

REGULAR MEETING  
BOARD OF DIRECTORS

May 9, 2017

The Board of Directors of Lake Chelan Reclamation District met for their regular Board meeting at the office of the District on May 9, 2017. The meeting was called to order at 8:00 a.m. by Board President Robert Christopher. Those in attendance were:

BOARD

Bob Christopher  
Dave Clark  
Paul Mogan  
Todd Jeffries  
Nathan England

STAFF

Rodney L. Anderson  
Mary Lou Brooks

GUESTS

Larry Jungk

MINUTES – FINANCIAL REVIEW – STATUS OF FUNDS

Director Clark made a motion and it was seconded to approve the April 11, 2017 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 14299 through 14346 (including EFT payment to Dept. of Revenue for Excise & Sales Taxes) totaled \$640,886.78 and were broken down as follows:

Irrigation O & M Investment	\$104,816.81
Irrigation Construction	\$ 0.00
Domestic O & M Investment	\$ 66,501.61
Domestic Construction	\$ 518.66
Sewer O & M Investment	\$144,454.34
Sewer Construction	\$ 0.00
Sewer Capital Reserves	\$225,000.00
Willow Point LID	\$ 99,595.36

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

MANAGER’S REPORT

Irrigation: The ‘D’ lateral line break has been repaired and we are in the process of putting together an invoice for Gebbers to recuperate our costs. The Bureau of Reclamation has stated that they are also sending a letter to Gebbers, as they do not want them crossing federal easements and infrastructure in the future.

Wapato Lake Dam was spilling over with all the recent rain fall and snow melt. A house below it sustained a small amount of water damage. Enduris is handling the homeowner’s claim, but believes it is not our responsibility. If they cover the claim, it will be with the stipulation that a waiver be signed by the homeowner stating that any future damages will be their responsibility and not be covered under our insurance.

The property in foreclosure was purchased, we were paid in full at closing, and the foreclosure process has been cancelled.

The Board members were updated with the Irrigation Comp Plan process, as well as given copies of the significant parts and rate structures for their review. Manager Anderson will invite Ryan from Rh2 Engineering to attend our next regularly scheduled Board meeting to explain the issues contained in the Comp Plan, as well as answer any and all questions from Board members.

Sewer: We have received all positive comments with regard to paying off the Willow Point LID early, thereby eliminating the monthly fees to customers.

Administrative: The drain system at the LCRD office building has been replaced, and no water entered the bottom level of the building during the last rain fall. The Fire District has asked to more clearly define LCRD's responsibilities and remove any reference to their being responsible for living with seepage in the back wall. After considerable discussion, it was the consensus of the Board to have the Fire District sign the Lease "as is." Director Clark made a motion and it was seconded to accept the Lease as presented to the Fire District and request their signature of same. Motion carried unanimously.

Wells Fargo has stated that they are closing the Manson bank branch on July 12, 2017. All safety deposit boxes must either be closed or moved to the Chelan bank branch on or before June 30<sup>th</sup>. President Bob Christopher will look into the current contents of the safety deposit box and determine if we need to keep the box for the District or relinquish it.

Delta Dental has proposed a \$2.00 per month premium increase per employee. After some discussion Director Mogan made a motion and it was seconded to approve the \$22.00 per month premium increase for all employees. Motion carried unanimously.

Manager Anderson proposed purchasing a third 3-year \$500,000 bond with domestic and sewer revenue only. After some discussion Director Clark made a motion and it was seconded to purchase a 3-year \$500,000 bond to be apportioned between domestic and sewer revenue as directed by Manager Anderson at time of purchase. Motion carried unanimously.

LCRD employees have been working with Attorney Robert Siderius in updating and bringing the District policies into State and Federal compliance. The Handbook has been reorganized and is ready for the Board's review and any comments or suggestions they may have. Attorney Siderius has taken an extended vacation and the Handbook will be approved, with appropriate changes, and finalized upon his return.

#### OLD BUSINESS

Lake Chelan Research Institute (LCRI) donation will be taken out of the domestic water funds only, as domestic will benefit from the studies. A significant portion of the donation will be used to pay Cascade Analytical fees for the costs of test results from the samples taken in Lake Chelan. The \$50,000 target does not cover all their costs, and a large portion of time spent in obtaining the water samples is volunteer, as well as the equipment used. LCRI will send us an invoice for the donation for our recordkeeping purposes. After some discussion Director England made a motion and it was seconded to donate \$10,000 to the Lake Chelan Research Institute for their water testing program in Lake Chelan. Motion carried unanimously.

Manager Anderson distributed a copy of a letter recently received from the USBR with regard to our additional irrigation water request. LCRD has been maintaining that the 120 acres in Indian lands was not to be included in our total of irrigable lands. The USBR gave us an additional 108 acres, bringing our total acreage from 6336 to 6444. Although, not the entire amount requested, the consensus was that this is a significant amount received, and will contribute to solving the current unauthorized use issue. In the months to come, the Board will have to establish a selling price for the additional water rights, as well as prioritize the purchase requests from customers. The Board did agree that since this is irrigation water, agriculture will be given priority over any water rights requested. In order to be added to the 2018 tax roll, purchases will have to be finalized by October, 2017; otherwise, the land will be added to the tax roll for 2019. As the unauthorized use lands have already been reclassified, there will be no further involvement from the USBR.

NEW BUSINESS

Resolution 2017-03 was previously approved through a telephone poll, but needs to be approved through a motion. The Resolution gives Manager Anderson the authority to pursue a \$150,000 matching Watersmart Grant through the USBR. Director Mogan made a motion and it was seconded to approve Resolution 2017-03 Watersmart Grant be approved as presented. Motion carried unanimously.

Manager Anderson informed the Board that the irrigation system may be down Thursday and Friday for some significant repairs. There will be announcements made on KOZI radio alerting our customers before the shutdown occurs.

PUBLIC COMMENT

Larry Jungk would like a copy of the current total of irrigation infrastructure. Please email it to him when available.

ADJOURNMENT

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

Signed: \_\_\_\_\_  
President

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Attest: \_\_\_\_\_  
Secretary-Manager

May, 2017