

REGULAR MEETING
BOARD OF DIRECTORS

June 14, 2022

The Board of Directors of Lake Chelan Reclamation District met for their regular Board meeting at the office of the District on June 14, 2022. 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
Allan Torgesen

STAFF

Rodney L. Anderson
Mary Lou Brooks
Jennifer Collins

GUESTS

Timothy Oldfield
Serida Martin
Nancy Puhich

MINUTES – FINANCIAL REVIEW – STATUS OF FUNDS

A motion was made by Director Peterson and seconded by Director Torgesen to approve the May 10, 2022 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 17404 through 17463 (including EFT payments) totaled \$763,724.03 and were broken down as follows:

Irrigation O & M Investment	\$210,049.47
Irrigation Construction	\$ 2,991.33
Bond Proceeds – MCC Upgrade Costs	\$367,202.94
Domestic O & M Investment	\$124,394.75
Domestic Construction	\$ 8,460.87
Sewer O & M Investment	\$ 50,624.67
Sewer Construction	\$ 0.00

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

MANAGER’S REPORT

Irrigation: Pumping Plant ‘A’ has been finished, with a change order in the amount of \$38,500 being submitted for the additional concrete work done by the concrete subcontractor. We have not heard from Burke Electric regarding the submitted change order or their additional expenses incurred.

Domestic: Swartout domestic water main loop to Bennett is now finished, giving us two ways to isolate and serve the area if needed.

Sewer: Mr. Richardson has recently been served with Court papers to obtain access to our sewer line through his property.

Customer Loan Program: This program is being considered for existing District customers currently on septic that would like to connect to the District's sanitary sewer system. There are currently two customers being considered for this program. A payment plan would be set up to give the customer a maximum of two years to pay the hookup fees, tap fees and any road crossing fees, if applicable. The loan would carry an interest rate of prime plus one on the unpaid balance, to be calculated on January 1st yearly. In the instance that the property would be sold, there would be a lien on the property and the District would be paid in full at closing. After considerable discussion, a motion was made by Director Steiner and seconded by Director Jeffries to implement a customer loan program for existing customers to pay sewer hookup fees, tap fees and road crossing fees, if applicable, on a two-year agreement with interest rates calculated on January 1st of each year, at prime plus one. Motion carried unanimously.

Administrative: There has been no contact with the delinquent customer after signing his initial payment schedule and the \$300 payment. There have been several attempts to contact him, with no success. The water has been turned on, but there has been no use at the residence. We have determined to proceed with the foreclosure.

Veridian Project: There are issues that have arisen with this development. They are having difficulties finding a new engineer and have requested that we provide one for them. The new engineer would need to finish the development, as well as fix any issues they believe are present. We are still in contact with the owner to get this resolved.

Marty Cochran has expressed his interest in purchasing a small portion of District property adjacent to his lot. The property allows public access to waterfront on Roses Lake. After some discussion, the Board agreed not to sell the property, as it would hinder the public access to Roses Lake.

OLD BUSINESS

Award Bid – MCC Upgrade Project (B, C, D, F): After reviewing the bid recommendation from RH2 Engineering, and some discussion, a motion was made by Director Peterson and seconded by Director Steiner to accept the bid for the MCC Upgrade Project, Phase II (B, C, D, F) to Northeast Electric, LLC as presented. Motion carried unanimously.

Award Bid – Lakeshore Reservoir Rehab Project: After reviewing the bid recommendation from RH2 Engineering, and some discussion, a motion was made by Director Steiner and seconded by Director Torgesen to accept the bid for the Lakeshore Reservoir Rehab Project to Coatings Unlimited as presented. Motion carried unanimously.

NEW BUSINESS

Resolution 2022-05 – Chelan County Cascade Public Infrastructure Fund (Grant Program for Public Facilities): After reviewing the Resolution, a motion was made by Director Steiner and seconded by Director Torgesen to approve Resolution 2022-05 Chelan County Cascade Public

Infrastructure Fund (Grant Program for Public Facilities) as presented. Motion passed unanimously.

ADU Back Charges: Manager Anderson explained the charges associated with an ADU (Additional Dwelling Unit), how we determine an ADU and collect the appropriate fees. The District uses the County definition of an ADU as a livable dwelling unit, with a bedroom and at least one bathroom. After discovering the County gave ADU occupancy permits to some District customers without our knowledge, district staff has identified several more ADUs within our system that did not pay the hookup fees, nor do they pay the appropriate water/sewer monthly fees. The statute of limitations states that an entity can go back six years to collect fees that were initially missed. The auditor will not let us forego these fees, as they deem the situation to be gifting of public funds. An ADU should be a minimum of an additional 0.5 ERUs (Equivalent Residential Unit), depending on the size of the dwelling.

PUBLIC COMMENT

Serida Martin explained that she received a letter saying she owed \$4,717 for hookup and back fees for her ADU which was built in 2015. Her first contractor forged her name, but her second contractor cleaned up her paperwork and made everything correct. She lived in the ADU while her home was being built and kept it thereafter. She was able to locate her paperwork that showed she did in fact pay the correct hookup fees, but her monthly invoices have been incorrect since occupancy. After considerable discussion, it was determined that Ms. Martin would owe the back water/sewer monthly fees, totaling \$1,217, which she is willing to pay in monthly installments.

Timothy Oldfield explained that the cabin near his home was built in 1944 and he does not know if hookup fees were paid at that time. Our records do not go back that far, but the 6-year statute of limitations is a factor. The cabin has been used as a storage shed, but they are trying to get permits for renovations to house visitors. He is currently paying for 1 ERU, and he should be paying a minimum of 1.5 ERUs in total on the property. The County will not give him a building permit until he gets a Letter of Availability from us. It is the consensus of the Board to have Mr. Oldfield make a payment of \$3,420 for the back water/sewer fees for his Letters of Availability to obtain the correct permits from the County. We will review his situation after obtaining more information and determine how to proceed thereafter.

The Board would like to know if the 6-year statute of limitations can be altered with a policy or is mandatory. They would also like to know about repayment contracts and would like to put a policy in place going forward. After considerable discussion, as well as public comment, it was the consensus of the Board for Manager Anderson to pursue this further with our attorney and report his findings at the next Board meeting.

ADJOURNMENT

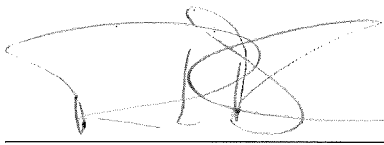
Being no further business to come before the Board, Board President Dave Clark adjourned the meeting at 9:35 a.m.

Signed: David E Clark
President

Allyson

Carl

Chad

Attest: 
Secretary-Manager

June 2022