st, 2023 1:00 PM USDA Service Center**
- b. **SDAO Annual Meeting, Sunriver, OR, February 9-12, 2023** – Both online and in-person options are available this year. Learn more here: <https://www.sdao.com/annual-conference>
- c. **15mile MUS** – A contractor was selected, and work began on Jan 16th.
- d. **Mosier Million #2** – Josh will provide an update. Mosier Million #2 bid docs are in draft form, which has been approved by BizOregon. We plan to issue them soon.
- e. **Highline Ditch**– Josh will provide an update.
- f. **2020 White River Fire & 2022 Miller Road Fire** – Josh will provide an update.
- g. **Policy Review – Personnel Handbook; Landowner Assistance** – These are the next policy items up for review.
- h. **Operating Capacity Grant Increases & Budget Reallocation** – We will discuss this throughout the budgeting process. The board approved purchasing a borehole camera to conduct well assessments in-house for \$8,000. Other ideas include increasing the DCS fund and picking up employee contributions to PERS, which are 6% of subject salary. This would align staff increases for the year with the proposed 10% increase on DCS rates. An employer pick-up is viewed as having advantages for both the employee and the employer. For the employee, the pick-up portion is considered salary for computing the final average salary for some PERS benefit plans, and since the employer pick-up is not paid as wages is not subject to federal income tax. The benefit to the employer is not having to pay the Social Security payroll tax. Since the 6% pick-up is based on gross pay and free from payroll taxes, an employer pick-up of an employee contribution is a less expensive mechanism for compensating employees than a comparatively valued 6% salary increase, which would be subject to payroll taxes and provide less net pay to an employee. We will be able to increase our grant billing rates accordingly, so the expense would be reimbursable. I am working on the FY23-24 budget and it currently looks good, including the pick-up proposal.
- i. **Updating Long Range Plan** – I'm still working through feedback to our LRP and will send a final draft as soon as it is ready.

Routine Reports: Committees, Agencies, Manager

Shelah Olson