

REGULAR MEETING
BOARD OF DIRECTORS

September 12, 2017

The Board of Directors of Lake Chelan Reclamation District met for their regular Board meeting at the office of the District on September 12, 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

Robert Siderius

MINUTES – FINANCIAL REVIEW – STATUS OF FUNDS

Director Clark made a motion and it was seconded to approve the August 8, 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 14500 through 14550 (including EFT payments to Dept. of Revenue for Excise & Sales Taxes, and to Revolving Account for Payroll and miscellaneous checks) totaled \$370,584.20 and were broken down as follows:

Irrigation O & M Investment	\$ 81,416.31
Irrigation Construction	\$ 0.00
Domestic O & M Investment	\$187,873.13
Domestic Construction	\$ 2,326.57
Sewer O & M Investment	\$ 61,047.02
Sewer Construction	\$ 37,921.17

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

MANAGER'S REPORT

Irrigation: Shut down of the irrigation system is scheduled for Monday, October 16th.

We applied for a grant from the Bureau of Reclamation to replace a pump at 'D' pumping plant. The grant would potentially cover one-third of the cost. The pump targeted is the most inefficient pump in the system.

Director Clark alerted Rod to a letter that was distributed to all customers on the 'D' irrigation system asking them to sell their water right shares to an individual an attorney was representing. The last part stated that it would have to be contingent on the District's approval so Rod did not pursue the matter any further.

Domestic: Manager Anderson informed the Board of the water line break and the Department of Health requiring us to have the affected customers boil their water for approximately 24 hours. All affected customers were personally notified, as well as customer service notices being read on the local radio station and posted on our website.

Succession Wine is requesting a rebate for excess water charges incurred during the last billing cycle. When the domestic line was turned off to repair the line break, they did not turn off their outside water at the winery. The next day it was discovered that the water had been running approximately 24 hours, and they incurred an excess charge of \$356.04. After some discussion, it was the consensus of the board that it was through their negligence for leaving the water on that they were charged the overage. Also, this circumstance does not fall under our rebate guidelines. A motion was made by Director Clark and was seconded to reject the rebate request. Motion passed unanimously.

Sewer: Nothing to report.

Administrative: Manager Anderson read a letter recently received from Brian Strausbaugh regarding his aversion to the future irrigation rate increases. Mr. Strausbaugh has not contacted the District in any other way, the negative letter being his only contact thus far.

Manager Anderson will be putting together an advertisement for a new employee, as Jim Wisdom has stated that he is taking steps toward retirement.

Jon Sather is requesting to purchase a ditch line that runs through his property. The request was initially made in 2007, and was approved at that time. The ditch is 0.45 acres in total, but unusable by anyone else, as it's a thin strip through Jon's property. After some discussion, it was the consensus of the Board to sell the property after obtaining a value and meeting all recommendations for the sale, as well as obtaining a down payment to cover our costs.

As part of a long range plan, Manson Parks and Recreation would like to pour a small concrete pad and add a gazebo for people to sit in place of the small building directly across from Lift Station #1. They would incur all costs related to this project.

OLD BUSINESS

Manager Anderson stated that he has slides ready for his presentation at the public information meeting scheduled for September 14 at 7:00 pm. The Bureau technically owns the irrigation system. We are on a repayment contract with them, and we are ultimately responsible for all O&M for everything included in the system. Therefore, we do not have to obtain permission from the Bureau for any upgrades we deem necessary to the system. After the contract is paid in full, we will have two options available to us. We can petition congress for ownership of the system, or negotiate another long-term contract with the Bureau. Both options have pros and cons. Our current contract will be paid in November 2036.

The additional USBR acreage was discussed with attorney Robert Siderius. The Board will have to identify all pertinent reasons in prioritizing the sale of the additional acres. After considerable discussion, it was the consensus of the Board to wait for the formal letter from the Bureau before finalizing any decisions. At the next board meeting, a special Board workshop will be scheduled to review all options and decide at that time the most fare scenarios in selling the water rights, as well as price. All agree that agriculture will take priority.

NEW BUSINESS

No new business at this time.

PUBLIC COMMENT

No public comment at this time.

ADJOURNMENT

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

Signed:

Bob Christopher
President
David E. Clark
Jodee Jeff
Notre epu
Paul G

Attest:

[Signature]
Secretary-Manager

September, 2017