

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
January 12, 2009

President Judy Ridge presiding, the Public Utility District No. 1 of Asotin County Meeting was called to order at 5:00 p.m. at the PUD Office at 1500 Scenic Way.

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

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 Gary Hicks and seconded by Commissioner Don Nuxoll to approve the consent agenda giving approval of the minutes of the December 22, 2008 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1649 through #1650 and #1219EFT through #1234EFT in the amount of \$27,373.81 and Blanket Transaction Voucher Approval Document covering vouchers #26483 through #26549, and Electronic Transaction Voucher #20081230, #20090102, #2008122301, #2008122401, #2009010501, #2009010502, #2009010503, #2009010601 and #2009010602 in the amount of \$131,951.23. The question was called for on the motion. Passed 3-0

Election of Officers and Representative Assignments

MOTION by Don Nuxoll, seconded by Gary Hicks to elect Gary Hicks as President, Don Nuxoll as Vice-President and Judy Ridge as Secretary. The question was called for on the motion. Passed 3-0.

The meeting continued with newly elected President Gary Hicks presiding.

Commissioners were designated representatives of the following organizations:

Washington Public Utilities District Association	Commissioner Hicks
WPUDA Alternate	Commissioner Ridge
Energy Northwest	Commissioner Ridge
Public Utility Risk Management System	Commissioner Nuxoll
WRIA 35 Watershed Planning Unit	Commissioner Nuxoll
Northwest Public Power Association	Open/All
American Public Power Association	Open/All
American Water Works Association	Open/All

Old Business

Asotin County Sewer System

The manager stated that he and Commissioner Nuxoll met with City of Clarkston Public Works Director Jim Martin and Asotin County Engineer Joel Ristau on Friday January 9, 2009 to discuss sewer issues. One issue discussed was the contract between the City and the County for treatment of the effluent from the County's system. The contract expired on October 31, 2008. In anticipation of the potential assumption of the County's sewer system by the PUD, it was agreed by all parties that the PUD will be actively involved in developing a new treatment agreement with the City of Clarkston. The sewer plant has a two million gallon per day capacity with current use between the City and County at 50%. As a part of the contract negotiations the City's cost accounting for application of charges will be evaluated. The County's per day capacity will also be addressed with the hope that it could be increased. Currently the City flushes the County sewer lines annually at a cost of \$5,000.00. This service is not part of the treatment contract. Mr. Martin is seeking permission from the Council to update their treatment facility plan. The manager and the County told the City that either or both entities would be willing to partner with the City in the study if it would assist in getting support from the Clarkston Council.

The manager stated that a request for proposal (RFP) for a County sewer system condition assessment and feasibility study was sent to consulting firms on the PUD roster who responded to the May 2008 request for qualifications. The deadline for receipt of a proposal is Friday February 6, 2009. The manager reported on the potential upgrade to the 15th street lift station at a cost between \$50,000 to \$100,000 and the submittal by the County of a proposed \$2.5 million sewer line construction project on 13th Street and 16th Avenue. The submittal was for the proposed federal stimulus package. The County is considering developing an engineering plan of the project in order to have the project ready to proceed in the event they receive funding. The County estimated the engineering plan cost at \$100,000.00). This funding would come from their sewer reserves.

Commissioner Nuxoll remarked that it would be a good idea to keep the county involved on the long term plan because they are aware of the history at the sewer plant. Commissioner Hicks explained to those in attendance that the PUD is both a water and electric utility and at the last general election in November 2008 PUD customers supported the PUD receiving sewer authority with a 72% positive vote.

Regional Stormwater Utility

The manager reported that he received a call from Cheryl Sonnen, Regional Stormwater Coordinator. She would like to receive customer service address data from the PUD.

The manager stated that the consultant they are working with wants the information to create a database, quite possibly to setup their billing system. The manager stated that the PUD has been assisting the County with the process but is concerned due to the new laws and policies adopted by the board concerning the protection of customer information. The Commissioners stated that they were reluctant to provide the data and requested additional information about its proposed use. The manager reported that due to our inclusion of the regional stormwater survey with our customer billing statements, the County has seen a good return of over 550 surveys.

NEW BUSINESS

BPA 2010-2011 Partial Transmission Rate Case Settlement Agreement

The manager presented a Bonneville Power Administration (BPA) 2010-2011 Partial Transmission Rate Case Settlement Agreement. He stated that on July 31, 2008, BPA began a series of public workshops in preparation for the 2010 BPA Rate Case to develop power and transmission rates for the period October 1, 2009, through September 30, 2011. After hearings and other determinations, the BPA Administrator issued a Record of Decision, which includes BPA's final proposed rates. BPA filed its rates with the Federal Energy Regulatory Commission (FERC) for confirmation and approval.

The cost-based rates BPA established through the hearing process apply to BPA's transmission sales. Over the years, effective rate periods have varied from one to five years. BPA is on a path to have rates established for two-year periods. The settlement agreement was negotiated, and has the support of, numerous customer organizations and representatives. BPA is proposing to settle the transmission service rates for the FY 2010-2011 period at no net overall rate increase over current rates. The manager recommended approval of the Agreement and authorization to execute it.

MOTION by Judy Ridge, seconded by Don Nuxoll approving the BPA Partial Transmission Rate Case Settlement Agreement and authorizing the General Manager to execute the agreement. The question was called for on the motion. Passed 3-0

Resolution 09-342 – Sole Source Radio Read Meters and Transmitters

The Manager presented Resolution 09-342, which waives the bidding requirements allowing for the Sole Source purchase of Sensus electronic meters and radio frequency meter reading units from United Pipe and Supply, Inc., an authorized Sensus Metering Systems dealer. The manager stated that the 2009 budget provides \$110,000.00 toward the purchase of radio read meters.

The manager stated that in 2009 we are planning to replace and/or retrofit approximately 450 meters. 40 additional electronic metering systems will be purchased for new service installations. By the end of the year approximately 4,800 meters or nearly 69% of our customer base will be on the automated radio meter reading system. Upon installation of radio read meters and registers in 2009, meter read routes 1, 2 and 3 will be completely automated. These routes will be combined into 1 route for reading and billing.

MOTION by Don Nuxoll, seconded by Judy Ridge approving Resolution 09-342 waiving the competitive bidding requirements and authoring the sole source purchase of Sensus electronic radio meters and equipment from United Pipe and Supply. The question was called for on the motion. Passed 3-0.

MANAGER'S REPORT

Highland Avenue – the County's Highland Avenue Improvement Project is underway. The PUD will relocate and/or rebuild approximately forty-five services. Most meters have been converted to AMR. Barc Seibly was in the office and has agreed to work with the County and the PUD to tie his hydrant, located at his storage units, on to the PUD system to comply with County regulations. The connection requires a double check backflow prevention device required for the hydrant.

City of Asotin – the City of Asotin produced 417.42 acre feet of water last year which is just barely over the amount of water rights the 417 acre feet of water rights they have been allotted. The manager continues to work with the City in the development of an intertie which will address water rights, emergency, economic development and service issues.

Vineland Cemetery – The manager spoke with Steve Rynearson regarding the Vineland Cemetery project. Mr. Rynearson stated that forty percent of their sprinkler system has been installed. They are awaiting donations to complete the rest of the sprinkler system installation. The goal is to have it completed by April.

2008 Budget Comparison – The manager completed an analysis of the budget compared to actual revenue and expenses for 2008. He reported that due to the economic slowdown, revenue was down by approximately \$350,000.00 based on the budget while expenses such as material and other fixed costs increased. In 2008, the PUD had to use approximately \$320,000 of its financial reserves. An approximate \$99,000.00 reimbursement is under process from Ecology for funds spent in the 4th quarter of 2008. This will reduce the use of reserves to approximately \$219,000.

COMMISSIONER'S REPORT:

Commissioner Nuxoll reported that he attended the wastewater meeting with representatives from Asotin County and the City of Clarkston. He reported that all the agencies are working well together. Commissioner Nuxoll reported that the watershed meeting was cancelled due to a delay in a report from Washington State University on the Stream Habitat Assessment project.

Commissioner Ridge and Commissioner Hicks will be attending the Washington PUD Association meetings on Thursday and Friday, January 15 and 16 in Olympia Washington.

ADJOURNMENT

There being no further business the meeting was adjourned at 5:40 pm.