

REGULAR MEETING  
BOARD OF DIRECTORS

October 9, 2018

The Board of Directors of Lake Chelan Reclamation District met for their regular Board meeting at the office of the District on October 9, 2018. The meeting was called to order at 8:05 a.m. by Board President Robert Christopher. Those in attendance were:

BOARD

Bob Christopher  
Dave Clark  
Paul Mogan  
Todd Jeffries  
Nathan England

STAFF

Rodney L. Anderson

GUESTS

Bob Siderius  
Phyllis Gleasman

MINUTES – FINANCIAL REVIEW – STATUS OF FUNDS

Director Clark made a motion and it was seconded to approve the September 11, 2018 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 15181 through 15236 (including EFT payments) totaled \$237,402.30 and were broken down as follows:

Irrigation O & M Investment	\$ 67,378.74
Irrigation Construction	\$ 16,661.55
Domestic O & M Investment	\$ 81,490.36
Domestic Construction	\$ 23,379.20
Sewer O & M Investment	\$ 39,809.03
Sewer Construction	\$ 8,683.42

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

MANAGER'S REPORT

Irrigation: The irrigation system will be shut off as usual on October 15 to drain the lines.

Food safety water samples were taken early in September and the results posted on our website. All systems came in well within standards.

For planning purposes, the USBR gives us a power rate forecast every 5 years. Our next 5-year period shows an increase of about 20%.

We will be having our 5-year dam safety inspections on Wapato Lake and Antilon Lake dams this month.

Domestic: With the help and input of RH2 Engineering, we have put together a proposal for JBA Development to go forward with getting domestic water to their lots. We are waiting for a reply.

Manager Anderson presented a contract to be executed with RH2 Engineering to begin work on our next Domestic Comprehensive Plan. A motion was made by director Mogan and seconded by director Clark to sign and move forward. Motion was approved unanimously.

A Water Rebate request was presented to the board and after some discussion was rejected due to the leak being in the irrigation system which is exempt from rebates.

Sewer: Nothing to report.

Administrative: A memorandum was prepared by Mary Lou regarding new legislation for the Family Leave Act.

The bonds approved for purchase during the September meeting have been purchased. The terms actually had improved slightly in the couple of days it took to make the purchase.

A 'Thank You' card was presented from the Manson Community Library for our letting them use our office conference room throughout the summer.

Chelan County Natural Resources had asked our approval and partnership for a water quality effort on the Dry Lake – Stink Creek drainage area. The plan is to do some riparian planting and wetland improvements that involve LCRD property. There was no opposition to our involvement.

Manager Anderson distributed a draft budget for 2019. Further discussion about specifics will be in November.

There are two board positions open for 2019 and have been advertised in the local media.

#### OLD BUSINESS

Manager Anderson has worked with RH2 Engineering on evaluating sewer liftstation 3 capacity and future needs in response to a request for comments from the Crosby Development as part of their feasibility study. The development will affect the sewer liftstation that is nearest capacity. We put together a reasonable proposal for the developer to contribute to the liftstation upgrade plan so that we can support the additional growth. We will wait to hear from the developer if they are going to proceed.

#### NEW BUSINESS

A request has been made by Rick Kamphaus to transfer an extra domestic ERU that he currently pays on but does not use to another customer who is in the process of developing a parcel and is in need of an ERU. He has asked if he can do this. Manager Anderson stated that we prohibit this practice in the irrigation system but do not have policy regarding domestic or sewer. His recommendation is that we don't allow this type of activity and draft policy for the future. After much discussion, director Mogan made a motion, seconded by director Clark, to allow it this one time and instructed manager Anderson to draft up a policy for the future to prohibit the practice.

The 2019 Equalization Roll is available for public comment in the District's office. The Board of Equalization will be held during the next board meeting on November 13 at 8:15 a.m. This action will also be advertised as usual.

OLD BUSINESS revisited

The board agreed to save this item for the end of the meeting with director Clark recusing himself from the discussion. The irrigation water valuation had been a challenge and now manager Anderson presented the last piece of information from West Water Research. West Water took additional information submitted by Anderson and attorney Bob Siderius to provide a wider range of values to be considered by the board for setting a price per acre of water. West Water's valuation was adjusted to a range of \$7,200 - \$9,000 based on this additional information and analysis. The new information included the fact that the water shouldn't be valued as it would be on the open market as it is confined to the District's place of use. Also, the quantity of water is limited to 10 acres maximum which also limits who would be interested in the water and who could make it viable. After much discussion, director England offered his opinion that \$7,500 - \$8,000 seemed to be the range he was comfortable with all things considered. Board president Christopher spoke up stating that he felt the midpoint of \$8,100 was a reasonable consideration as well. Director Mogan's opinion was that the low end of \$7,200 was what he felt was the most fair when considering the state of the local economy. Director Jeffries felt that with the midpoint being \$8,100 he was comfortable with setting the price at \$8,000 per acre. After further discussion, director Jeffries made a motion for setting the price at \$8,000 per acre effective through 2019 which was seconded by director England and approved unanimously.

PUBLIC COMMENT

Phyllis Gleasman thanked the board for doing their due diligence and spending so much time and resources to get the value set right.

ADJOURNMENT

Being no further business to come before the Board, Board President Bob Christopher adjourned the meeting at 9:18 a.m.

Signed:

President

Bob Christopher  
David E Clark  
Paul Og  
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Attest:

[Signature]  
Secretary-Manager

October, 2018