

REGULAR MEETING
BOARD OF DIRECTORS

September 11, 2012

The Board of Directors of Lake Chelan Reclamation District met for their regular Board meeting at the office of the District on September 11, 2012. The meeting was called to order at 8:00 a.m. by Board Vice President Brad Barnes. Those in attendance were:

BOARD

Brad Barnes
Bob Christopher
Scott Sandum
Dave Clark

STAFF

Rodney L. Anderson
Mary Lou Brooks

GUESTS

Allan Anderson
Craig Stevens
Don Phelps

MINUTES – FINANCIAL REVIEW – STATUS OF FUNDS

Director Christopher made a motion and it was seconded to approve the August 14, 2012 minutes, 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 11385 through 11430 (including EFT payment to Dept. of Revenue for Excise Taxes) totaled \$206,767.29 and were broken down as follows:

Irrigation O & M Investment	\$ 42,254.95
Irrigation Construction	\$ 7,528.84
Domestic O & M Investment	\$125,516.74
Domestic Construction	\$ 14,317.60
Sewer O & M Investment	\$ 17,149.16
Sewer Construction	\$ -0-

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

MANAGER'S REPORT

Irrigation: Shut down for the system is scheduled for Friday, October 19.

Secretary-Manager Anderson indicated that he has ordered acoustic panels to help control the noise at LC, and they should be shipped next week. They will be tested as soon as received.

The total proposed relinquished acres for the impervious project is 14.69, bringing the total to 141.66 acres designated impervious to date. The total acreage designated as 'unauthorized use' is now at 84.75 acres, of which 75.36 is classified as irrigable. At this date, we have a total of 56.26 acres that can be reallocated, leaving the District less than 30 acres from possible solution to the unauthorized use issue.

Domestic: The new shut off fees have been implemented and a newsletter has been sent to all customers explaining the new fees.

E-bill is being set up and implemented.

Sewer: The amount of water being sent through the sewer from the water treatment plant has been reduced by 8% to 10% due to the changes being made. Dwane Van Epps and Secretary-Manager Anderson are negotiating an adjustment to our percentage share that we pay for sewerage capital improvements made by the City of Chelan. Already, we have seen our monthly payments reduced due to lower flows.

Administration: Secretary-Manager Anderson stated that to become compliant with the new FCC radio regulations going into effect January 2013, the cost to replace some radios and upgrade others will be approximately \$4,744. He will not be putting any radios in the surplus trucks, bringing the total cost down from about \$9,000.

The District's new and improved website LCRD.org is up and running.

The 1995 Cat Backhoe is in the shop to have the boom rebuilt at a cost of \$6,000 to \$10,000. A total overhaul of the Cat would be \$30,000 to \$40,000, and does not include any engine work. A new Cat costs approximately \$95,000 and a slightly used Cat is \$70,000. Secretary-Manager Anderson indicated that he will be looking into the cost of a new or slightly used mini, with a trailer as an option. The 2002 Cat Backhoe is used for all construction work and the 1995 Cat Backhoe is used at the shop or for secondary jobs. The mini would be extremely useful in service installations and repair work, where the Backhoes are just too big and cumbersome. He will be providing the cost of the mini and trailer at a future Board meeting.

David Griffith and our attorney are going through the lien process on all irrigation assessments three years or more in arrears. Deputy Auditor, Jennifer Collins, is going through the list, has sent out informational letters to all customers with assessments in arrears, and will be getting liens in place to ensure payment of the affected parcels.

OLD BUSINESS

Allan Anderson indicated that he is moving forward with the Rocky Pointe Development and would like our feedback on the infrastructure he needs to have put in place to meet our requirements. He proposes construction of a reservoir pumping station with an 8" line to the development, as indicated in his map. The Board indicated that they are looking at his proposal, as well as several proposals from RH2 Engineering. The Board directed Secretary-Manager Anderson to put together a meeting with Allan Anderson, Don Phelps, himself and RH2 engineers to review and discuss all the proposals and come up with the best solution for this development.

No quote was available for the District's resurfacing needs at this time.

NEW BUSINESS

Craig and Jack Stevens sold property to Calvin White in 2008. In 2008 and 2009 the irrigation assessments were not paid, and the property was returned to Stevens in 2010 for non-payment.

As of this date the irrigation assessments amount in arrears is \$4,765.82, which includes all accumulated interest. Craig and Jack Stevens are asking to waive this amount in its entirety as our protocol was not followed in turning off the irrigation turnouts until payment was received. After considerable discussion, Director Christopher made a motion, and was seconded, to cut the assessment and interest due in half. Motion passed unanimously. After more discussion, Director Clark amended the motion and it was seconded to drop the interest due in its entirety and cut the assessment in half, making the total due \$1,228.17. The motion passed as amended unanimously.

Bear Mountain lease for our radio equipment for the irrigation system expired in 2009. The new proposed lease with KOZI is for 2012-2016, with payments increased to \$140 per month and yearly increases of \$5.00 per month. A motion was made by Director Clark and was seconded to accept the proposed lease at \$140 per month with \$5.00 per year increases. Motion passed unanimously.

The Lake Chelan Snowmobile Club is requesting a 5-year renewal agreement to use our property at the south end of Antilon Lake as a parking/rendezvous area. The terms of the agreement will remain the same, with their paying \$10.00 per year and carrying a minimum \$1,000,000 certificate of liability insurance in our name. A motion was made by Director Sandum and was seconded to accept the renewed agreement at \$10.00 per year and a \$1,000,000 certificate of liability insurance in our name. Motion passed unanimously.

The next Board of Directors meeting will be Tuesday, October 9, 2012, beginning at 7:00 a.m.

PUBLIC COMMENT

There was no public comment at this meeting.

ADJOURNMENT

Being no further business to come before the Board, Board Vice President Brad Barnes adjourned the meeting at 8:46 a.m.

Signed: _____
Vice President

Attest: _____
Secretary-Manager

September, 2012