

REGULAR MEETING
BOARD OF DIRECTORS

November 15, 2016

The Board of Directors of Lake Chelan Reclamation District met for their rescheduled regular Board meeting at the office of the District on November 15, 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

GUESTS

Mary Stutzman
Todd Jeffries
Nate England

MINUTES – FINANCIAL REVIEW – STATUS OF FUNDS

Director Sandum made a motion and it was seconded to approve the October 11, 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 13991 through 14038 (including an EFT payment to Dept. of Revenue for Excise & Sales Taxes) totaled \$227,472.33 and were broken down as follows:

Irrigation O & M Investment	\$123,534.70
Irrigation Construction	\$ 0.00
Domestic O & M Investment	\$ 68,608.32
Domestic Construction	\$ 0.00
Sewer O & M Investment	\$ 32,279.03
Sewer Construction	\$ 3,050.28

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

MANAGER’S REPORT

Irrigation: Manager Anderson stated that he is working on an irrigation comprehensive plan, and will be requesting guidance from the Board members going forward. The District is looking at substantial upgrades needing to be made as our equipment becomes outdated and unable to be maintained. The comprehensive plan itself will incur costs of approximately \$60,000 over a two year span.

Domestic: Chelan Fruit Warehouse has incurred an excess bill of approximately \$20,000. They are requesting a leak rebate for the excess amount. To complicate matters, one of two buildings involved are being sold. To be considered for a leak rebate, we are requiring them to disconnect the pipe that connects the buildings to insure the two buildings have separate water sources. After

considerable discussion, it was the consensus of the Board that they would like to know where the water went before granting or denying the water rebate.

BOARD OF EQUALIZATION

President Robert Christopher recessed the regular meeting at 8:15 a.m. and opened the Board of Equalization. Manager Anderson presented the proposed 2017 Assessment Roll and reported that our assessed parcel count increased by one in irrigation and domestic decreased by fifteen for 2017, with 0.94 acre of water rights being relinquished by various property owners. There being no questions or comments, Board President Christopher declared the 2017 Assessment Roll to be equalized as presented, adjourned the Board of Equalization at 8:29 a.m., and reconvened the regular Board of Director's meeting.

MANAGER'S REPORT (Continued)

Domestic (Continued): There are two severely delinquent domestic accounts. With regard to the first account, the homeowner has water and sewer and the water has been shut off for several years. The homeowner refuses to pay any amount, and any and all attempts to contact them to obtain payment or set up a payment plan has failed due to their lack of response to our requests. Manager Anderson recommends moving the entire amount due, currently \$3,013, as a special assessment to the irrigation assessment, as provided in our policy manual. After considerable discussion, Director Sandum moved and it was seconded to move the entire amount due of \$3,013, from the domestic water and sewer to a special assessment added to their irrigation assessment. Motion passed unanimously.

The second account is a house that burned down back in 2008 and the current registered owner of the property is deceased. The son has been in contact with the District's office and he is trying to bring all outstanding bills current, including the property taxes. He makes monthly payments and shows that he will bring everything current as soon as he possibly can. At this time there is \$5,513.14 due in back domestic water bills, including interest. The last account activity was December 30, 2010 in the amount of \$3,321.20. Manager Anderson recommends removing the ERU from the property, thereby removing the bi-monthly charge of \$60. Take the amount of \$1,025.95, which was still due on December 30, 2010, add the interest charged from that point forward, and move the total amount still due to the irrigation assessment as a special assessment, which is being paid on a monthly basis until paid in full. After some discussion, it was the consensus of the Board members, that they would like this proposed to the son, then brought back to the Board for any action to be taken thereafter.

Sewer: After meetings and several discussions with the City of Chelan, as well as their engineers, our proposed share of the sewer extension is \$164,000. The City will pay the contractor, then send us an invoice for our share of each bill received. The project is scheduled to begin in March.

Administrative: We received one application for each open Board position. Nate England applied for the one-year position vacated by Brad Barnes, and Todd Jeffries applied for the three-year position previously held by Scott Sandum. Scott has decided not to re-apply for his Board position.

Manager Anderson stated that he has been involved with the Lake Chelan Research Institute regarding the water quality of the lake. The organization takes water samples to test different parameters of the lake. The samples are taken in the spring and summer, and they are wanting to expand with more testing being done. The multi-parameter probes that are used cost

approximately \$10,000. Manager Anderson stated that he believes the District should assist in some way with this effort. Whether it be equipment purchase or manpower to collect data. He believes the District needs to show good faith as we are a significant user of the lake water.

OLD BUSINESS

No old business at this time.

NEW BUSINESS

The Campbell Development on Bennett Road is requesting a water and sewer extension to cover the developed area. After some discussion, a motion was made by Director Clark and was seconded to approve the water and sewer extension to include the Campbell Development on Bennett Road. Motion passed unanimously.

With regard to the 2017 Budgets, there are several large projects being proposed. We are currently waiting for three bids for an additional equipment shop to be built on the Wapato Lake Road property. We are reviewing the bids we have received for the windows to be replaced in the office building, and the lights have already been replaced. The estimate we received for a new server from LocalTel was approximately \$8,000 and we may decide to push that out for another year. We will continue to repair and replace irrigation pumps, motors and turnouts as feasible. We are looking to add a large 200KW generator to support the domestic intakes in the event of an extended power outage. The jetter has been ordered for the sewer system and will be delivered early 2017. Manager Anderson is proposing a minimum irrigation rate increase of \$5.00 per parcel and \$5.00 per acre. We will advertise the probability of a rate increase for any public comment at the next regularly scheduled Board meeting in December. The medical increase is approximately 9% to 12% for continuing the plan we currently have.

PUBLIC COMMENT

Mary Stutzman stated that she no longer has a swimming pool. There was a lot of water coming from across the road into her yard. A leak was found where the roots of a tree crushed a pipe that collects water on Hyacinth, then runs into the lake. They currently have two sump pumps running 24/7 to clear out the water. They are contemplating putting a new pipe through the old one, as the neighbors don't want anyone touching their trees along this pipe line.

ADJOURNMENT

Being no further business to come before the Board, Board President Robert Christopher adjourned the meeting at 9:12 a.m.

Signed: _____
President

Attest: _____
Secretary-Manager

November, 2016