

REGULAR MEETING
BOARD OF DIRECTORS

June 14, 2016

The Board of Directors of Lake Chelan Reclamation District met for their regular Board meeting at the office of the District on June 14, 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
Dave Clark
Paul Mogan

STAFF

Rodney L. Anderson
Mary Lou Brooks
Jennifer Collins

GUESTS

Robert Siderius

MINUTES – FINANCIAL REVIEW – STATUS OF FUNDS

Director Sandum made a motion and it was seconded to approve the May 10, 2016 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 13738 through 13792 (including an EFT payment to Dept. of Revenue for Excise & Sales Taxes) totaled \$324,298.38 and were broken down as follows:

Irrigation O & M Investment	\$235,206.58
Irrigation Construction	\$ 0.00
Domestic O & M Investment	\$ 37,364.30
Domestic Construction	\$ 24,265.72
Sewer O & M Investment	\$ 27,461.78
Sewer Construction	\$ 0.00

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

MANAGER’S REPORT

Irrigation: One of the large motors from pumping plant ‘B’ was sent to K&N to be repaired as it developed a vibration after the season startup. This leaves us short a large motor in the B system.

The water usage to date for this time of year has easily exceeded the average from years past. We have taken the first of two water tests for e-coli on the system to satisfy some food safety requirements. Results are available in our office and on our website.

Domestic: Manager Anderson informed the Board that around Memorial Day, the Wapato Ridge Homeowners Association spent approximately \$12,000 to have the development streets coated to preserve the asphalt. A couple of days later a leak was discovered and fixed by our field employees. The crew has done a great job of fixing the leak in a timely manner and then cleaning up as best as they can. We have received two letters, one stating that they were impressed with

our clean-up efforts. The second letter from stating that it is not enough and they would like us to recoat the area to make it as it was immediately before the line break fix. Bob Siderius stated that it is our obligation to fix the leak and put the area back into as reasonable a shape as before the work was done. He believes that we did our due diligence and met our responsibility, but if anything we did destroyed the integrity of life of the road, or impacted the work that was done, then we may want to reseal the site to keep our customers happy. It is the District's decision to make.

Sewer: Nothing to report at this time.

Administrative: A property owner who owns the home adjacent to the Reclamation District office, has kept his pickup on the District's property, full of trash, as well as his boat being parked on District property for long-term storage. Manager Anderson recently asked him to move his pickup and boat. The homeowner asked if we would consider letting him extend our retaining wall in back (at his cost), which will enable him to make a parking area for himself. After reviewing his proposal, it was determined that he would still be parking on the District's property. After considerable discussion, as well as input from Attorney Bob Siderius, the Board believes it would not be in the District's best interest to continue letting the owner park his personal property on the District's property. It would be agreeable for the District to permit him to park his vehicle and boat while he is here, but only on a temporary basis, as the owner does not live permanently in Manson. Manager Anderson will contact Mr. Springer and discuss the Board's decision with him..

Manager Anderson informed the Board that to date FEMA has paid the 75% reimbursable to us from the damages incurred from the fires last year.

The District has hired Erlandsen Engineering to update our GIS mapping program in order to have the ability to directly upload pictures from the field. The program will be cloud-based, but we have incurred some technical difficulties in setting up the system, which we are trying to work through.

Richard Vance has stated his intent to relinquish his irrigation water rights on his two lots, and does not want to pay this year's assessments. We are trying to work out a solution with Mr. Vance.

One of our Bonds has recently been called and we are purchasing a new Bond for \$500,000 with a 1.3% interest rate.

Manager Anderson informed the Board that he would be gone the last two weeks in June on vacation, and Dave Walters will be available if needed.

OLD BUSINESS

There are currently 5 delinquent customer accounts that are 2-3 years old and are not being paid. One account is over 3 years old and Attorney Bob Siderius has sent a lien letter, with no response from them to date. The process is to file a lien on the property after 2 years delinquent, then if nothing is paid start foreclosure proceedings after 3 years. Attorney Bob Siderius said first we should make every effort to get them on a payment plan, which Jennifer stated she currently does. Next we need to make sure we have the capacity to take the property if foreclosure happens and the customer does not pay the assessments. If they are delinquent in back taxes, the County Treasurer will let us join their lien and/or foreclosure proceedings and they will collect the

delinquent monies on our behalf. The properties are currently all vacant, but are not delinquent on back taxes. After considerable discussion, the Board believes the District should get a written procedure in place, then follow that procedure. Manager Anderson will be working with Attorney Bob Siderius to get the procedure drafts for the Board's review and approval.

NEW BUSINESS

The 2013-2014 audit was finalized and Directors Bob Christopher and Scott Sandum attended the exit meeting on May 23rd.

We do not have a policy regarding Latecomer Agreements. Currently, the customer does the line extension, then conveys it to the District for operation and maintenance. We do not have guidelines for determining the amount for repayment to the customer. After some discussion, it was agreed that Manager Anderson will follow up with Attorney Bob Siderius to draft a Latecomer Agreement policy for the Board to review and approve.

Delta Dental is scheduled to be renewed on July 1st. The new proposal has an increase of \$345 annually. After some discussion, Director Sandum made a motion and it was seconded to renew Delta Dental Insurance with the new rates. Motion carried 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 9:27 a.m.

Signed: _____
President

Attest: _____
Secretary-Manager

June, 2016