

REGULAR MEETING
BOARD OF DIRECTORS

February 8, 2022

The Board of Directors of Lake Chelan Reclamation District met for their regular Board meeting at the office of the District on February 8, 2022. The meeting was called to order at 8:07 a.m. by Board President Dave Clark. Those in attendance were:

BOARD

David Clark
Todd Jeffries
Allan Torgesen
Carl Peterson
Chad Steiner (via tele-conference)

STAFF

Rodney L. Anderson
Mary Lou Brooks

GUESTS

Cindy Simmons
Cindy Uhrich
Arnold Baker
Fred Weiss

MINUTES – FINANCIAL REVIEW – STATUS OF FUNDS

A motion was made by Director Peterson and seconded by Director Torgesen to approve the January 11, 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 17205 through 17255 (including EFT payments) totaled \$1,034,931.39 and were broken down as follows:

Irrigation O & M Investment	\$100,662.66
Irrigation Construction	\$ 3,926.70
Bond Proceeds – MCC Upgrade Costs	\$542,938.21
Domestic O & M Investment	\$108,487.92
Domestic Construction	\$170,897.52
Sewer O & M Investment	\$ 63,092.51
Sewer Construction	\$ 44,925.87

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

MANAGER’S REPORT

Cindy Simmons was invited to speak briefly before she had to leave to open the Manson Community Library. She wanted to state the Library’s appreciation for the Reclamation District’s continued assistance for their programs, as well as keeping the rent low enough so they can stay within the community, and continue to offer as many programs as possible throughout the year.

Irrigation: The sub-contractor doing concrete demolition work at the ‘A’ Pumping Plant MCC project has encountered a significant delay due to the concrete being thicker than anyone anticipated or was indicated on the as-built plans from the 70’s. They had scheduled (2) days to

remove the concrete, but it has actually taken four weeks, as it is up to 60" thick in some areas rather than the indicated 18" on the plans. Irrigation startup could be impacted by the delay, pushing the date back up to two more weeks. The contractor has been doing other work to try to stay on schedule, and the impact will not be known until the concrete is completely removed and the replacement work resumes.

Domestic: Nothing to report.

Sewer: Manager Anderson explained a sewer connection fee loan program that the cities of Wenatchee and Brewster offer to customers that cannot afford the total cost of connecting to the sewer system. The fees would be in the form of a loan with the remainder due incurring interest until paid in full. The program would be for current customers only, and not for new construction. There is currently only one known customer that would qualify. The customer has septic failures when the water table comes up in the spring. They currently use an outhouse and cannot afford the entire cost for the sewer connection fee. If the residence is sold in the future, the amount owed on the loan will be paid in its entirety at closing, as it would be a lien against the property. After considerable discussion, it was the consensus of the Board to table the discussion until a later board meeting.

The Axtman project is again asking for the District's assistance in bringing the sewer mainline to his subdivision. The property is in the urban growth area and zoned for development. A map was utilized to explain where the subdivision is located and how far the sewer mainline would need to be extended for the properties to be connected. Board members believe the developer should talk with Manson Growers to see if they want to cost share in extending the sewer mainline past the developer's property to their facility. Manager Anderson will speak with Mr. Axtman and give him some alternatives for assistance in paying for this project but the board indicated the District would not be financially involved at this time.

Administrative: We have submitted our application to the USBR for loan funds to upgrade aging infrastructure. The interest rate is believed to be 1.78%, but not certain. To replace all pumps and motors within the irrigation system would cost approximately \$7.4 million. Our application was for \$4 million, which would put the payments under \$200,000 per year. We will replace pumps and motors, keeping the old ones for parts for the ones we are not able to replace. This is a loan application only and the board will decide in the future, if we are accepted, whether or not to proceed in some fashion.

OLD BUSINESS

Only one bid came in for the Lift Station #2 upgrades, and the bid was significantly higher than what was anticipated. The bid was \$971,407, and the projected budget was approximately \$600,000. One factor for the high bid was the bidding contractor was unable to get any electrical subcontractor bids returned for the electrical upgrades portion. The work to be done is to add a 3rd pump, upgrade all electrical controls, and possibly expand the footprint of the property. After considerable discussion, a motion was made by Director Peterson and seconded by Director Torgesen to reject the bid as presented. Motion passed unanimously.

NEW BUSINESS

Mr. Flaherty is requesting a leak rebate on his overage, as it was incurred due to our misread of his meter. The meter has been replaced with a new AMR meter to avoid any possible issues in the

future. Manager Anderson recommends giving him a 50% rebate on his overage. It is not within our policy, but it was our mistake. After some discussion and all questions answered, a motion was made by Director Torgesen and seconded by Director Jeffries to give Mr. Flaherty a 50% rebate on his overage incurred. Motion passed unanimously.

Manager Anderson informed the Board that the five-year leases for the Chelan County Fire Department #5 and Manson Community Library are up for renewal. After considerable discussion a motion was made by Director Jeffries and seconded by Director Torgesen to renew the Manson Community Library Lease at \$175 per month for five years. Motion carried unanimously. A motion was made by Director Torgesen and seconded by Director Peterson to renew the Chelan County Fire Department #5 Lease for five years at \$500 per month for 2022, then increase the monthly amount incrementally by 3% every year thereafter. Motion carried unanimously.

Resolution 2022-03 – Employee Manual Amendment: The employees have elected to have \$50 deducted from their paychecks to deposit into an HRA VEBA account which will help pay their out-of-pocket medical expenses. This will be entirely from employee pay, with nothing being contributed from the District. After some discussion and all questions answered satisfactorily, a motion was made by Director Torgesen and seconded by Director Jeffries to accept Resolution 2022-03 – Employee Manual Amendment, adding a voluntary employee deduction into an HRA VEBA account beginning January 2022. Motion carried.

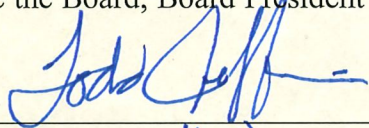
PUBLIC COMMENT

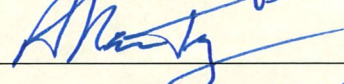
Arnold Baker thanked the Board for keeping the rent for the Chelan County Fire District #5 at a rate they can stay within the community. Being within the community helps them with response times being faster, as well as staying connected.

ADJOURNMENT

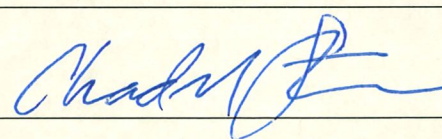
Being no further business to come before the Board, Board President David Clark adjourned the meeting at 9:32 a.m.

Signed: _____



President (acting)







Attest: _____


Secretary-Manager

February 2022