

REGULAR MEETING
BOARD OF DIRECTORS

June 12, 2018

The Board of Directors of Lake Chelan Reclamation District met for their regular Board meeting at the office of the District on June 12, 2018. 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
Todd Jeffries
Nathan England

STAFF

Rodney L. Anderson
Mary Lou Brooks

GUESTS

Phyllis Gleasman

MINUTES – FINANCIAL REVIEW – STATUS OF FUNDS

Director Clark made a motion and it was seconded to approve the May 8, 2018 minutes, budgets, trial balances and investments, as mailed. Motion carried unanimously.

ACCOUNTS PAYABLE

Secretary-Manager Anderson presented the accounts payables for review and approval. Accounts payable checks 14971 through 15024 (including EFT payments) totaled \$325,914.35 and were broken down as follows:

Irrigation O & M Investment	\$152,934.81
Irrigation Construction	\$ 21,676.70
Domestic O & M Investment	\$ 94,485.76
Domestic Construction	\$ 0.00
Sewer O & M Investment	\$ 51,780.29
Sewer Construction	\$ 5,036.79

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

MANAGER'S REPORT

Irrigation: Manager Anderson informed the Board about a mainline irrigation break on Manson Blvd. on the morning of Manson's Apple Blossom parade. After considerable effort, Central Washington Asphalt agreed to pave the 92 feet of Manson Blvd. for approximately \$30,000, which was paid for by an insurance claim. There may also be one claim for damage from a homeowner, as well as our claim for field time and expenses for repairs totaling \$1,338.

USBR will be conducting their hazard material inspection within a couple of weeks.

RH2 designed and inspected all the solar panels that were installed by field crew. We saved approximately 25% or \$3,000 per site by doing the project with our employees. We also have the benefit of understanding the system for trouble-shooting if there is a problem or any needed repairs.

The water tests for the orchardists' Global Gap compliance have been done the same as last year and the results are posted on our website, as well as an explanation of the results.

WestWater Research is gathering information for our additional water valuation. Manager Anderson is hoping to have a preliminary report at the next Board meeting.

Domestic: Attorney Bob Siderius will need to look at the proposal for implementing water and sewer impact fees for legal reasons before we can proceed with this additional charge.

Representatives for AT&T have asked to renegotiate their current cell tower lease. They currently pay \$2,337 per month, with a 4% yearly increase. Their proposal is \$2,200 per month, increasing 8% every five years. After some discussion, it was the consensus of the Board to leave the AT&T contract as is.

Sewer: The City of Chelan attorney is still reviewing the language in the draft sewer contract.

The U.S. Forest Service rented an additional dumpster for Memorial weekend at Antilon Lake. Per our previous agreements, they clean the area up and we pay for the dumpster, which is included with the current invoices.

OLD BUSINESS

The Board previously granted an Easement for Aaron & Hilary Richmond to access their 40-acre parcel. The value of the easement has been estimated at \$270, but the Richmonds have agreed to pay \$500 to compensate LCRD for our administrative costs incurred. After some discussion, a motion was made by Director Clark and was seconded to accept \$500 as the purchase price from the Richmonds for the easement. Motion passed unanimously.

NEW BUSINESS

Manager Anderson presented to the Board water and sewer extension agreements from Talos Construction LLC for the Hibbard Subdivision. After little discussion, it was the consensus of the Board to postpone acceptance of the extension agreements until after hearing from the attorney regarding impact fees.

Aaron & Hilary Richmond are interested in purchasing two 40-acre parcels of land owned by LCRD and adjacent to their current 40-acre parcel. They would be willing to pay \$65,000 each, which was the purchase price of their current land a couple of years ago. If we agree to the purchase, we would need to have the land appraised before sold. The land would have to be declared surplus and advertised to the public, with the sale going to the highest bidder. After some discussion, the consensus of the Board was to table this for the foreseeable future.

Manager Anderson explained to the Board that the Application for Administrative Buffer has been rejected for the second time. They are requesting we vacate the yard we have used since the 1950s back another 200 to 300 feet from the designated wetlands and stop using the space for storage, which is not an option for us. The wetland buffer has changed from the past 150 feet to the current 300 feet. The appeals process has passed, which was the recommendation of the attorneys, and there will be additional meetings with our representatives to explore our options and risks. Two additional options would be to purchase the adjoining property to our shop, which already has a

pole building we could use for our equipment. We have not approached the current owner to inquire if he would be willing to sell us his land, and the appraised value is \$450,000, which is a concern. The second property available is adjacent to the Water Treatment Plant and is for sale at \$165,000. After significant discussion, it was the consensus of the Board to continue with the attorney's recommendations and assistance moving forward.

PUBLIC COMMENT

None at this time.

ADJOURNMENT

Being no further business to come before the Board, Board President Bob Christopher adjourned the meeting at 9:34 a.m.

Signed: Bob Christopher
President

Paul G
Nathaniel

Attest: [Signature]
Secretary-Manager

June, 2018