

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
April 8, 2008

President Judy Ridge presiding, the Public Utility District No. 1 of Asotin County Meeting was called to order at 5:30 p.m. at the PUD Office at 1500 Scenic Way.

ROLL CALL: PRESENT Commissioners: Gary Hicks, Don Nuxoll and Judy Ridge.

PUD Staff: General Manager Tim Simpson, Treasurer Bob Sischo Attorney Scott Broyles and Board Secretary Roberta Tilden.

MINUTES OF MEETING AND VOUCHER APPROVAL:

MOTION by Commissioner Don Nuxoll seconded by Commissioner Gary Hicks to approve the consent agenda giving approval of the minutes of the March 24, 2008 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1630 and #1631 and 940EFT through 955EFT in the amount of \$25,857.82 and Blanket Transaction Voucher Approval Document covering vouchers #25637 through #25684, and Electronic Transaction Voucher #20080402, #20080040201, #2008040401 and #2008040402 in the amount of \$58,148.48. The question was called for on the motion. Passed 3-0

ENERGY NORTHWEST

The Energy Northwest Representative, Jim Oakley reported that the Reardon Wind project is up for sale and a buyer has been found. It was decided to sell because the project started at \$55.00 a megawatt and ended up costing \$100.00 a megawatt due to a change in federal incentives. The Columbia Generating Station Nuclear Facility is on day three hundred of their latest run. Refueling of the facility is scheduled for 2009 and will take approximately eighty days in order to change out a condenser and refuel instead of the standard 45 days. During the shut-down it will cost a million dollars a day to replace the power ordinarily generated by the nuclear facility. A wind project in Pacific County is under review. Mr. Oakley discussed wind generation versus dam and nuclear power generation and firm power versus intermittent wind or "green" power.

OLD BUSINESS

Standby Generator Project Update

The General Manager reported that on March 25th, Energy Northwest, Sun River Electric and Zenith were on-site at Well No. 7 to make final preparations to the transfer switch and generator and to start up the generator. The transfer switch wires were reversed and had to be switched. The generator experienced problems with the exciter but they were able to get the generator running. Once all the components were ready the well was “bumped” but the motor was not run on this date due to an issue with the shaft and the back-spin ratchet on the well motor. On March 26th, Specialty Pump came and resolved the issue with the pump motor and shaft. During that week EC Systems found that the exciter from the generator was working properly and the main issue with the generator was the voltage regulator.

On April 2nd, EC Systems replaced the voltage regulator. Once repaired, the generator was started but the generator couldn't run the well. It was found that the generator would shut down when the motor would go from 50% power to 100% power. The electrical load demand was too much for the generator motor starter. Through discussions with Energy Northwest it was discovered that the well's motor starter needs to be a soft or slow ramping starter. The manager stated that the estimated cost of a new soft start motor starter was \$60,000.00. In addition to the soft start, the state electrical inspector is requiring manual shut off disconnect switches between the generator and the transfer switch and between the transfer switch and well house. The estimated cost of the disconnect switches with installation is \$10,000.00.

Operations Shop

The manager stated that he and the crew have conducted a preliminary site survey of our property where the vehicle storage and operations shop will be located. The site survey revealed that we have additional room for vehicle storage and the operations shop can be built larger if the property were excavated. The crew used Roto Rooter's video camera to survey the drain line that drains a natural spring and water from Well 3. The drain will be moved prior to construction. The conditional use permit documents have been obtained and are currently being completed for submittal to the County.

City of Asotin Water Rights-Ownership Proposal

The manager stated that he contacted the Asotin city clerk requesting financial, customer and debt related information in order to review the feasibility of ownership of the City's system. The City of Asotin has begun looking into annexation of the area just outside the city and will be looking for a grant to inter-tie our system with theirs.

NEW BUSINESS

Resolution 08-331 Amending the Personnel Policy

The manager presented Resolution 08-331 which provides for changes in the Personnel Policy. The changes affect language in Chapter 7- Leave From Employment, regarding calculations of the accrual of personal leave and the policy regarding end of the year personal leave balance not to exceed eight hundred hours; Chapter 8 – Benefits regarding adding language that deals with health insurance coverage for qualified beneficiaries upon the death of an employee and Chapter 10 – Business Expense Reimbursement modifying changes made last August regarding taxable reimbursements and how they are handled as non-cash taxable transactions through payroll.

Commissioner Hicks stated that changes also need to be reviewed for Chapter 10, sections 10.3.3 – Use of Rental Cars and 10.4.4 – Use of Personal Vehicle for business. Commissioner Hicks stated that insurance for rental cars should be paid by the PUD and that we need to speak with Dick Roderick, PURMS administrator to ensure we select the correct coverage. The Commissioners decided that they needed to review the amendment prior to approval of the Resolution. The manager stated that he would review each policy, research the insurance issues and recommend policy language changes at the next meeting.

MOTION by Gary Hicks, seconded by Don Nuxoll to table action on Resolution 08-331 Amending the Personnel Policy. The question was called for on the motion. Passed 3-0.

Idaho State Department of Corrections Human Resource Agreement

The manager presented a Human Resource Agreement with the Idaho State Department of Corrections for use of inmate labor. The manager stated that his initial thought was to utilize inmate labor for Vineland Cemetery Irrigation Efficiency Project. Commissioner Nuxoll remarked that there has been some trouble with inmates being hard on expensive machinery. He stated that Vineland Cemetery should be responsible for the Agreement and use of inmate labor. Commissioner Hicks asked if the other commissioners thought this would save money in the long run or create additional expense. The three commissioners agreed that they did not want to pursue the Agreement.

MANAGER'S REPORT

Annual Audit – the state auditor is on site conducting an audit of the 2007 fiscal year.

Vineland Cemetery – the landscape architect has completed the sprinkler system design. A plan and cost estimate for the project will be available by the end of the week.

Billing – the outsourcing of the bill printing and mailing is going well. Bob Sischo is working on WEB payments and also looking at a “Lock Box” program. This is a service where customer payments would go through a payment center. Bob and the manager have met with Wells Fargo and will be meeting with our bank, Sterling Savings, in May to discuss this type of processing.

COMMISSIONER'S REPORT:

Commissioner Nuxoll has a Watershed Planning Unit meeting on Thursday April 10th.

ADJOURNMENT

There being no further business the meeting was adjourned at 7:00 pm.