

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
June 9, 2009

President Gary Hicks 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: Gary Hicks, Don Nuxoll and Judy Ridge.

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

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 May 26, 2009 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1663 and #1664 and vouchers #1358EFT through #1371EFT in the amount of \$22,854.60 and Blanket Transaction Voucher Approval Document covering vouchers #26938 through #26987, and Electronic Transaction Voucher #09060202, #09060201, #09060501, #09060502, and #09060503 in the amount of \$65,409.65. The question was called for on the motion. Passed 3-0

OLD BUSINESS

Wastewater System Condition Assessment and Feasibility Study Update

Commissioner Hicks reported that the PUD and Asotin County Commissioners held a joint meeting on Monday June 8th to hear a report from Keller Associates on the PUD authorized Asotin County Wastewater System Condition Assessment and Feasibility Study. Commissioner Hicks stated that the meeting went well ending with the County Commissioners stating their full support for assumption of their wastewater collection system by the PUD. Both the County and the PUD stated that the next step would be to authorize the development of a memorandum of understanding for the transfer of the system.

The manager reported that he spoke with Joel Ristau, Asotin County Public Works Director, after the meeting and he stated that he intends to present a resolution to the County Commissioners on Monday June 22nd which would provide authorization to staff and counsel to begin the process of developing a Memorandum of Understanding for the transfer of the wastewater system to the PUD.

Counsel, Scott Broyles, stated that there is much work to be done to ensure all aspects of the transfer are covered and the County's general obligation bonds are provided for. Commissioner Hicks stated that he would prefer that the process take between 90 and 120 days. Counsel stated that 120 days would be more reasonable. After further discussion about the issues surrounding the assumption of the County's wastewater system, the Commissioners directed counsel and the manager to work with County staff and their attorneys to begin the process of development of a memorandum of understanding for the transfer of the wastewater collection system.

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

The Manager stated that he, Commissioner Hicks and Counsel met with Joe Poire, Executive Director of the Port of Whitman County on Wednesday, June 3rd to discuss the operations and maintenance contract and the option of the transfer of ownership of the Port of Wilma water system to the PUD.

Mr. Poire stated that the Port is interested in conveying the system to the PUD but is concerned about the cost of water for Bennett. He stated that they have made some lease concessions to Bennett Lumber Company to keep staff employed. Mr. Poire reported that their revenue has decreased significantly at the Port and they are seeking operation cost relief from the PUD. After discussion about contract issues and rate structure the meeting ended with a preliminary agreement to continue to operate the Port of Wilma water system and develop a new memorandum of agreement providing for the eventual assumption of the Port of Wilma water system.

Commissioner Hicks stated that the PUD and Port will meet with Bennett Lumber's owners to discuss the potential assumption. The manager stated that under the new agreement the charge for standby fire flow will continue. Counsel stated that the goal would be to continue operating their water system with the goal of assumption in 2012. After further discussion the Board directed the manager and counsel to develop a memorandum of agreement providing for continued operations and eventual assumption of the Port of Wilma water system.

NEW BUSINESS

Resolution 09-343 Well No. 6 Emergency Repair Bid Waiver

The manager presented Resolution 09-343 which provides for declaring an emergency and waiving of the bidding requirements in order to allow for immediate repair of Well No. 6. The manager stated that investigation of operational issues at Well No. 6 led to the pulling of the motor, column, shaft and pump.

It was discovered that the column was not tightened properly at initial installation in 2001. It was also discovered that the column was honed to an improper size resulting in the irregular spinning of the shaft. Both of these problems caused undue wear on the bearings causing the shaft to operating out of alignment which has led to rotor damage on the motor and several repairs. The equipment was pulled to investigate issues after problems were discovered when vibration and alignment tests were conducted in May. After the equipment was pulled more damage was discovered then initially thought. It was also discovered that there is some damage to the upper portion of the pump which will require its replacement.

The manager stated that the total cost has not been determined but is estimated to be in the \$75,000 to \$100,000 range. He stated that we are at the beginning of our peak water demand season and it is imperative that we return Well No. 6 to operation as soon as possible.

MOTION by Don Nuxoll, seconded by Judy Ridge to adopt Resolution 09-343 declaring an emergency at Well No. 6 waiving the bidding requirements and authorizing the General Manager to order materials and complete the repairs at Well No. 6. The question was called for on the motion. Passed 3-0.

Energy Northwest NuScale Modular Nuclear Project Study Participation

The manager stated that Energy Northwest (ENW) is seeking participation in a study on the NuScale Modular Nuclear Project. ENW will be studying the new technology for potential use at the current Columbia Generating Nuclear Facility. ENW is requesting \$25,000 per participant. They have encouraged smaller utilities to partner with other members to provide the funding. If partnering for project participation occurs then those who partner would need to designate a group representative. ENW has set a deadline for notification of participation on Tuesday, June 23rd.

After discussion of the project the Board of Commissioners directed that manager to seek other ENW members who like to partner in participation of the project study.

Change the June 22, 2009 Meeting Date to June 30, 2009

The Manager requested that the Tuesday, June 23, 2009 meeting date be changed to Tuesday, June 30, 2009 at 5:30 pm due to a schedule conflict.

MOTION by Judy Ridge, seconded by Don Nuxoll to approve changing the Tuesday, June 23, 2009 meeting date to Tuesday, June 30, 2009 at 5:30 pm. The question was called for on the motion. Passed 3-0.

MANAGER'S REPORT

Well 7 Standby Generator Fuel Tank – The manager reported that the new fuel tank for the Well No. standby generator has been installed and is operating properly.

Water Quality Report – Water Use Efficiency Report – The manager presented the Board with copies of the annual Water Quality Report and Water Use Efficiency Report. He stated that the annual reports will be delivered to customers this week.

AWWA Conference – The manager stated that he will be attending the American Water Works Association annual conference in San Diego, California held on June 14 through June 18th.

COMMISSIONER'S REPORT

Commissioner Ridge and Commissioner Hicks will be attending the American Water Works Association annual conference in San Diego, California held on June 14 – 18th.

Commissioner Nuxoll attended the Asotin County Ordinance Update meeting on Monday, June 2, 2009 where zoning was the focus and the Regional Stormwater IDDE Hearing on Tuesday June 2, 2009. Commissioner Nuxoll will be attending the Drinking Source Water Protection committee meeting on Wednesday June 10th and the Watershed Planning Unit Meeting on Tuesday June 11th.

ADJOURNMENT

There being no further business the meeting was adjourned at 5:50 pm.