

REGULAR MEETING
BOARD OF DIRECTORS

November 14, 2023

The Board of Directors of Lake Chelan Reclamation District met for their regular Board meeting at the office of the District on November 14, 2023. The meeting was called to order at 8:10 a.m. by Board President Dave Clark. Those in attendance were:

BOARD

Dave Clark
Todd Jeffries
Chad Steiner
Carl Peterson
(via Zoom)
Allan Torgesen
(via Zoom)

STAFF

Rodney L. Anderson
Mary Lou Brooks
Jennifer Collins

GUESTS

Wai Tim Petersen

MINUTES – FINANCIAL REVIEW – STATUS OF FUNDS

A motion was made by Director Jeffries and seconded by Director Steiner to approve the October 10, 2023 minutes, budgets, and investments as presented. Motion carried unanimously.

ACCOUNTS PAYABLE

Secretary-Manager Anderson presented the accounts payable for review and approval. Accounts payable checks 18308 through 18362 (including EFT payments) totaled \$835,015.81 and were broken down as follows:

Irrigation O&M Investment	\$463,486.51
Irrigation Construction	\$ 521.66
Bond Proceeds – MCC Upgrade Costs	\$116,076.11
Domestic O&M Investment	\$150,054.75
Domestic Construction	\$ 0.00
Sewer O&M Investment	\$ 91,264.61
Sewer Construction	\$ 13,612.17

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

MANAGER’S REPORT

Irrigation: The Department of Revenue will issue a refund of sales taxes paid going four years back, with approximately \$65,000 being refunded. No sales tax will be paid going forward for irrigation materials used for construction, repair or improvement of the federal irrigation system.

Domestic: Nothing to report.

Sewer: Services During Construction Agreement with RH2 Engineering for Lift Station #2 project was presented to the Board for discussion and approval. After some discussion, a motion was made by Director Steiner and seconded by Director Jeffries to approve Manager Anderson to sign the Agreement with RH2 Engineering for the Lift Station #2 project as presented. Motion carried unanimously.

The gravity line being proposed to bypass the Orchards Lift Station and gravity to Hyacinth will be surveyed. Manager Anderson will have an update at the December Board meeting.

Administration: We advertised for two open Board positions and received two petitions from Carl A. Peterson "Cappy" and Steven Petersen "Wai Tim". They will be sworn in at the January Board meeting.

Manager Anderson stated that Jennifer is looking into BPA grant incentives to help with pump and motor replacements.

Summerset Vista subdivision has submitted proposed plans that will let us abandon the existing underground pumping station that serves the Summerset development and build an above ground stick building. The above ground would be a lot easier to service and manage, although all our existing pump houses are concrete block buildings, which have proven to be much more durable and less likely to be destroyed in any unforeseen emergency. After considerable discussion, it was the consensus of the Board to stay with what is currently within the District and require the subdivision to build a concrete block building.

BOARD OF EQUALIZATION

President Dave Clark recessed the regular meeting at 8:25 a.m. and opened the Board of Equalization. Manager Anderson presented the proposed 2024 Assessment Roll and reported that our assessment roll increased by 16 new parcels, with approximately 34 acres remaining available for sale. Manager Anderson stated that 8 parcels of land, with approximately 12 acres between them, do not pay any fees for their water rights. He is requesting the Board approve an administrative fee for our services providing water to their lots. The Board would like an attorney to review the issue for the legal ramifications. The Board would like an explanation regarding the fees to be provided to the customers before being implemented. Having no public comment, Director Steiner made a motion and Director Jeffries seconded to accept the Assessment Roll as presented. Motion passed unanimously. Board President Dave Clark declared the 2024 Assessment Roll to be equalized, adjourned the Board of Equalization at 8:34 a.m., and reconvened the regular Board of Director's meeting.

OLD BUSINESS

USBR Title Transfer: Still waiting for the BPA to agree and budget for an early payoff.

Manager Anderson stated that a new water right application has been submitted on our behalf by Dan Haller, of Aspect Engineering.

NEW BUSINESS

2024 Budget proposal: Rate increases are being proposed at a rate of 4% for Irrigation, 4% for Domestic and 3% for Sewer. Healthcare has a rate increase of 4.1%, which is relatively low. One

service truck will be purchased in 2024. Some of the large projects for 2024 include the Orchards gravity line replacement, our portion for the City of Chelan sewer plant improvements is estimated to be \$1M, and Lift Station #2 is estimated to cost \$875,000. The 2024 budget will be finalized and ready for approval at the December Board meeting.

Manager Anderson stated that in his review of other entities' utility charges LCRD is in the middle. Director Steiner would like to invite the public for a day to explain our pipeline system, water towers, lift stations and pumping plants. After some discussion, it was agreed to schedule and plan a day to explain to the public what we provide and how it's provided to them.

Manager Anderson is proposing that the District provides two insurance options for our employees in 2024 which matches with what other Cities are doing. The first option is what we currently provide, a high deductible health plan "HDHP" in which the District pays 100% of this premium cost for employees and their dependents. The second option is the HF250 plan which has a lower deductible however it comes with a higher premium. Jennifer explained that our current healthcare insurance does not benefit employees with spouses that have a similar or better insurance than we provide. She is proposing that both options are offered to each employee, but with the stipulation that the District will pay up to a certain dollar amount, then the employee will pay the additional amount, which will be deducted from their monthly pay. After considerable discussion, a motion was made by Director Steiner and seconded by Director Jeffries to offer two insurance plans to the employees as presented. Motion carried unanimously.

PUBLIC COMMENT

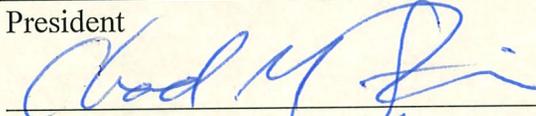
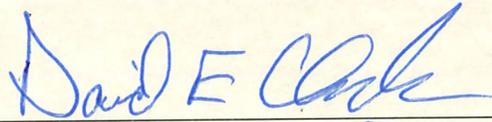
No public comment at this time.

ADJOURNMENT

Being no further business to come before the Board, Board President Dave Clark adjourned the meeting at 9:05 a.m.

Signed: _____

President



Attest: _____

Secretary-Manager

November 2023