

REGULAR MEETING
BOARD OF DIRECTORS

October 14, 2025

The Board of Directors of Lake Chelan Reclamation District met for their regular Board meeting at the office of the District on September 9, 2025. The meeting was called to order at 8:10 a.m. by President 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

MINUTES – FINANCIAL REVIEW – STATUS OF FUNDS

A motion was made by Director Steiner and seconded by Director England to approve the September 9, 2025, minutes, budgets, and investments. Motion carried unanimously.

ACCOUNTS PAYABLE

Secretary-Manager Anderson presented the accounts payable for review and approval. Accounts payable checks 19559 through 19626 (including EFT payments) totaled \$878,908.20 and were broken down as follows:

Irrigation O&M Investment	\$142,699.50
Irrigation Construction	\$ 0.00
Domestic O&M Investment	\$128,195.27
Domestic Construction	\$ 4,981.43
Sewer O&M Investment	\$312,486.56
Sewer Construction	\$290,545.44

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

MANAGER’S REPORT

The rebuilt pump for LC#1 has been running all month with no problems to date.

Irrigation shutdown is scheduled for tomorrow, October 15th, at the conclusion of a class tour from Chelan High School.

Manager Anderson and Jennifer Collins attended the Orchards HOA meeting to answer any questions they may have regarding the Hyacinth to Orchards gravity line installation project and general questions about the District. They stated that it was informative and they were able to answer a lot of their questions.

Irrigation sales within the District could impact the District's rate for selling additional water. A potential sale will create a direct comp to use going forward for the price we charge for irrigation water sales. Manager Anderson will keep the Board informed of any new developments going forward.

Several years ago the District submitted two water right applications to the Department of Ecology for additional water. We are nearing the top of the list for evaluation and within two to three years we will likely know the outcome of our applications. These additional rights would be in preparation for when we pay off the Bureau of Reclamation contract and have additional water for customers to purchase.

Per- and polyfluoroalkyl substances (PFAS) are being detected in water sources in various areas of the country. Washington State Department of Health requires that we now test for PFAS. After our lake source was tested, none were found. PFAS is widely used and comes in many forms of use. PFAS is considered a 'forever' chemical whose long term affects are not fully understood. The District submitted paperwork to be filed joining a class-action lawsuit so that if any PFAS are found in our water system we may have a way to recoup our costs of dealing with it.

Manager Anderson stated that the witness test in Mexico at the Rockwell Automation plant for the MCC equipment, phase 4, went very well. Some issues were found while testing and were fixed immediately, while others were found and fixed after they left. The equipment is currently being prepared for shipping.

Manson Parks notified the District that the RCO grant rules have changed and they may be able try and move forward on purchasing the campground. Manager Anderson will keep the Board apprised of any updates.

Domestic: Nothing to report.

Sewer: Nothing to report.

Administration: Manager Anderson asked the Board if they would entertain putting an Employment Contract for the last 28 months of his employment with the Reclamation District in place. The Agreement would include a succession plan for transition and training for the new manager. Attorney Robert Siderius would draft the Agreement on behalf of the District for Board approval. The Board gave the ok to move forward in this direction for review in November.

Due to two Board Applications being returned from Todd Jeffries and Troy Hawkins, the District will hold an election on December 9th. Voting will be from 1:00 pm to 7:00 pm, with three community members being appointed by the Board to oversee the election process. A Special Board Meeting will be held on Monday, the 15th to ratify the election results.

OLD BUSINESS

Hyacinth to Sunrise Gravity Sewer Extension - The project has been going very well and there have been no issues. Strider Construction is close to being finished and scheduled to demobilize their equipment beginning today.

H2A Housing Utility Rates – Manager Anderson presented a spreadsheet to the Board members for review. He used payments made for migrant housing from Manson Growers from January 2023 to September 2025 and projected them out through December 2025. Ten men per ERU was used as a base rate, with excess being paid for overages in months with usage. All hookup fees are in addition to monthly fees and essentially buying into the existing system. Director England stated that he would like to see what 15 or 20 men per ERU would look like. Manager Anderson will have those numbers for their review at the next Board meeting.

NEW BUSINESS

Gregory Kennedy is requesting to relinquish 0.15 acres of domestic irrigation water, as he does not use any additional water during the summer months. After some discussion, a motion was made by Director Steiner and seconded by Director England to approve Gregory Kennedy's request to relinquish 0.15 acres of domestic irrigation water. Motion passed unanimously.

Domestic Water Extension Agreement – Green Ave/Hawkins Plat – Manager Anderson presented a Domestic Water Extension Agreement for the Green Ave/Hawkins Plat. After little discussion, a motion was made by Director Jeffries and seconded by Director England to approve the Extension Agreement as presented. Motion passed unanimously.

Irrigation MCC Project Phase 4 (E, G, H) – Services During Construction (SDC) Amendment – Manager Anderson presented Contract Amendment No. 1 with RH2 Engineering for their onsite services during the upgrades to irrigation plants E, G and H. After some discussion, a motion was made by Director Jeffries and seconded by Director England to accept Contract Amendment No. 1 with RH2 Engineering as presented. Motion passed unanimously.

2026 DRAFT Budget – Manager Anderson presented the draft 2026 Budget to the Board members. He outlined rate increases of 3% for irrigation, 2.6% for sewer and 3.2% for domestic water. He emphasized capital purchases of a new F250 utility truck, a small mini excavator, as our oldest mini is beginning to require significant repairs. He further emphasized capital projects for the irrigation, sewer and domestic water system, the City of Chelan sewer upgrades, of which we owe a portion, as well as the office remodel.

Manager Anderson presented a reserves spreadsheet for future discussion.

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 9:42 a.m.

Signed: _____

President

Carl Peterson

Steve W. Hansen

Julie Paul

Attest: _____

Secretary-Manager

[Signature]

October 2025

