

REGULAR MEETING
BOARD OF DIRECTORS

January 10, 2017

The Board of Directors of Lake Chelan Reclamation District met for their regular Board meeting at the office of the District on January 10, 2017. The meeting was called to order at 8:00 a.m. by Board President Robert Christopher. Those in attendance were:

BOARD

Bob Christopher
Paul Mogan
Todd Jeffries
Nathan England

STAFF

Rodney L. Anderson
Mary Lou Brooks

GUESTS

Larry Jungk

OATH OF OFFICE

Nathan England was administered the Oath of Office for the remainder of Brad Barnes' term of one year. Todd Jeffries was administered the Oath of Office for a three-year term.

ORGANIZATION OF THE 2017 BOARD OF DIRECTORS

Director Mogan made a motion and it was seconded to suspend the 2016 Board of Directors. Director Mogan nominated Robert Christopher as the 2017 Board President and Dave Clark as the 2017 Board Vice President. The motion passed unanimously.

APPOINTMENT OF OFFICERS

Director Mogan made a motion and it was seconded to appoint the following slate of District officers for 2017.

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 Mogan made a motion and it was seconded to approve the December 13, 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 14093 through 14139 (including EFT payments to Dept. of Labor & Industry for Quarterly Payroll Taxes and Dept. of Revenue of Excise & Sales Taxes) totaled \$226,722.30 (minus \$7.50 for bank fees) and were broken down as follows:

Irrigation O & M Investment	\$ 81,498.20
Irrigation Construction	\$ 31,515.96
Domestic O & M Investment	\$ 74,180.64
Domestic Construction	\$ 0.00

Sewer O & M Investment	\$ 39,520.00
Sewer Construction	\$ 0.00

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 currently looking into upgrading the larger 4" and 6" meters to mag meters that read instantaneous flow, but staying with the meters we currently purchase for the smaller 2" meters. They have no moving parts, more expensive to purchase, but easier to maintain. Debris does not bother them, they are extremely accurate, and the batteries last approximately ten years. He is looking into grants to assist with the purchase of these meters. Will keep the Board apprised of progress toward this goal.

Gebbers Farms is replacing a mainline from Lake Chelan to the upper Boyd Loop area. They have crossed three of our irrigation lines, one of them being a 21" mainline, and a second one being an 8" line. To the best of our estimation, they have excavated and removed up to four feet of cover off of the pipelines. Manager Anderson, after review by our attorney, sent a letter to Gebbers Farms by regular and certified mail, as well as mailing copies to USBR and Enduris. He has also called the USBR informing them of the line crossing, and was informed that Gebbers Farms did not obtain any permits from them to do so. Further, he called the insurance company, Enduris, to inform them of the potential for damage due to any line breaks from these pipelines. Gebbers Farms has contacted Manager Anderson twice after receiving the letter, offering to do whatever is necessary to make things right.

Domestic: The Water Treatment Plant chlorine injection system is being replaced with an upgraded system.

Sewer: The pumping control system at Lift Station #2 is being upgraded with MultiSmart equipment.

Administrative: The office staff are in the process of updating the policy handbook, as there are several outdated areas.

There were some questions from the new Board members with regard to the question regarding our irrigable acres contracted from the USBR. Manager Anderson stated that Paul just worked on the assumption that we had 6336 irrigable acres, in addition to approximate 240 irrigable acres in Indian lands and or special contracts. In recent years the USBR has stated that the 240 acres should be included in the 6336 total. We have submitted a letter disputing this inclusion and documented why we believe this. We are asking for the USBR to reconsider. If we are successful, we will have the 6336 irrigable acres, plus the 240 irrigable acres in additional acres, with the total being approximately 6576 irrigable acres. If we could get those acres back, we could put them toward the unauthorized usage and bring everyone compliant. The Indian lands are at a ¾ irrigation rate, but they are no longer owned by any Indians, they were bought by other individuals, with the Indian rate staying with the land.

OLD BUSINESS

Manager Anderson indicated his continued concerns with the irrigation budget, stating that it has leveled off with the rate increase last year, but still there are not sufficient reserves if anything major happened within the system. He proposed raising the per acre fee by \$5.00, as well as raising

the per parcel fee by another \$5.00. After considerable discussion, a motion was made by Director Mogan and seconded to increase the irrigation rate from \$125 per parcel to \$130 per parcel as well as increase the \$140 per acre fee to \$145 per acre beginning January 2017. In addition, the motion included a minimum assessment of \$275 beginning January 2017. Motion carried.

Manager Anderson presented the proposed 2017 Budgets, the proposed 2017 Rate Schedule:

- Irrigation: \$145 per acre plus \$130 per parcel
\$275 minimum assessment total
- Domestic: \$30 per month per ERU – no changes from 2012
- Sewer: \$50 per month per ERU – no changes from 2014

Upon review and some discussion, a motion was made by Director Mogan and seconded to approve the 2017 Budgets and Rate Schedule as presented. Motion passed.

NEW BUSINESS

No new business at this time.

RESOLUTION

Resolution 2017-01 disperses overhead costs by allocating 35%, 45%, 20% respectfully to the irrigation, domestic and sewer companies, transfers irrigation assessment income from irrigation to domestic for irrigation rights served through the domestic system and transfers fees paid to the City of Chelan through the sewer collection system from domestic to sewer to cover water sent from the WTP through the sewer system. A motion was made by Director Mogan and seconded to approve Resolution 2017-01 as proposed. Motion carried.

PUBLIC COMMENT

Larry Jungk welcomed the new Board members.

ADJOURNMENT

Being no further business to come before the Board, Board President Robert Christopher adjourned the meeting at 9:42 a.m.

Signed: _____
President

Attest: _____
Secretary-Manager

January, 2017