

REGULAR MEETING
BOARD OF DIRECTORS

January 14, 2025

The Board of Directors of Lake Chelan Reclamation District met for their regular Board meeting at the office of the District on January 14, 2025. The meeting was called to order at 8:02 a.m. by President Carl Peterson. Those in attendance were:

BOARD

Carl A. Peterson
Chad Steiner
Todd Jeffries
Steven W. Petersen
Jared England

STAFF

Rodney L. Anderson
Jennifer Collins
Mary Lou Brooks

GUESTS

Clayton Anderson
Bob Siderius
Toby McKay
Clyde Lay
Aaron Ireland
Amy Rodman

OATH OF OFFICE

Chad Steiner and Jared England were administered the Oath of Office for a three-year term by Manager Rod Anderson.

ORGANIZATION OF THE 2024 BOARD OF DIRECTORS

A motion was made by Chad Steiner and seconded by Jared England to suspend the 2024 Board of Directors. Chad Steiner nominated Carl Peterson as the 2025 Board President. The vote was unanimous for Carl Peterson to be the 2025 Board President. Jared England nominated Chad Steiner as the 2025 Board Vice President. The vote was unanimous for Chad Steiner to be the 2025 Board Vice President.

APPOINTMENT OF OFFICERS

A motion was made by Director Steiner and seconded by Director England to appoint the following slate of District officers for 2025.

Secretary-Manager/Treasurer/Auditor – Rodney L. Anderson
Deputy Manager – David Walters
Deputy Secretary – Mary Lou Brooks
Deputy Auditor – Jennifer Collins
Deputy Treasurer – Mary Lou Brooks

Motion carried unanimously.

MINUTES – FINANCIAL REVIEW – STATUS OF FUNDS

A motion was made by Director S. Petersen and seconded by Director England to approve the December 10, 2024 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 19093 through 19148 (including EFT payments) totaled \$623,015.73 and were broken down as follows:

Irrigation O&M Investment	\$119,584.34
Irrigation Construction	\$296,577.45
Domestic O&M Investment	\$150,006.38
Domestic Construction	\$ 0.00
Sewer O&M Investment	\$ 42,632.46
Sewer Construction	\$ 14,215.10

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

MANAGER'S REPORT

Irrigation: The traveling screens for LC pumping plant are being manufactured and coming from California. Installation is scheduled to begin February 17th or 24th, with three days allotted for the entire process.

Domestic: Manager Anderson stated that another contract for ADU back fees was drawn up per District policy. The contract is for 24 months.

Sewer: Nothing to report.

Administration: Manager Anderson requested the February Board meeting be moved from Tuesday to Monday, February 10th. The Board agreed to the change.

Mr. Brian Howson presented the District with Domestic Water Development and Extension Agreement and Sewer System Development and Extension Agreement for review and acceptance. After some discussion a motion was made by Director S. Petersen and seconded by Director Steiner to accept the Agreements as presented. Motion carried unanimously.

OLD BUSINESS

The scheduled Title Transfer discussion was postponed until after New Business.

NEW BUSINESS

Resolution 2025-02 Intercompany Transfers was presented to the board for approval. A motion was made by Director Jeffries and seconded by Director Steiner to approve Resolution 2025-02 as presented. Motion carried unanimously.

Resolution 2025-03 Increase Revolving Fund from \$200,000 to \$250,000 was presented to the board for approval. A motion was made by Director Steiner and seconded by Director S. Petersen to approve Resolution 2025-03 as presented. Motion carried unanimously.

OLD BUSINESS

Title Transfer: Clyde Lay (CL) from the Ephrata office of the Bureau of Reclamation explained the history of building infrastructure for irrigation districts. The Bureau would pay approximately 83% for the infrastructure and power and each individual district would pay the remaining 17%. At the time of transferring title (TT), if districts opted to do so, the BPA would pay their portion of the power to USBR. In 2019 the Dingell Act was adopted making a smoother transition. The BPA portion of power to be paid for LCRD is \$16M, which is excessively higher than other

districts already transferred. Per the Dingell Act, title transfers cannot affect rate payers, and BPA has not commented yet on an early payoff for the District or how that may affect rate payers. Other items that will need to be addressed in TT are Quit Claim Deeds and Right of Way notices must be located and signed for the transfer of all lands associated with the irrigation system. Historic reviews need to be done by the Historic Preservation Office, and tribes must approve of the land transfers. There needs to be an engineering review and hazmat review. The Bureau will need resolutions from the Board to take title of the irrigation infrastructure and the District will have to pay the Bureau for all work related to the transfer which is approximately \$80,000. Bureau Commissioners must also approve of the transfer. The entire process takes approximately two years from start to finish. A big help is Jennifer locating most, if not all, of the conveyance documents. As soon as the BPA pays the power contract, the Bureau can start the TT process for the District.

Manager Anderson: How are power rates affected after transfer?

CL: The District will be able to keep the lower rate BPA power because the power would be considered “project use power” as addressed in the Dingell Act.

Manager Anderson: If the District contract was paid in full, would we be able to move forward?

CL: No, the BPA bill would still be there, and nothing can move forward without that being paid in full. The BPA portion is what is holding up the process.

Jennifer Collins: Is the BPA making payments or are they sitting on the \$16M to pay off when the Contract is finished?

CL: That is a good question, and we will investigate that. We can continue to push the BPA for a payoff date, and the amount gets lower the closer you come to that date if they are making annual payments. I believe it’s doable before the contract payoff, but it all depends on BPA.

Clayton Anderson stated that he has been meeting with the PUD to negotiate power rates when the title transfer takes place. If the USBR can indeed define the District’s power needs as benefitting “project use power” the District will save a significant amount on the power rates.

Toby McKay: Will we still have to pay the RRA full cost rates?

CL: Yes, until the BPA is paid in full, as the District is still under contract. There are other advantages to TT as districts are able to process developments on their own rather than the USBR schedule, the District will have more discretion on policies and rates. The Bureau limits the District to contracted acres and this restriction would be eliminated.

Robert Siderius: If the District subsidized BPA payment, would they pay the remaining balance?

CL: I don’t know, but it would be a good question to ask them. At this point, the only thing the USBR can do is keep the pressure on BPA.

Jared England: Would our legislative representatives be able to help?

CL: Asking them couldn't hurt. I believe it would be at the federal level.

Chad Steiner: Is the resource water in the Columbia River good?

CL: The resource water is great, partly because of the Endangered Species Act. It's very hard to get new water rights out of the Columbia River.

CL: I wanted to let you know that we are available to come any time the Board or customers would like to discuss anything.

PUBLIC COMMENT

No public comment at this time.

ADJOURNMENT

Being no further business to come before the Board, Board President Carl Peterson adjourned the meeting at 9:41 a.m.

Signed: _____
President

Attest: _____
Secretary-Manager

January 2025