

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
April 28, 2009

Vice President Don Nuxoll 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: Don Nuxoll and Judy Ridge.

PUD Staff: General Manager Tim Simpson and Attorney Scott Broyles.

Members of the public were present.

MINUTES OF MEETING AND VOUCHER APPROVAL:

MOTION by Commissioner Judy Ridge and seconded by Commissioner Don Nuxoll to approve the consent agenda giving approval of the minutes of the April 13, 2009 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1318EFT through #1330EFT and in the amount of \$19,395.75 and Blanket Transaction Voucher Approval Document covering vouchers #26805 through #26844, and Electronic Transaction Voucher #20090421 and #09042001 in the amount of \$55,821.92. The question was called for on the motion. Passed 2-0

OLD BUSINESS

Wastewater System Condition Assessment and Feasibility Study Update

The Manager stated that he received an e-mail from consultant, Keller Associates, stating that they have completed the condition assessment and feasibility study on the County's wastewater system and that a draft report would be available by Friday, May 1st. A meeting with Asotin County Public Works Director, Joel Ristau and Keller Associates to review the draft report has been tentatively scheduled for Monday, May 11 at 3:00 pm.

Keller has stated that the system assessment and feasibility demonstrates that the system is in good operating condition and it would be financially feasible to assume system operations. They have expressed concern regarding the limited tax general obligation bonds that have helped fund improvements to the system. They stated that the bonds are non-callable and it was unlikely that the PUD can assume this debt if the system were transferred to us. The Manager stated that he talked with counsel and both felt that though the bonds were non-callable that the debt could be refinanced and put under our name. The Manager stated that a quick call to a bond financier would clarify the issue.

NEW BUSINESS

Amendment No. 2 to HDR Engineering Services Agreement – Hydro Geological Study

The Manager presented Amendment No. 2 to our agreement with HDR Engineering for engineering services for the Hydro Geological Study. The Watershed Planning Unit is recommending additional services in the amount of \$7,500.00 in order to conduct another round of data gathering on the private wells in the Anatone and Alpowa areas. The data will help solidify information already gathered last fall. The fee will include HDR's time and the equipment used for gathering the data.

MOTION by Judy Ridge, seconded by Don Nuxoll to approve Amendment No. 2 to our Engineering Services Agreement with HDR Engineering for the Watershed Planning Hydro Geological Study in the amount of \$7,500.00 and authorize the General Manager to execute the Amendment. The question was called for on the motion. Passed 2-0.

Amendment No. 1 to Snake River Salmon Recovery Board Coordination Agreement

The Manager presented Amendment No. 1 to Snake River Salmon Recovery Board (SRSRB) Integration/Coordination Agreement. The SRSRB is providing an additional \$4,450.00 which will be used for our Watershed Planning Director who will provide support for Hatchery Reform Recommendations for consistency with the SRSRB Plan. The current agreement provided \$30,000.00 for the fiscal year July 1, 2008 to June 30, 2009. The additional funding will allow the Planning Unit to carryover Planning Support grant funding into the next fiscal year.

MOTION by Judy Ridge, seconded by Don Nuxoll to approve Amendment No. 1 to our Integration/Coordination Agreement with the Snake River Salmon Recovery Board in the amount of \$4,450.00 and authorize the General Manager to execute the Amendment. The question was called for on the motion. Passed 2-0.

Snake River Salmon Recovery Board Coordination Agreement Fiscal Agent Request

The Manager stated that he was contacted this week by a member of the Snake River Salmon Recovery Board (SRSRB). The member requested PUD consideration to act as the fiscal agent for the SRSRB. He and other SRSRB members are not satisfied with their current fiscal agent Walla Walla Community College and the 12% fee they are charging to administer their funding. The SRSRB is currently meeting to discuss this proposal.

The Manager stated that this is an informal request but he wanted to be in a position to give them an answer if a more formal request is presented. He stated that if approved by their Board and ours, the PUD would receive and administer the SRSRB funding similar to how we administer the Watershed Grant Funding. The proposal is to charge a flat rate of \$35,000 annually for the first \$400,000 or 8.75% and 6% for any additional funding they receive above this amount. The SRSRB annual funding is estimated at between \$400,000 and \$600,000 per year.

If the PUD were their fiscal agent, the SRSRB could save between \$13,000 and \$25,000 annually based upon the estimated total funding. This savings translates into more funding for projects for SRSRB and will provide us funding for our administrative overhead and help provide additional funding for Watershed Planning. The Manager stated that he believed this would be a win-win situation for both of our entities.

After further discussion the Board stated their support for the PUD becoming the fiscal agent for the SRSRB.

Port of Whitman County – Port of Wilma Contract Fees Moratorium Request

The Manager presented a letter from Port of Whitman County Executive Director Joe Poire. He is requesting the Board's consideration of a moratorium on the monthly standby fire flow charges and the operation and maintenance contract services fee for the Port of Wilma for the remainder of 2009. Bennett Lumber has announced that they will be shutting down operations for the remainder of the year beginning in June. Bennett uses approximately 98% of the water produced at the Port of Wilma. Bennett anticipates becoming operational again in 2010.

Due to their shutdown Mr. Poire is requesting that the operations and maintenance contract and the associated charges of \$2,000.00 per month be suspended for the remainder of 2009. He requested an hourly rate charge for assistance when assistance is requested. In addition, Mr. Poire states that fire flow safety concerns have gone away because of reduced economic activity and he is requesting a moratorium on the standby fire flow charges. This charge is currently \$650.00 per month and is scheduled to increase to \$1,000.00 per month beginning October 1, 2009. If a moratorium on charges is approved by the Board and assuming a May 1 start date, revenue from contractual services will be reduced \$21,250.00 for the remainder of the year.

The Manager stated that although Bennett is shutting down the need for fire flow will not go away. He stated that if the operational contract was suspended we would need to remove our name as the designated Operator of Record. The manager stated that if a Port employee is maintaining the system and taking monthly water samples that he did not want the PUD responsible for their work.

The Board stated that they would support the suspension of the operations and maintenance contract for the remainder of 2009 only if the PUD were not the Operator of Record for the water system. The Board did not support the removal of the standby fire flow charge because they felt that the need for fire protection and the need for standby water had not diminished because Bennett was shutting down. After further discussion of the request, the Board directed the Manager to request that the Port consider allowing the PUD to take over ownership of the water system.

MANAGER'S REPORT

2008 Fiscal Year Audit – The Manager stated that the 2008 fiscal year audit is nearly complete. The auditors completed their in-house work yesterday and will complete the remainder of the audit at their office.

Solar Energy Project – The Manager stated that Washington State University staff Mike Nelson did not show up for his scheduled for a site visit on April 14th. The Manager stated that he will ask a specialist at Avista Utilities to conduct a site assessment and provide information to the Board about the potential of developing a solar energy project.

Public Works Board – The Manager stated that his first term on the Washington State Public Works Board will be ending in June. He stated that he will not be seeking a second term. He stated that several people from other PUD's have expressed an interest in serving in the Governor appointed position.

COMMISSIONER'S REPORT

Commissioner Ridge attended the Energy Northwest (ENW) Strategic Planning and Board Meeting in Richland, Washington on April 21 - 23, 2009. She stated that Jefferson PUD joined ENW. They are the 25th member of ENW which sets a record for membership. She stated that after a long absence, Lewis County PUD will rejoin ENW next month. The ENW Board heard a presentation from UniStar regarding a 1,600 megawatt nuclear power plant which would be located near the Columbia Generating Station. It was stated that the plant could operate for 60 years with only 400 employees. ENW currently has approximately 1,200 employees. The Board also heard a presentation on Hydrogen Hubs.

Commissioner Ridge will be attending the Northwest Public Power Association Annual Conference in Boise, Idaho on May 17-21, 2009.

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Commissioner Nuxoll attended the Stormwater Committee meeting on Monday April 21st. He stated that 21 citizens showed up to the meeting with concerns regarding the stormwater program and the fees that will be assessed to operate the program.

Commissioner Nuxoll attended the Drinking Water Source Protection Committee Meeting on Monday April 27th.

Commissioner Nuxoll will be attending an Asotin County ordinance update technical committee meeting on Monday May 4th and the Wastewater System Condition Assessment and Feasibility Study draft report review meeting on Monday, May 11th.

ADJOURNMENT

There being no further business the meeting was adjourned at 6:35 pm.