

REGULAR MEETING  
BOARD OF DIRECTORS

June 11, 2019

The Board of Directors of Lake Chelan Reclamation District met for their regular Board meeting at the office of the District on June 11, 2019. The meeting was called to order at 8:00 a.m. by Board President Dave Clark. Those in attendance were:

BOARD

David Clark  
Todd Jeffries  
Paul Mogan  
Nathan England  
Chad Steiner

STAFF

Rodney L. Anderson  
Mary Lou Brooks

GUESTS

Keith Searles  
Jeff Conwell  
Ryan Peterson

MINUTES – FINANCIAL REVIEW – STATUS OF FUNDS

Director England made a motion and it was seconded by Director Mogan to approve the May 14, 2019 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 15584 through 15632 (including EFT payments) totaled \$311,370.26 and were broken down as follows:

Irrigation O & M Investment	\$172,271.73
Irrigation Construction	\$ 703.87
Domestic O & M Investment	\$ 92,385.44
Domestic Construction	\$ 5,215.48
Sewer O & M Investment	\$ 40,793.74
Sewer Construction	\$ 0.00

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

MANAGER'S REPORT

**Irrigation:** Manager Anderson informed the Board that he has met with Dan Haller of Aspect Consulting regarding marketing options for possible surplus irrigation water rights. Mr. Haller will be coming to the July Board meeting to give a brief presentation. After some discussion, a motion was made by Director Mogan and seconded by Director Jeffries giving Manager Anderson the authority to sign a Technical Assistance Contract with Aspect Consulting, not to exceed \$3,000. Motion passed unanimously.

The first round of irrigation water tests on each system have been finished and are posted on the District's website. They are available for the orchardist's use in food safety reporting.

**Domestic:** Nothing to report.

Sewer: The Replaced North Shore Interceptor Agreement will be presented at the next City of Chelan Council meeting for approval. If approved, the Agreement will be signed by both parties and recorded with the Chelan County Auditor's Office.

The initial negotiations for the Wapato Point water and sewer contract renewal went well. Manager Anderson will keep the Board informed as the negotiations go forward.

Administrative: A \$500,000 Bond is set to mature that is a combination of irrigation, domestic and sewer funds. After discussions with Peter Becker of TVI, Manager Anderson is proposing to purchase three new bonds; \$500,000 for irrigation, \$250,000 for domestic and \$250,000 for sewer. He explained that keeping the funds separate is easier for bookkeeping purposes. The current percentages of District funds in bonds is 14% irrigation, 57% domestic and 41% for sewer. The bond interest rate is higher than the Local Government Investment Pool. After considerable discussion, the Board approved the purchase of three additional bonds as presented.

Keith Searles is requesting a 100-foot agriculture setback. We have granted one to his neighbor, and he is requesting the same consideration. He would like to build a residence with possible commercial rental on his property but is restricted by the required setback. Manager Anderson stated that we would require a hold harmless agreement. After considerable discussion, a motion was made by Director Steiner and seconded by Director England for Manager Anderson to move forward with an agreement for Keith Searles, if and/or when approved by the District's attorney. Motion passed unanimously.

#### OLD BUSINESS

No old business at this time.

#### NEW BUSINESS

Jeff Conwell, representing Roses Lake property owners, is requesting our help in controlling aquatic noxious weeds in Roses Lake. A grant was obtained that lasted 12 years, but with no grant money left and the rising costs of applications, they are asking for our financial assistance going forward as we are a major property owner on the lake. Mr. Conwell stated that the Department of Fish & Wildlife will also be assisting monetarily. Manager Anderson stated that after phone conversations with the County Noxious Weed Board, he was informed that we are responsible for controlling the aquatic noxious weeds since we own the lake bed. Fifteen (15) homeowners have contributed, but they are still short funds to pay the invoice in full for this year's treatment. After considerable discussion, a motion was made by Director England and seconded by Director Mogan to contribute \$2,000 to pay the remaining 2019 balance due to Lakeland Restoration Services, LLC. Motion passed unanimously. Going forward Mr. Conwell will come to a Board meeting in the spring to request assistance before the homeowners have the mill foil application scheduled.

Ryan Peterson of RH2 Engineering explained Phase 1 of the irrigation capital improvement project. The contract for engineering services will be approximately \$202,000 for phase 1. The project consists of replacing and updating the switch gear, motor starters and installing variable frequency drives at all irrigation pumping plants, beginning at LC. These improvements will expand the lives of the motors, and the variable frequency drives will help modulate flow rates. One task RH2 will have is to look into the viability and benefits to installing variable frequency drives in select places to optimize our pumping plants and capacities. The project in total will be completed in approximately 10 phases over 10 years with a projected cost of approximately \$10

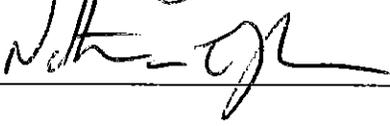
Million. The design for LC will be finalized the spring of 2020, going out for bids shortly thereafter with construction in the winter of 2020-2021 and online the spring of 2021. The remaining pumping plants will get updated one every year beginning 2023. After considerable discussion and all questions answered by Ryan Peterson, a motion was made by Director Mogan and seconded by Director Jeffries authorizing Manager Rod Anderson to sign the Professional Services Agreement with RH2 Engineering for design and financing of the irrigation capital improvement upgrades. Motion passed unanimously.

PUBLIC COMMENT

No public comment at this time.

ADJOURNMENT

Being no further business to come before the Board, Board President David Clark adjourned the meeting at 9:02 a.m.

Signed:   
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President  
  
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Attest:   
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Secretary-Manager

June 2019