

REGULAR MEETING
BOARD OF DIRECTORS

July 11, 2017

The Board of Directors of Lake Chelan Reclamation District met for their regular Board meeting at the office of the District on July 11, 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 Mogan made a motion and it was seconded to approve the June 13, 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 14410 through 14459 (including EFT payments to Dept. of Revenue for Excise & Sales Taxes, Dept. of Labor & Industries for Quarterly Taxes, and to Revolving Account for Payroll and miscellaneous checks) totaled \$287,827.25 and were broken down as follows:

| | |
|-----------------------------|--------------|
| Irrigation O & M Investment | \$172,752.86 |
| Irrigation Construction | \$ 0.00 |
| Domestic O & M Investment | \$ 68,390.70 |
| Domestic Construction | \$ 7,074.21 |
| Sewer O & M Investment | \$ 39,609.48 |
| 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: Gebbers Farms paid their invoice for damages in full.

The test results for the food safety water reports have been received and are on our web site. There were positive tests for e-coli in all systems, but still well below the permitted threshold.

We have received several phone calls regarding plugged irrigation system filters. There have been more calls than normal, and we believe it may be due to the large amount of pollen that was blown into the lake.

Domestic: Nothing to report.

Sewer: Nothing to report.

Administrative: Manager Anderson read a letter that was received from Army Forner, stating his appreciation that the District was diligent with the LID funds, paying the loan off three years early.

Manager Anderson stated that the District is needing to upgrade our SCADA system which is 5-6 years old and the only communication between the office and irrigation and sewer systems. There is \$20,000 in the 2017 budget to begin work this winter. We are currently working with RH2 Engineering who will design the system and Firefly who will implement the new design. After some clarification and discussion, a motion was made by Director Clark and was seconded to approve the SCADA upgrade as designed by RH2 Engineering. Motion passed unanimously.

Phase 1 of 3 to upgrade the pump control cabinets was explained to the Board members. The Rugid system is 15 to 20 years old and has not been supported for some time now. We have carried several spare parts so that we can currently 'fix' anything that breaks, but that may not be possible if we have a major failure. Lightning can take the Rugid cards out completely. The price for the upgrade is approximately \$60,000 per plant and will be scheduled for the winter months when the system is down. Phase 1 will include the design for each cabinet, and some hardware for three pumping plants. After Phase 1, the price will be for hardware only. After considerable clarification and discussion, a motion was made by Director Clark and was seconded to approve Phase 1 to upgrade three pump control cabinets within the irrigation system to replace the oldest of the Rugid equipment. Motion passed unanimously.

North Shore Bible Church is requesting a rebate for half of their overage of water usage due to a stop and waste valve that was not totally turned off and leaked, giving the Church a \$1,486 water bill for two months. Larry Jungk was here to explain what happened and stated that they would appreciate whatever the Board deems fair to their situation. He also stated that the stop and waste valve will be taken out at his earliest possible convenience so that this can never happen again. After some questions and discussion, a motion was made by Director Clark to remove 50% of the overage the Church incurred, there was no second. After further discussion, a motion was made by Director Mogan and was seconded to remove 25% of the overage the Church incurred and charge the Church the remaining 75%, on condition that stop and waste valve be removed in the very near future. Motion passed unanimously.

OLD BUSINESS

Arnold Baker, Chief of the Manson Fire Department has stated their intentions to sign the Lease extension, after a minor wording change. After some discussion, a motion was made by Director Jeffries and was seconded to approve the Lease 'as is', after altering the wording as requested. Motion passed unanimously.

Manager Anderson informed the Board of his desire to have attorney Bob Siderius at either a regular Board meeting or a Special Board meeting so that he and the Board can consider the price to be charged, and the process to distribute, the additional water rights granted by the USBR.

A letter was drafted and sent to the Board members for their review and input. The letter will be mailed to all irrigation customers explaining the District's position in regards to the need of the infrastructure upgrades, as well as how we propose to finance them. The per acre irrigation assessment will increase \$25 per year for the next four years to start. The minimum charge will increase by 5% and the parcel fee will increase by 5%. There are many variables such as power rates that may affect the rate structure going forward. The District Manager will monitor the revenue on a yearly basis to determine the best actions to be taken. We were recently awarded a

matching grant for \$75,000, and we will seek grants to help alleviate some of the burden put on the customers. A public meeting may be scheduled, if the Board deems it necessary. After considerable consideration, a motion was made by Director Clark and was seconded that the letter should be mailed to the customers as written. Motion passed unanimously.

NEW BUSINESS

No new business at this time.

PUBLIC COMMENT

Larry Jungk asked how Manson's irrigation rates compare to other irrigation districts? Manager Anderson answered that the rates are not easily comparable and the ones we have looked at are not consistent. Other District have had significant increases recently as they attempt to upgrade their own aging infrastructure.

ADJOURNMENT

Being no further business to come before the Board, Board President Bob Christopher adjourned the meeting at 9:43 a.m.

Signed: _____
President

Attest: _____

Secretary-Manager

July, 2017