

REGULAR MEETING
BOARD OF DIRECTORS

August 9, 2022

The Board of Directors of Lake Chelan Reclamation District met for their regular Board meeting at the office of the District on August 9, 2022. The meeting was called to order at 8:00 a.m. by Board President Dave Clark. Those in attendance were:

BOARD

Dave Clark
Todd Jeffries
Carl Peterson
Allan Torgesen

STAFF

Rodney L. Anderson
Mary Lou Brooks
Jennifer Collins

GUESTS

Jared England
Toby McKay, via Zoom
Robert Siderius, Attorney
via Zoom

MINUTES – FINANCIAL REVIEW – STATUS OF FUNDS

A motion was made by Director Torgesen and seconded by Director Jeffries to approve the July 12, 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 17511 through 17566 (including EFT payments) totaled \$381,694.23 and were broken down as follows:

Irrigation O & M Investment	\$ 88,341.79
Irrigation Construction	\$ 10,791.56
Bond Proceeds – MCC Upgrade Costs	\$ 48,523.35
Domestic O & M Investment	\$111,269.87
Domestic Construction	\$ 47,350.39
Sewer O & M Investment	\$ 72,213.27
Sewer Construction	\$ 3,204.00

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

MANAGER’S REPORT

Irrigation: Still waiting on data from Burke Electric justifying the request for additional payment amount.

Northeast Electric has submitted a very detailed timeline for the work to be done at pumping plants B, C, D & F. They plan to have four crews working simultaneously on these projects. Their completion date is February 15th, with a closeout date of March 15th. Reclamation District employees Steve Davis and Chris Couch will be supervising the work being done.

Domestic: The customer with the large domestic water excess were notified they did not qualify for the leak rebate. They have since paid the bill in its entirety.

Sewer: Nothing to report.

Administrative: The Forest Service has asked for our assistance in keeping the Antilon Lake camping area clean. They indicated that there is a lot of garbage left after every weekend and currently an abandoned truck in one camp site. We will be sending two employees to clean up the camping area this week and keeping an eye on the area through Labor Day weekend.

OLD BUSINESS

No old business at this time.

NEW BUSINESS

We have received two bids for the electrical portion for the FEMA generator project. They will be making all cables identical so that in case of an emergency, the generators can be hooked up for immediate use at any of our domestic or sewer pumping stations. Making them unified will simplify and shorten the response time in an emergency. The lowest bid was \$93,000 and was from Farmers Electric. After some discussion, a motion was made by Director Jeffries and seconded by Director Peterson to accept the bid from Farmers Electric as presented. Motion carried unanimously.

USBR Contract discussion: Manager Anderson stated that there are 15 more years to pay the U.S. Bureau of Reclamation (USBR) \$53,200 annually for the irrigation infrastructure; the total due being \$798,000. There are two entities within our district that have inquired about paying the USBR off early, to avoid full cost irrigation fees. The additional fees are \$323 per acre and go to the USBR, not the District. This was just a kickoff discussion and to be continued in September.

PUBLIC COMMENT

Jared England (JE) from Manson Growers stated that they are in a new partnership with International Farming Corp. and are now subject to the full-cost irrigation fees. They would like to look at having the USBR paid off to mitigate the extra cost to the USBR for the full-cost water rights.

Rod Anderson (RA): The positive aspects of paying off the USBR would be all reporting and acreage limitations would be eliminated. The District would also have options to be more creative with serving water to the customers. Land classifications would be eliminated and the District would have more freedom to do different things with acreage. The District can potentially be more flexible for our customers and specific to their needs.

Robert Siderius (RS): The expense in going through this process can be extensive. The District would have to identify and transfer all USBR easements, real property and infrastructure. If the USBR is paid off and out of the process, the District doesn't have the 1890 Act to fall back on, which makes all easements in favor of the U.S. Federal Government. During this process Greater Wenatchee Irrigation District (GWID) had a significant amount of clean-up to do before their payoff.

RA: Some of the voiced allegations, such as harder to get federal grants and losing lower power costs, do not seem to be valid concerns.

JE: GWID negotiated a price reduction for their payoff price.

RS: I believe they negotiated a discount due to the age of the infrastructure. They found a significant number of easements that had to be researched and rectified. He believes it would be a good process for the District to go through regardless of paying off the USBR or not. If the easements are not in place when established, eminent domain or condemnation rights take effect. The District has the same rights under State Statutes. The next step would be to speak with the USBR and evaluate legal and administrative costs, which could be upwards of \$100,000. The District would be required to do cultural and environmental assessments.

RA: The homeowner & small orchardist could benefit, as there will be more flexibility in water allotments and usage.

JE: Manson Growers would be interested in supporting the process.

Todd Jeffries (TJ): The easements could be cheaper to do now with the ever rising costs.

Allan Torgesen (AT): Maybe the District could partner with the two affected entities, and they could pay part of the associated costs.

Toby McKay (TM), the representative from the International Farmers Corp. stated that he believes partnering in that way could be something they could support.

JE would like to invite Craig Gyselinck, manager of GWID, to the next Board meeting to speak with the Board and give his pros and cons regarding the process, costs, and outcome. JE would like to also invite Mike Brownfield, board member of GWID.

RA: A key to this process is figuring out what it's going to cost, as well as the savings by the two entities and their willingness to partner with us.

TM: Are there any incentives for the USBR to have the District pay off the contract early?

RS: Washington D.C. wanted to get be done. It took two years to get through the process, but it went smoothly, and the USBR was very cooperative.

Dave Clark (DC): Why did GWID separate from the Bureau?

RS: Water expansion and development was an issue for them.

A lengthy discussion continued with a more in depth discussion planned for the September board meeting. Additional participants will be invited to be in-person in September.

ADJOURNMENT

Being no further business to come before the Board, Board President Dave Clark adjourned the meeting at 9:14 a.m.

Signed: Dave Clark

President

Shawna

Carl

Cheryl

Judd

Attest: [Signature]
Secretary-Manager

August 2022