

REGULAR MEETING
BOARD OF DIRECTORS

January 12, 2016

The Board of Directors of Lake Chelan Reclamation District met for their regular Board meeting at the office of the District on January 12, 2016. 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
Paul Mogan

STAFF

Rodney L. Anderson
Mary Lou Brooks

GUESTS

Arnold Baker
Kaitln Hehrscheidt

OATH OF OFFICE

Robert Christopher and Paul Mogan were administered the Oath of Office for three-year terms.

ORGANIZATION OF THE 2016 BOARD OF DIRECTORS

Director Barnes made a motion and it was seconded to suspend the 2015 Board of Directors and Director Sandum nominated Robert Christopher as the 2016 Board President and Director Barnes nominated Scott Sandum as the 2016 Board Vice President. The motion passed unanimously.

APPOINTMENT OF OFFICERS

Director Sandum made a motion and it was seconded to appoint the following slate of District officers for 2016.

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

Motion carried.

MINUTES – FINANCIAL REVIEW – STATUS OF FUNDS

Director Sandum made a motion and it was seconded to approve the December 8, 2015 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 13474 through 13526 (including an EFT payment to Dept. of Labor & Industry for Quarterly Payroll Taxes) totaled \$187,234.84 and were broken down as follows:

Irrigation O & M Investment	\$ 63,339.80
Irrigation Construction	\$ 6,277.71
Domestic O & M Investment	\$ 72,094.74
Domestic Construction	\$ 3,107.73

Sewer O & M Investment	\$ 42,414.86
Sewer Construction	\$ 0.00

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 stated that he has been attending watershed planning meetings. He has begun the process for applying for additional water rights out of Lake Chelan from the Department of Ecology. Board members were concerned that there would be a conflict with the Bureau of Reclamation, but Manager Anderson assured them that is not the case, and that it gives the District more flexibility with water rights in the future. The water rights, if attained, cannot be serviced through the Bureau's water system. He will keep the Board apprised of any developments with this application process.

Domestic: The fire hydrant on Green Avenue was hit and broke off at the main line. Nine homes were subsequently flooded, but their homeowners insurance will take care of their damages. We have repaired and moved the fire hydrant, as well as repaired the damage done to the roadway.

Sewer: The force main extension is still being considered, with the City of Chelan planning the work for 2016. We are anticipating receiving the invoice for our portion of the work done sometime in early 2017.

Administrative: The budget for 2015 ended up as 88% for irrigation services, 102% for domestic water services and 93% for sewer service. A significant amount of cost can be attributed to an abundance of water and sewer services installed in 2015. This is great for revenues but there is a cost associated with installation of services. Our revenues were up for domestic at 113% and sewer up at 108% of projected.

Manager Anderson stated that Jose Valle Sanchez, our temporary employee, was offered a permanent full-time position and he has accepted. He will begin full-time employment with the District on January 19, 2016, after giving his 2-week notice to Mill Bay Casino.

Jarred Teague has requested to volunteer at our water treatment plant to obtain the hours needed for a level 2 Water Treatment Plant Operator Certification. He will not need any supervision, will just be observing the water plant working. After some discussion, the Board members did not have any problems with this request.

OLD BUSINESS

Manager Anderson indicated his continued concerns with the irrigation budget, stating that the reserves has dropped approximately \$350,000 in the past five to six years. His proposal included several rate increase scenarios for the Board's consideration. The budget also includes some upgrade work being completed at the shop and upgrades in the water treatment plant. After considerable discussion, a motion was made by Director Barnes and seconded to increase the irrigation rate from \$100 per parcel to \$125 per parcel as well as increase the \$130 per acre fee to \$140 per acre beginning January 2016. In addition, the motion included parcels one acre or under will have a minimum cost of \$265 beginning January 2016. Motion carried.

Manager Anderson presented the proposed 2016 Budgets, the proposed 2016 Rate Schedule:

Irrigation: \$140 per acre plus \$125 per parcel
\$265 minimum for parcels one acre and less.
Domestic: \$30 per month per ERU – no changes from 2012
Sewer: \$50 per month per ERU – no changes from 2014

The irrigation increase is a direct result of meeting the future debt service needs of the Lake Chelan Reclamation District. Upon review and some discussion, a motion was made by Director Mogan and seconded to approve the 2016 Budgets and Rate Schedule as presented. Motion passed.

NEW BUSINESS

RESOLUTION

Resolution 2016-01 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. A motion was made by Director Barnes and seconded to approve Resolution 2016-01 as proposed. Motion carried.

Resolution 2016-02 is being presented to the Board for a purchase of a used forklift through Papé Machinery. The Board members suggested having the forklift serviced before delivery. After some discussion, a motion was made by Director Sandum and seconded to purchase the used forklift from Papé Machinery as proposed in Resolution 2016-02. Motion carried.

PUBLIC COMMENT

Arnold Baker, Fire Chief for Chelan County Fire District #5, stated that Hazard Mitigation Grants are available for the purchase of generators for emergencies, through FEMA who will pay 75%, State Emergency Managements will pay 12½% and the District will have to match the 12½%. Manager Anderson stated that there is nothing we can do for the irrigation system, as the pumps are too large. We can get large enough generators to put one at the Manson intake, and a mobile generator for the sewer pumps. The generators would be diesel operated and approximately 275 Kw. Manager Anderson is still reviewing all options for this grant opportunity

Arnold Baker further stated his agreement with the pursuit of additional water rights. He stated his agreement with the irrigation rate increases to keep the system running as smoothly as possible as it ages.

ADJOURNMENT

Being no further business to come before the Board, Board President Robert Christopher adjourned the meeting at 9:09 a.m.

Signed: _____
President

Attest: _____
Secretary-Manager

January, 2016