

REGULAR MEETING
BOARD OF DIRECTORS

October 12, 2021

The Board of Directors of Lake Chelan Reclamation District met for their regular Board meeting at the office of the District on October 12, 2021. The meeting was called to order at 8:05 a.m. by Board President David Clark. Those in attendance were:

BOARD

David Clark
Todd Jeffries
Paul Mogan
Chad Steiner

STAFF

Rodney L. Anderson
Mary Lou Brooks

GUESTS

MINUTES – FINANCIAL REVIEW – STATUS OF FUNDS

A motion was made by Director Mogan and seconded by Director Steiner to approve the September 14, 2021, minutes, budgets, and investments, as mailed. Motion carried unanimously.

ACCOUNTS PAYABLE

Secretary-Manager Anderson presented the accounts payables for review and approval. Accounts payable checks 17003 through 17047 (including EFT payments) totaled \$358,209.56 and were broken down as follows:

Irrigation O & M Investment	\$ 62,930.58
Irrigation Construction	\$ 49,593.20
Bond Proceeds – MCC Upgrade Costs	\$ 15,868.43
Domestic O & M Investment	\$120,646.05
Domestic Construction	\$ 55,918.27
Sewer O & M Investment	\$ 53,253.03
Sewer Construction	\$ 0.00

After some clarification, a motion was made by Director Mogan and seconded by Director Jeffries to approve the accounts payable as listed. Motion passed unanimously.

MANAGER’S REPORT

Irrigation: A property owner is encroaching on the District’s property at the Banks Avenue agricultural drain pump station by approximately 30’, piling items around and against our fence. There have been many discussions with this owner regarding his items on our property and impeding access on our easement. When the field crew need to get to the pump station, he makes it uncomfortable for them to drive on our access road through his property. The pumps are checked at least weekly and year-round. Secretary-Manager Anderson is recommending rerouting our access road to the pump station, as well as fencing off our property in its entirety at a cost of approximately \$6,150. After considerable discussion, it was the consensus of the Board to pursue this further.

Work will begin shortly on Irrigation pumping plant A. The MCC equipment needed for this project is coming from Ontario, Canada, and has been delayed. The contractor has started other work he can do to stay busy until it arrives.

A customer above rocky point has stated an interest in purchasing a ditch line owned by the District which is adjacent to their property. An appraisal will need to be completed, after which the Board will set the purchase price for the property. The customer will be required to pay all fees incurred by the District for the purchase process, as well as recording the documents. After considerable discussion, a motion was made by Director Jeffries and seconded by Director Mogan to declare the ditch line located above rocky point as surplus to be available for purchase. Motion passed unanimously.

Domestic: Department of Health has approved our Domestic Comprehensive Plan which will be valid until 2031.

Sewer: Two District customers are having a dispute over a sewer line, and it may evolve into a lawsuit. The District may be asked for information from one or both parties. The Board will be kept informed if a lawsuit is generated from this dispute.

Short Term Rentals (STR): New Rules and Regulations are being proposed to better reflect the impact STRs have on our sewer system due to their occupancy being more than a normal residence. The County has set up a tier system as follows:

Tier 1: Owner-occupied short-term rental with 6-person occupancy; and

Tier 2: Non-owner-occupied unit up to a 12-person occupancy; and

Tier 3: Non-owner-occupied unit up to a 16-person occupancy.

We are proposing a tier fee system as 1 sewer ERU for Tier 1, 1.5 sewer ERUs for Tier 2, and 2 sewer ERUs for Tier 3, but maintaining sewer hookup fees at the specified rate. This would take effect after January 1, 2022. We will notify all customers this change will impact. Domestic water is recouped through excess usage fees so will stay as 1 domestic water ERU for all tiers. After considerable discussion, a motion was made by Director Jeffries and seconded by Director Steiner to adopt the following tier fee system for Short Term Rentals (STR):

Tier 1: Owner-occupied short-term rental will be 1 ERU (6-person occupancy).

Tier 2: Non-owner-occupied unit up to a 12-person occupancy will be 1 domestic water ERU and 1.5 sewer ERUs.

Tier 3: Non-owner-occupied unit up to a 16-person occupancy will be 1 domestic water ERU and 2 sewer ERUs.

Motion passed unanimously.

Administration: The shop project has been completed. The concrete has recently been poured, the fence installed, and the County has given its approval. Nothing heavy can be put on the concrete for several weeks, but we will be moving equipment in soon.

The assessment roll will be ready for review and approval at the November board meeting. The time will be set at 8:15 am on November 9th.

There are two Board positions expiring on 12/31/2020. We have had inquiries and will be posting an ad in the local newspaper.

We need to declare the 1995 Ford F250 (Vehicle #212) surplus to be sold at auction. A motion was made by Director Steiner and seconded by Director Mogan to declare the 1995 Ford F250 as surplus to be sold at auction. Motion passed unanimously.

We were contacted by the Auditor's Office and was asked if our bi-annual audit could be postponed until the fall of 2022, as they have a significant personnel shortage. The audit would be conducted for fiscal years 2019, 2020 and 2021 combined. After a short phone conversation, it was agreed to postpone the District's audit for one year. After the 2022 audit, the Auditor's office will resume the 2-year audit cycle.

We have placed an ad in the local newspapers for a new utility worker, which was approved by the Board last year, but not acted upon.

OLD BUSINESS

After the last board meeting Bruce Axtman withdrew his request to extend our sewer mainline up Manson Blvd. He is planning to pump the new lots to Chase Avenue. It was agreed for him to proceed.

NEW BUSINESS

Brett LaMar would like to transfer 0.67 acres of domestic water rights from the Lake Chelan Building Supply property to Cornelius Holdings, LLC property. After some clarifications, a motion was made by Director Mogan and seconded by Director Jeffries to allow 0.67 acres of domestic water rights be transferred from Lake Chelan Building Supply property to Cornelius Holdings, LLC property. Motion passed unanimously.

A new LocalTel SkyFi Master Lease Agreement has been approved by both parties, as well as the District's attorney, and is ready for signatures. The new Agreement states LocalTel will pay for space leased based on how many antennae they put up rather than trading for services. Included are options for special circumstances at each individual location, as well as termination language. After considerable discussion, a motion was made by Director Mogan and seconded by Director Steiner to accept and sign the LocalTel SkyFi Master Lease Agreement as presented. Motion carried unanimously.

The draft 2022 Budget was presented to the Board for review. Some of the items listed is the purchase of a Ford F250 service truck with utility box, and a Ford F450 with a dump body for construction purposes, a plow, and big enough for towing heavy equipment. The proposed utility rate increases are 2.8% domestic water, 2.6% sewer, 4.9% irrigation per acre and 5% irrigation minimum charge. The draft 2022 construction budget was explained. Information was provided regarding the City of Chelan sewer projects scheduled for the next five years, totaling \$10M, of which we will pay approximately \$1M. Capital reserves should cover these costs.

A 'traveling screen' needs to be replaced, as one of two has broken after 50 years of use. A company that repairs this type of equipment, has looked at the screen, and has determined that it cannot be fixed, as it's too corroded. The new ones are automatic and built out of stainless steel, with a cost of approximately \$290,000. Secretary-Manager Anderson would like to look at purchasing one in 2023 to replace the one broken, then replace the second one in 2024, as it's in the same condition.

Secretary-Manager Anderson stated that he will begin a series of meetings with the Chelan County PUD beginning January 2022, to discuss the electric increases they are proposing. The District's attorney, and an engineer from RH2 Engineering, will also be involved in these discussions. The Board will be kept informed as the meetings progress.

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 9:47 a.m.

Signed: _____
President

Attest: _____
Secretary-Manager

October 2021