

REGULAR MEETING
BOARD OF DIRECTORS

May 13, 2014

The Board of Directors of Lake Chelan Reclamation District met for their regular Board meeting at the office of the District on May 13, 2014. The meeting was called to order at 8:00 a.m. by Board President Robert Christopher. Those in attendance were:

BOARD

Bob Christopher
Scott Sandum
Brad Barnes
Dave Clark
Paul Mogan

STAFF

Rodney L. Anderson
Mary Lou Brooks

GUESTS

Mary Stutzman
Troy Hawkins

MINUTES – FINANCIAL REVIEW – STATUS OF FUNDS

Director Barnes made a motion and it was seconded to approve the April 15, 2014 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 12553 through 12595 (including EFT payment to Dept. of Revenue for Excise Taxes) totaled \$236,571.65 and were broken down as follows:

Irrigation O & M Investment	\$ 67,066.69
Irrigation Construction	\$ 15,121.20
Domestic O & M Investment	\$ 60,775.80
Domestic Construction	\$ 1,246.24
Sewer O & M Investment	\$ 92,361.72
Sewer Construction	\$ -0-

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

MANAGER’S REPORT

Irrigation: Due to costs of parts and changes in some property use, when possible we are downsizing some irrigation turnout sizes as we replace them depending on acreage they serve. Turnout replacement is an ongoing project benefitting from some grant reimbursement for costs from the Department of Ecology.

Sewer: We are currently making significant upgrades to Lift Station #4, which is reimbursed entirely by the City of Chelan. Manager Anderson has been in contact with Dwane Van Epps with the City of Chelan and they are aware of the costs being incurred.

Administrative: Manager Anderson commented that he has currently been with Lake Chelan Reclamation District for 20 years.

The Forest Service has been in contact with Manager Anderson with regard to Memorial Weekend at Antilon Lake camp grounds. It was recommended to hire two police reservists to patrol the camp ground, but none were available. We will be splitting the costs of garbage bins and port-a-potties with the Forest Service, as in the past. The board was queried as to how they felt about closing down the Antilon area during Memorial weekend and they were not in favor of that option.

Manager Anderson presented the Board with the medical benefits and financial analysis effective July 1, 2014. Our current healthcare plan will no longer be available, and the comparable plan will require an 18% increase. The Board will take the healthcare costs under advisement and discuss at the next regularly scheduled Board meeting in June.

OLD BUSINESS

In follow up to the board instructing Manager Anderson to go ahead with purchasing government bonds in the April meeting, two bonds have been purchased. Bond #1 was purchased at an initial cost of \$499,058.33 and Bond #2 was purchased at an initial cost of \$499,896.00. Total cost for both bonds was \$998,954.33.

Manager Anderson updated the Board on the contract negotiations with the City of Chelan, regarding a new sewer agreement. The agreement in negotiation reflects exactly how we've been operating with the City of Chelan, without a contract, the past seven years. A motion was made by Director Barnes and was seconded to table the sewer contract with the City of Chelan until Manager Anderson can discuss further with legal counsel. Motion passed unanimously.

NEW BUSINESS

After some discussion it was the consensus of the Board that LCRD will again conduct irrigation water tests on our system in June and September for food safety compliance, and making such test results available for the orchardists in our District.

Keith Nelson has requested a waiver for the required 100 foot county setback from agriculture to build his home closer to one of our ditchlines. The ditchline is abandoned but commercial agriculture exists on the next adjacent property. The County instructed him that LCRD would be the entity needed to sign the waiver as the adjoining property. After considerable discussion, it was the consensus of the Board for Manager Anderson to discuss the matter and obtain the recommendation of legal counsel.

PUBLIC COMMENT

Troy Hawkins of Sundance Slope orchards stated that he was in attendance because District customer service and assistance is lacking. He stated that he has 29.5 acres to irrigate and has had

excess on his irrigation the past two years, but felt the District did not do enough to assist him with determining the cause. In 2012 he removed 13 acres of orchard on one of two turnouts but still received an excess bill approximately \$2,200. In 2013 his irrigation overage was approximately \$4,000, which LCRD has just recently written off after considerable discussion with Manager Anderson. Mr. Hawkins stated that he felt that the 2012 overage should be reimbursed as well.

This past year, after the second year of overages, District personnel advised Mr. Hawkins to make sure he did not have any leaks as this is often the cause of excess. Mr. Hawkins stated that he then replaced all leaking valves in his orchard, and feels the District should reimburse him for these valves.

After some discussion, Manager Anderson reminded Mr. Hawkins that in their correspondence on this issue that he had already agreed to reimburse the 2012 amount. The matter of reimbursing for leaking valves was rejected by the board as regular maintenance that should be done anyway in the interest of water conservation.

Manager Anderson further explained that after inspecting the meter in the fall of 2013, a piece of wood was found stuck inside of it, therefore not calculating usage correctly. This condition has not been witnessed before to our knowledge and we have no way of determining how long it was like that. Mr. Hawkins had been at the office to view the meter at that time as well.

Mr. Hawkins then wanted to voice his displeasure with Manager Anderson's inquiry about the possibility of not averaging usage on the two Sundance Slope turnouts in the future as the District is trying to discontinue this practice where possible. Mr. Hawkins stated that this is not practical and would in fact mean his orchard would need to a new irrigation system because he cannot separate the turnouts or usage and suggests the District pay for this if they want this done. Manager Anderson reminded Mr. Hawkins that this is a non-issue as they had already covered this in previous correspondence and come to the conclusion it was not feasible to separate at this time. The District is removing the averaging of turnouts practice if the turnouts are not physically connected.

Troy Hawkins further stated that in 2012 LCRD was given permission to dump spoils, including concrete and other materials, on his property. During this time a concrete cistern was dumped with the fill and had rolled down into an orchard extensively damaging several of his trees. At the time of the incident he did not request reimbursement from the District, but now he feels he should be compensated for said damages. To clarify, Manager Anderson stated that when Mr. Hawkins notified the District of the cistern problem, the District promptly responded to remove the cistern. As part of the discussion, Mr. Hawkins was asked specifically if he knew and approved of all spoils being dumped, including asphalt, to which he acknowledged in the affirmative. After some discussion, Mr. Hawkins presented Manager Anderson with an invoice for various damages he believes he incurred. The Board will address the invoice in the next board meeting.

ADJOURNMENT

Being no further business to come before the Board, Board President Robert Christopher adjourned the meeting at 9:21 a.m.

Signed: _____
President

Attest: _____
Secretary-Manager

May, 2014