

REGULAR MEETING  
BOARD OF DIRECTORS

January 14, 2014

The Board of Directors of Lake Chelan Reclamation District met for their regular Board meeting at the office of the District on January 14, 2014. The meeting was called to order at 8:00 a.m. by Board President Robert Christopher. Those in attendance were:

BOARD

Bob Christopher  
Brad Barnes  
Dave Clark  
Paul Mogan

STAFF

Rodney L. Anderson  
Mary Lou Brooks

GUESTS

Mary Stutzman  
Larry Jungk

ORGANIZATION OF THE 2014 BOARD OF DIRECTORS

Director Barnes made a motion and it was seconded to suspend the 2013 Board and nominated Robert Christopher as the 2014 Board President and Scott Sandum as the 2014 Board Vice President. The motion passed unanimously.

APPOINTMENT OF OFFICERS

Director Barnes made a motion and it was seconded to appoint the following slate of District officers for 2014.

Secretary-Manager/Treasurer/Auditor – Rodney L. Anderson  
Deputy Secretary – Mary Lou Brooks  
Deputy Treasurer – Mary Lou Brooks  
Deputy Auditor – Jennifer Collins

Motion carried.

MINUTES – FINANCIAL REVIEW – STATUS OF FUNDS

Director Clark made a motion and it was seconded to approve the December 10, 2013 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 12168 through 12224 (including EFT payments to Dept. of Revenue for Excise Taxes and Dept. of Labor & Industries for 4<sup>th</sup> Quarter Payroll Taxes) totaled \$186,206.88 and were broken down as follows:

Irrigation O & M Investment	\$ 44,913.84
Irrigation Construction	\$ 3,729.47
Domestic O & M Investment	\$ 72,660.98
Domestic Construction	\$ 19,475.14
Sewer O & M Investment	\$ 45,427.45
Sewer Construction	\$ -0-

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

### MANAGER'S REPORT

**Irrigation:** Manager Anderson informed the Board that the final ending budget for 2013 is at 98% for Irrigation, 105% for Domestic and 94% for Sewer, with 108% of revenue for Domestic. There were 33 new water hookups, as opposed to the 25 projected, and accounting for the increase in revenue.

We currently have two grants that we receive funds from. The first grant for pump control valve rehabilitation expires in 2018, but has run out of money. The second grant for our meter and PRV project expired on December 31, 2013, but has approximately \$74,000 left. In speaking with Al Josephy of the Department of Ecology, we are requesting additional funds for the first grant and an extension for the second.

**Domestic:** Several customers had frozen water lines due to the freezing temperatures experienced in December, with no snow cover.

**Sewer:** Nothing to report at this time.

**Administration:** We have submitted the letter to the auditor's office dated December 13, 2013, regarding the representations for the 2011 and 2012 audit. We are currently waiting for the auditor's Management Letter, as well as scheduling the exit closing meeting.

Cordell, Neher & Company is working with bookkeeper, Mary Lou on changing from Peachtree to Quick Books and implementing the state BARS coding system.

The Hazardous Materials Inspection has been completed and we have received their report, as well as the asbestos test report on the shop interior. The asbestos test was negative and the inspection report did not require any changes on our part, but had several recommendations, which we will be implementing. The field crew are currently cleaning up the shop and organizing the contents to where materials will be more accessible.

Stan Bastian, the District's attorney, is currently negotiating a Franchise Agreement with Chelan County. The Agreement proposed by the County will require us to obtain their engineer's approval for all work on County roadways, as well as obtaining a permit for each job and open to charging us a fee. Stan's proposal will be a very generic Agreement without a lot of restrictions to hinder our work. Manager Anderson stated he will keep the Board up-to-date on the negotiations of this Franchise Agreement.

Peter Becker from TVI will be calling in on a conference call at the next regularly scheduled Board meeting to discuss with the Board the possibilities of investments with capital funds.

Manager Anderson explained to the Board that there are currently two domestic accounts which are in arrears significantly and all attempts to collect these funds have been ignored. He is requesting the Board attach the amounts billed, as well as all fees incurred to date, to the 2014 irrigation assessment to enable the District to collect the money owed. After considerable discussion, a motion was made by Director Barnes and was seconded to attach any significant

outstanding balances due from the domestic accounts to the irrigation accounts after confirmation from the District's attorney on the legalities of this action. Motion passed unanimously.

#### OLD BUSINESS

Manager Anderson is currently drafting a letter to Ryan Patterson of the USBR Boise, Idaho office, with copies to Tom Young, Office of Congressman Dave Reichert and Christina Davis, USBR Ephrata. The letter will detail our request in obtaining the additional 500 acres, or 10% increase, as outlined in the current contract. We want to amend the current contract and not obtain a new repayment contract, adding to the length of repayment. The letter will request the costs to be incurred in the acreage increase be itemized for us. The letter will also ask for clarification of Indian lands toward the total acreage, as well as any specialty contracts we currently hold. If any Board members would like to read the letter for any input before mailing, it is available for review.

#### NEW BUSINESS

Fred Miller, of Kamei Resort, would like to ask the Board to consider moving approximately 2 acres of federal irrigation water to the domestic system. The reason for this is to help us provide potable drinking water to the campground on Wapato Lake and avoid the risk of people camping there drinking the non-potable irrigation water. The campground currently has two hose spigots side-by-side for both sources of water. Campers have used the wrong source in the past, and if someone gets sick the District will likely have liability whether warranted or not. The proposal is to install a domestic meter and have Fred re-plumb his irrigation to it. After considerable discussion a motion was made by Director Barnes and was seconded to relinquish federal irrigation and move the approximately 2 acres to the domestic irrigation system. Motion passed unanimously.

#### PUBLIC COMMENT

There was no public comment at this meeting.

ADJOURNMENT

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

Signed: \_\_\_\_\_  
President  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attest: \_\_\_\_\_  
Secretary-Manager

January, 2014