

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
February 26, 2008

Vice-President Gary Hicks 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 and Don Nuxoll. Judy Ridge (by phone)

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

Members of the public were present.

MINUTES OF MEETING AND VOUCHER APPROVAL:

MOTION by Commissioner Don Nuxoll seconded by Commissioner Judy Ridge to approve the consent agenda giving approval of the minutes of the February 12, 2008 Regular Meeting and payment of the Transaction Voucher covering vouchers 894EFT through 908EFT in the amount of \$22,697.82 and Blanket Transaction Voucher Approval Document covering vouchers #25513 through #25535, and Electronic Transaction Voucher #20080220, #20080222, #20080303, and #20080022501 in the amount of \$24,511.78. The question was called for on the motion. Passed 3-0

OLD BUSINESS

Port of Wilma Water System

The general manager has been discussing the feasibility of the PUD taking over the port's water system with Joe Poire. As a part of this process the manager reviewed the Port's water consumptive meter readings. Along with these numbers the manager reviewed and compared the water production at The Port's Well No. 2 with the consumption numbers provided. He discovered that the Port produced approximately forty-four million gallons of water in 2007 but billed for eighteen million gallons. The manager stated that 57% of the water produced was not billed. He stated that there is a possibility that the meters are not being read correctly. Staff will be meeting with a Port employee to troubleshoot the issue. Commissioner Hicks mentioned that the location of a bio-fuel plant is unlikely.

Water Right Change Applications

The manager was notified that the hydro geologists in the Washington State Department of Ecology (DOE) had finally reviewed the water right change applications submitted to DOE in August 2007. The hydro geologists took issue with one change requested regarding the addition of the Atlas Sand and Rock well as a point of diversion on our wells. DOE stated that the elevation of the Atlas well was 100 feet or more higher than ours and that it might not be fully in the Lewiston Basin aquifer. DOE stated that the only way they would support the change application is if Atlas would be willing to drill the well deeper and provide casing to a certain level. The manager gave DOE the authorization to add the upgrade of the well as part of the conditions for approval of the application. The manager stated that he had talked with DOE and Atlas when the issue of filing a change application was initially considered. With this authorization the water right change applications should go to the attorney general's office for review.

NEW BUSINESS

Letter From City of Asotin-Water Rights Acquisition

Jim Miller, Mayor for the City of Asotin has requested a meeting with the PUD to discuss the acquisition of water rights. All three commissioners agreed that the PUD will not sell our water rights. PUD water rights are available for lease and they discussed encouraging the City to construct an inter-tie of our system to theirs in order to meet demand, fire protection and emergency needs. Scott Broyles suggested that a special meeting be called with both agencies attending. The Board stated that they would prefer that Mayor Miller and the City's Utilities Committee attend the next PUD Board meeting. The Board directed the manager to contact Mayor Miller and request his attendance at our Tuesday, March 11, 2008 meeting.

City of Clarkston-Annual Sewer Evaluation Report

The general manager presented the City of Clarkston Intergovernmental Cooperation Agreement which provides for the PUD development of the annual sewer evaluation report. The City uses PUD customer water consumption information for January and February to calculate monthly sewer billing.

MOTION by Judy Ridge, seconded by Don Nuxoll approving the City of Clarkston and PUD Intergovernmental Cooperation Agreement for the Annual Sewer Evaluation Report and authorizing the general manager to execute the agreement. The question was called for on the motion. Passed 3-0

Bonneville Power Administration-Interim Payment Contract

The general manager reported that he has received the Interim Payment Agreement from the Bonneville Power Administration. The Agreement provides \$17,080 to the PUD for monies collected under the Residential Exchange Program. Last year the Ninth Circuit Court found that BPA was not properly administering this program which resulted in unwarranted payments by public utilities in the Northwest to BPA which in turn provided the monies to Investor Owned Utilities (IOU) through the Residential Exchange Program. The three commissioners all agreed that they do not feel BPA is following the letter of the law even after the court ruling. They directed the general manager to provide them a copy of the Agreement for review. A decision on the Agreement will occur after the board has reviewed it.

MANAGER'S REPORT:

Vineland Cemetery – the project is waiting for Bonneville Power to sign an agreement with the landscape architect who will be providing the design and project cost estimate. BPA is providing \$2,000 for this service. The estimated cost to develop and install a new efficient irrigation system is between \$22,000 and \$30,000. The manager will be submitting a grant funding application to the WRIA 35 Watershed Planning Unit on behalf of the Vineland Cemetery Association. The Planning Unit is using some of their funding from Ecology to fund viable projects in the watershed.

Operations Projects

Meters – the AMR radio read meters for 2008 have arrived and the crew has begun installation of the automated meters and registers. We are over halfway through the replacement program. By the end of the project it is estimated that we will have invested \$1.6 million in upgrades and automation.

Well 7 chlorination – the PUD will be upgrading the Well 7 Clor-Tec onsite chlorine generation system for a 36 pound per day system to a 70 pound per day system. Based on our current chlorine dosage, the system was undersized. This estimated cost of the budgeted project is \$90,000.00.

Cherry Street/Osborn Street Project – the PUD will be installing an 8-inch water distribution main on Osborn Street to supplement flow in the Cherry Street and Rivers Bend areas. 300 feet of six inch main is contributing to a bottle neck and hindering water and fire flow in the area.

WPUDA Survey – The PUD Association is conducting a strategic planning survey. Boards and managers were asked to sit down together to complete it. A survey was provided to the Commission for review. The deadline for submittal is March 25th.

COMMISSIONER'S REPORT:

Commissioner Nuxoll will be attending a Watershed Planning Unit meeting in Pomeroy on Wednesday March 5th.

Commissioner Ridge attended a meeting at Energy Northwest. She stated that ENW is still working on a plan for the Pacific Mountain Energy Center. ENW has decided to sell the rights to the Reardon Wind Project due to the high cost of the wind energy output. The executive board met and discussed pay and meetings for the executive board and the regular board. State Senator Phil Rockefeller and Mark Hatfield attended the meeting.

EXECUTIVE SESSION:

The Board of Commissioners entered into executive session at 6:15 p.m. to discuss the sale and acquisition of real property. Commissioner Hicks stated that the Executive Session would last approximately fifteen (15) minutes.

Commissioner Hicks reconvened the meeting at 6:25 p.m. No decisions were made.

ADJOURNMENT

There being no further business the meeting was adjourned at 6:27 pm.