

REGULAR MEETING
BOARD OF DIRECTORS

January 10, 2012

The Board of Directors of Lake Chelan Reclamation District met for their regular Board meeting at the office of the District on January 10, 2012. The meeting was called to order at 8:00 a.m. by Board Vice President Rocky Libbey. Those in attendance were:

BOARD

Rocky Libbey
Brad Barnes
Bob Christopher
Scott Sandum

STAFF

Rodney L. Anderson
Mary Lou Brooks

GUESTS

Mary Stutzman
Larry Jungk
Arnold Baker

OATH OF OFFICE

Brad Barnes and Dave Clark were administered the Oath of Office for three-year terms and welcomed to the Board.

ORGANIZATION OF THE 2012 BOARD OF DIRECTORS

Director Sandum nominated Rocklund Libbey and made a motion that nominations be closed and a unanimous ballot be cast for Rocklund Libbey as 2012 Board President. Motion passed.

President Libbey opened the floor for nominations for Vice-President of the Board of 2012. Director Sandum nominated Bradley Barnes and made a motion that nominations be closed and a unanimous ballot be cast for Bradley Barnes as 2012 Vice-President. Motion passed.

APPOINTMENT OF OFFICERS

Director Barnes made a motion and it was seconded to appoint the following slate of officers for 2012.

Secretary-Manager/Treasurer/Auditor – Rodney L. Anderson
Deputy Secretary – Mary Lou Brooks
Deputy Treasurer – Mary Lou Brooks
Deputy Auditor – Jessica Guadalupe

Motion carried.

RESOLUTION 12-01 (Inter-Company)

Resolution 12-01 disperses overhead costs by allocating 35%, 45%, 20% respectfully to the irrigation, domestic and sewer companies, and transfers irrigation assessment income from

irrigation to domestic for irrigation rights served through the domestic system. Director Barnes made a motion and it was seconded to approve the Resolution as presented. Motion passed.

MINUTES – FINANCIAL REVIEW – STATUS OF FUNDS

President Libbey indicated that there was a typo on page 3 in the December minutes. Director Barnes made a motion and it was seconded to approve the December 13, 2011 minutes, with the correction, as well as the budgets, trial balances and investments, as mailed. Motion carried unanimously.

ACCOUNTS PAYABLE

Secretary-Manager Anderson presented the accounts payable for review and approval. Accounts payable checks 10998 through 11041 (including EFT payments to Dept. of Revenue for Excise Taxes and Dept. of Labor & Industries for Quarterly Payroll Taxes) totaled \$140,579.76 and were broken down as follows:

Irrigation O & M Investment	\$ 38,905.63
Irrigation Construction	\$ 16,992.85
Domestic O & M Investment	\$ 53,996.85
Domestic Construction	\$ 265.35
Sewer O & M Investment	\$ 30,419.08
Sewer Construction	\$ 0.00

A motion was made by Director Sandum and was seconded to approve the accounts payable as listed. Motion passed unanimously.

MANAGER’S REPORT

Irrigation: Secretary-Manager Anderson stated that we are continuing to do off-season maintenance and plan on doing repairs to about 40 irrigation cans.

Domestic: Secretary-Manager Anderson reported that a flow meter was replaced at the Water Treatment Plant. We are looking into sending the old one to be refurbished and have on hand as a spare.

On December 30th, there was a fire hydrant hit on Totem Pole Road. The pipe serving the hydrant was twisted on impact and split lengthwise. This resulted in the loss of approximately 458,000 gallons of water. As a result of the water pressure change, a pressure reducing valve on one of our mainlines stuck open with a small rock that flushed into it. This caused a surge in water pressure in our downtown area. We were contacted by several homeowners and businesses regarding their hot water tanks pressure valves releasing water. After discussing the incident with our insurance provider, we are advised to encourage affected individuals to file a claim with their personal insurance company with the police claim number. We are in the process of compiling the District’s time and materials for the repairs made to the hydrant and

valve, as well as loss of treated water, and will be submitting a claim to the insurance, if any, of the person responsible.

Sewer: Notices were enclosed with the November-December bills mailed out last week regarding the proposed \$6.00 per month rate increase in 2012.

Secretary-manager Anderson stated that we are looking at dates to do a sewer line replacement in the downtown area from Green Ave. to the post office, which is approximately 500 feet. The District is looking at February before irrigation startup, and trying to coordinate with any activities scheduled at that time.

A motion was made by Director Barnes and was seconded to increase the sewer rate from \$40 per month to \$46 per month beginning January 2012. Motion carried.

2012 BUDGET ADOPTION

Manager Anderson presented the proposed 2012 Budgets, the proposed 2012 Salary Schedule, and the following Rate Schedule:

Irrigation: \$128 per acre plus \$90 per parcel – no changes from 2011

Domestic: \$30 per month per ERU – no changes from 2011

Sewer: \$46 per month per ERU – an increase of \$6 per month per ERU

This proposal would be the 4th year in a row the irrigation and domestic systems rate structure have not been increased. The sewer increase is a direct result of meeting the future debt service needs of the City of Chelan's Wastewater Treatment Facility Upgrade project. Upon review and some discussion a motion was made by Director Sandum and was seconded to approve the 2012 Budgets, the 2012 Salary Schedule, and the Rate Schedule as presented. Motion passed.

OLD BUSINESS

Secretary-Manager Anderson indicated that he has been in contact with Christie Davis-Kernan at the U.S. Bureau of Reclamation and she has been in contact with the Regional office about obtaining more water rights allocated per our contract. After some discussion, Secretary-Manager Anderson will provide the Board with copies of correspondence of past management for review as well as a letter submitted by Paul Cross with his interpretation of the contract.

NEW BUSINESS

Scott Sandum thanked the Reclamation District for obtaining the reclassification of land for him. He was very appreciative of our efforts. Secretary-Manager Anderson indicated that there were several other individuals wanting to reclassify their lands as well, and he is looking into doing a second round to include them in the future.

The Lake Chelan Water Shed Planning Group has met again. Would we like a presentation of the plan being proposed or obtain the executive summary for our review? After some discussion,

it was the concensus of the Board members to obtain the executive summary so we can see what the plan entails.

Scott Pehrson called again regarding his irrigation overage. Secretary-Manager Anderson stated that he will be enclosing a letter with the 2012 irrigation assessment stating that he will not be entitled to his allotment until the 2011 overage is taken care of. It was suggested by the Board to give a cut-off date for payment.

PUBLIC COMMENT

Larry Jungk asked if we have had our exit interview yet or if it was scheduled. Secretary-Manager Anderson indicated that we are waiting to hear from Wen-Ling for a date, but she is currently on vacation.

President Libbey thanked Arnold Baker for his service on the Board of Directors for the Reclamation District.

EXECUTIVE SESSION

Being no additional new business or public comment Board President Rocky Libbey recessed the meeting for 45 minutes at 9:15 a.m. as allowed under RCW 42.30.110 to review the performance of a public employee. The regular meeting was reconvened at 9:25 a.m. with no action being taken.

ADJOURNMENT

Being no further business to come before the Board, Board President Rocky Libbey adjourned the meeting at 10:10 a.m.

Signed: _____
President

Attest: _____
Secretary-Manager

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