

REGULAR MEETING

BOARD OF DIRECTORS

September 11, 2018

The Board of Directors of Lake Chelan Reclamation District met for their regular Board meeting at the office of the District on September 11, 2018. The meeting was called to order at 6:00 p.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

Phyllis Gleasman
Jorge Ochoa
Jerry Smith

MINUTES – FINANCIAL REVIEW – STATUS OF FUNDS

Director Clark made a motion and it was seconded to approve the August 14, 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 15128 through 15180 (including EFT payments) totaled \$235,695.26 and were broken down as follows:

Irrigation O & M Investment	\$ 57,329.92
Irrigation Construction	\$ 32,681.07
Domestic O & M Investment	\$115,688.62
Domestic Construction	\$ 1,771.97
Sewer O & M Investment	\$ 26,346.34
Sewer Construction	\$ 1,877.34

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

MANAGER'S REPORT

Irrigation: The irrigation system will be shut off as usual on October 15 to drain the lines.

Domestic: Alan Anderson has inquired regarding the availability of domestic water to Rocky Point, JBA Development and how to get it up the hill to the individual residences. Manager Anderson is recommending either abandoning the 8" water main that turns up the steep hill or gifting it back to the developers as part of the negotiation. Our responsibility would stop at the bottom of the hill where the meters would be installed, and from there they would run private lines up the hill. They would require individual booster pumps and pressure tanks to accomplish this.

Sewer: Nothing to report.

Administrative: Mr. Sokei has stated that he will not require a right-of-way off the WTP road from us, he has determined another way onto his property.

Manager Anderson stated that the domestic water and sewer funds are significant enough that he is recommending purchasing an additional \$500,000 to \$750,000 bond with domestic funds and \$250,000 bond with sewer funds. Peter Becker of TVI has located a couple of good bond purchases that are time sensitive. After some clarification, a motion was made by Director Clark and was seconded to purchase a \$750,000 bond with domestic funds and a \$250,000 bond with sewer funds. Motion passed unanimously.

Manager Anderson reported that Bob Christopher's and Paul Mogan's terms are ending December 31st this year. An ad will be posted in the local newspaper. If either Board member would like to renew their Board positions, the paperwork is available for them.

Next year is the centennial for the Reclamation District. Director Clark recommends having an article written for the Mirror.

OLD BUSINESS

Irrigation water valuation: West Water Research will require an additional \$3,000 for the additional considerations for their appraised valuation. In the re-evaluation Brays Landing would not be a factor, as they do not recall how they came up their valuation and we need to be able to back up our value to the auditors. As previously discussed, crop production would not be a factor, as there are too many variables to consider. It was recommended to extend the payment period to 10-20 years. After considerable discussion, a motion was made by Director Clark and was seconded to approve the additional \$3,000 to West Water Research for the additional considerations to the appraised value of irrigation water. Motion passed unanimously.

NEW BUSINESS

Crosby Development Phase I and II are 10 residential lots and a mini-storage facility. The developer is requesting water and sewer services. He has an extension agreement which he is requesting the District to sign so he may move forward. Phase III is a different developer and uncertain about its future development. LCRD can provide water services easily but may require upgrades to Lift Station #3 for the sewer services. Don Popoff of RH2 Engineering is writing a memorandum outlining the improvements needed which include an electrical upgrade and new pumps. After some discussion, a motion was made by Director Clark and was seconded to sign the requested paperwork and continue with the negotiations regarding the Lift Station #3 upgrades. Motion passed unanimously.

PUBLIC COMMENT

Jerry Smith stated that he is a real estate agent representing the interests of Jorge Ochoa and his desire to build a new hotel in Manson. He has purchased the lot across from the North Shore Church and is planning to build the hotel with approximately 40 rooms, a heated pool, extra parking, and with a future restaurant in the long range plan. He is proposing paying for half the domestic water and sewer ERUs at the start of construction, beginning in the spring of 2019. The other half would be paid in 36 monthly installments approximately one year after the first payments made, or sooner if he's able to. Jorge would have the contract drawn up by an attorney, then presented to Manager Anderson and attorney Bob Siderius for review, and ultimately Board approval. The LCRD policy for hotels is full price for the first ERU, then half price for each

additional ERU. After considerable discussion, the Board will review the proposal and discuss at the next Board meeting on October 9.

ADJOURNMENT

Being no further business to come before the Board, Board President Bob Christopher adjourned the meeting at 6:53 p.m.

Signed: Bob Christopher
President
David E. Card
John Jeff
Nathan E. ...
Paul ...

Attest: [Signature]
Secretary-Manager

September, 2018