

REGULAR MEETING
BOARD OF DIRECTORS

July 14, 2020

The Board of Directors of Lake Chelan Reclamation District met for their regular Board meeting at the office of the District on July 14, 2020. The meeting was called to order at 8:00 a.m. by Board President Dave Clark. Those in attendance were:

BOARD

David Clark
Paul Mogan
Nathan England
Todd Jeffries
Chad Steiner

STAFF

Rodney L. Anderson
Mary Lou Brooks

GUESTS

MINUTES – FINANCIAL REVIEW – STATUS OF FUNDS

A motion was made by Director Mogan and seconded by Director Jeffries to approve the June 9, 2020 minutes, budgets, and investments, as mailed. Motion carried unanimously.

ACCOUNTS PAYABLE

Secretary-Manager Anderson presented the accounts payable for review and approval. Accounts payable checks 16223 through 16267 (including EFT payments) totaled \$233,448.13 and were broken down as follows:

Irrigation O & M Investment	\$ 80,079.09
Irrigation Construction	\$ 16,161.00
Domestic O & M Investment	\$ 97,560.86
Domestic Construction	\$ 233.74
Sewer O & M Investment	\$ 39,413.44
Sewer Construction	\$ 0.00

After some clarification on proposed payments, a motion was made by Director Mogan and seconded by Director Steiner to approve the accounts payable as listed. Motion passed unanimously.

MANAGER'S REPORT

Irrigation: The MCC upgrade project is on schedule. The contractor has ordered the equipment needed and will begin work in November after the irrigation system has been shut down.

Domestic: We are at a good time to move forward with the Automatic Meter Read (AMR) project this fall. District Manager Anderson believes installing all new meter heads throughout the District will take 3-4 years, and we will do one route at a time. Doing the work ourselves will save the District a considerable amount of money. The cost would be \$12,000 initially, then budget

\$150,000 per year thereafter, with the entire project costing approximately \$450,000. Rate increases will continue to increase slowly to cover costs, and it is believed the District will break even in approximately 10 years. Cellular service is currently \$0.89 per meter per month, and the batteries in the units are claimed to last a maximum of 10 years. There has been very positive feedback with the meters initially installed for testing, saving customers larger excess charges due to leaks and breaks. After considerable discussion, a motion was made by Director Steiner and seconded by Director Jeffries to proceed with the Automatic Meter Read (AMR) project.

AT&T would again like to renegotiate their current lease. They are adding upgrades by putting in a generator with a concrete pad.

A tilt trailer has been ordered costing the District \$8,000, which is considerably less than the \$15,000 that was budgeted. The trailer will haul the large 2017 Kubota Mini Excavator and expected delivery is 3-6 weeks.

We will be advertising for bids for the Boetzke/Green replacement project in the fall, for the work to be done in the spring of 2021. The project is in the middle of town and under pavement, which will have to be replaced, making it more difficult for the District to do ourselves. Approximately 1000 feet of line will be replaced, which is included in the District's comp plan. The District does not have the time or resources to take on this project.

There was a water main break at Quetilquasoon Road and Highway 150. The fix went very well with the crew working until late Friday evening.

There was a line break at Wapato Lake Road and Highway 150, in an old steel line. This is on the list of replacement projects to be done within the next few years.

Sewer: Nothing to report.

Administrative: Joyce Romberger leak rebate request: There was significant miscommunication between Ms. Romberger and the District office, resulting in the customer's excess overage. It is recommended to adjust Ms. Romberger's account by \$518.26 for the May - June Utility Billing Statement. Board approved.

Penny Hunt leak rebate request: Ms. Hunt is an 80-year-old lady on Social Security who was making payments from the date of the Irrigation Statement being received. She made her last payment a couple of days late, thereby giving her an excess overage. It is recommended to adjust Ms. Hunt's account by \$370.01 for the May - June Utility Billing Statement. Board approved.

Mark Janicke leak rebate request. Mr. Janicke had a fitting that broke but went undetected. The line was discovered watering a neighbor's hedge. The line has been disconnected and the valve fixed, but it is recommended to deny the rebate and inform Mr. Janicke to ask the neighbor for reimbursement of his excess charges. Board agreed.

Doug Storaasli leak rebate request. Mr. Storaasli is currently in Arizona. His landscaper turned on the water, but it was the wrong valve, and it ran for several days. It is recommended to deny the rebate and keep the issue between Mr. Storaasli and his landscaper. Board agreed.

We received bids from engineering firms regarding the federal generator grant. After grading each proposal, we are recommending RH2 Engineering, as they graded highest overall, and are the most familiar with our system. The proposed total amount for their portion of the grant work will be \$43,000. After some discussion, a motion was made by Director Steiner and seconded by Director Mogan to accept the proposal from RH2 Engineering for \$43,000 and sign the Professional Services Agreement with them. Motion passed unanimously.

We are at a point with our billing software where it will no longer be supported in approximately five years. We are looking at the upgrades needed with our current software, as well as other software companies that are more local to our area and closer for support issues. The cost is roughly estimated to be \$300,000 to \$400,000, due to the unique billing items we have incorporated into our system. We will take our time and get the right program for the District, anticipating future needs.

A public bond rating interview is being scheduled, which is necessary before bonds are sold. There will be a rehearsal conference call on August 11th at 2:00 pm, that will last approximately two hours, with a due diligence conference call scheduled to begin after the rehearsal conference. The interview itself is scheduled for August 14th at 1:00 pm. In attendance will be Jim Nelson, Senior Vice President of D.A. Davidson, Lee Marchisio of Foster Garvey, Tamara Dezellem, CPA of Cordell, Neher & Company, District Manager Rodney Anderson, Administrative Assistant Jennifer Collins and Deputy Treasurer Mary Lou Brooks. It is also recommended to invite a County Commissioner for their insight into the demographics of the county, and at least one board member to speak on behalf of the District. District Manager Anderson will contact the board members when the interview dates get closer to see who is interested in attending.

The employee over time is currently 32% below normal to date. The over time rate as been declining over the past two years.

The Board was provided a letter written to the District by a very satisfied customer praising the field crew's work.

Past due accounts that have not been paid since the COVID Resolutions went into effect in March total approximately \$10,000, from 35 customers. The District will put reminder door hangers on the customers' residences, but per the governor's order they will not be shut off for non-payment.

The amount paid for the Roses Lake milfoil treatment exceeded the amount approved by the Board by approximately \$1,000. The milfoil was worse than anticipated, so a second treatment had to be applied to be effective. After some discussion, the Board approved the additional amount paid.

OLD BUSINESS:

WTP Property Acquisition: Mr. Giles Sokei has verbally stated that he is willing to sell the District 1.25 acres of land for approximately \$135,000. The land is adjacent to the water treatment plant

and would be used for future expansion or storage. An appraisal will have to be conducted to determine value, as well as a boundary line adjustment filed with the County. After considerable discussion, a motion was made by Director Mogan and seconded by Director Steiner to move forward in negotiating the purchase of 1.25 acres from Mr. Giles Sokei. Motion passed unanimously.

NEW BUSINESS

Water Use Efficiency Goals: Department of Health (DOH) has established 8% of water loss as the goal to save water, with yearly positive progress, at each water distribution facility within the state of Washington. The District's current water loss is 3% to 4%, which is well within the DOH goal. The District goals will be to reduce domestic water use by 1% over the next six years and maintain or reduce irrigation water use. The District will use the Automatic Meter Read meters (AMR) and a yearly newsletter to achieve these goals. After considerable discussion, a motion was made by Director Mogan and seconded by Director Steiner to approve the Water Use Efficiency goals as presented. Motion passed unanimously.

Financial Management Policies: The Board was provided a copy of the Financial Management Policies. After some discussion, a motion was made by Director Jeffries and seconded by Director Steiner to approve the Financial Management Policies as presented. Motion passed unanimously.


Bond Resolution 2020-08: Language has been added to repay the Bond with domestic and/or sewer funds if needed. This would be a loan only and would have to be paid back as soon as the irrigation funds become available. The cap has been placed at \$10 Million but believe \$6.4 Million to \$8.5 Million would be the maximum financed at this time. Bond proceeds will be used for MCC replacement at LC, A, B and C pumping plants, new pump control valves, and new pumps or motors as approved by the District Board. After considerable discussion, a motion was made by Director Mogan and seconded by Director Steiner to approve Bond Resolution 2020-08 as presented. Motion passed unanimously.

PUBLIC COMMENT

No public comment at this time.

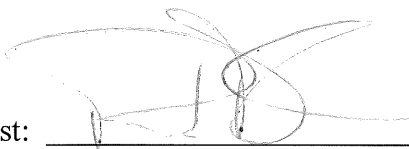
ADJOURNMENT

Being no further business to come before the Board, Board President David Clark adjourned the meeting at 9:14 a.m.

Signed: 
President





Attest: 
Secretary-Manager

July 2020