

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

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, Don Nuxoll and Judy Ridge.

PUD Staff: General Manager Tim Simpson and Treasurer Bob Sischo.

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 #1661 through #1662 and vouchers #1331EFT through #1344EFT in the amount of \$23,830.55 and Blanket Transaction Voucher Approval Document covering vouchers #26845 through #26898, and Electronic Transaction Voucher #20090507, #09042201, #09042301, #09042302, #09050401, #09050402, #09050403, #09050501 and #09050702 in the amount of \$90,548.94. The question was called for on the motion. Passed 3-0

OLD BUSINESS

Wastewater System Condition Assessment and Feasibility Study Update

The Manager reported that he, Don Nuxoll, Asotin County Public Works Director, Joel Ristau, and City of Clarkston Public Works Director Jim Martin met on Monday, May 11th with consultants from Keller Associates and their subcontractor Ray Bartlett with Economic and Financial Analysis to review the draft report of the condition assessment and feasibility study on the County's wastewater system.

Keller stated that the feasibility study shows that the system is credit worthy, is meeting its expenses and is producing an operating reserve. Risks of assuming the system were discussed which included the statement that repair and infrastructure spending was declining and that the City of Clarkston treatment plant upgrade costs are currently unknown. The City is developing a request for proposal to address issues that the Department of Ecology has pointed out as concerns. An upgrade to the plant will result with costs spread to the County sewer collection system for capital improvements.

Concerns regarding the ability to transfer debt were discussed. The County's GO Tax Revenue Bonds are non-callable. The Manager stated that he spoke with Alan Dashen of Dashen-Mussleman and Mr. Dashen stated that the bonds could be refinanced but it would be an expensive proposition. Mr. Dashen stated that the best and lowest cost solution was an agreement with the County on payment of the bonds. Other ideas to assure bond payoff were discussed. The idea was suggested at the meeting that the County could retain reserves in order to pay off the bond. A \$1,000,000 cash infusion by the County was discussed. The Manager stated that it appeared that the "cash infusion" was the Go Tax Revenue Bond that paid for improvements and upgrade to the City of Clarkston Treatment Plant in the early 1990's. This issue will be looked into further.

Keller reported that the collection system is in good working condition. They stated that the County has been aggressively flushing and conducting television surveys of the system. Commissioner Nuxoll stated that three-quarters of the system had been surveyed. Keller stated that there is a 6 to 8 inch low spot in the sewer main on Maple Street. The County stated that it would cost approximately \$30,000 to repair the low spot. The Bridget Street Lift station will have a grinder installed at an approximate cost of \$50,000 to \$60,000. Keller stated that their pump test revealed that the pump is operating at half of its capacity. The pump would need to be serviced. Keller stated that the other lift stations are operating properly. The Westwind Lift Station does not have much wastewater going through it so there are issues with stagnation. The lift station at the landfill is being upgraded at the expense of the landfill. The PUD and County will need to decide if the landfill lift station comes with the system.

The current Step System was discussed. The County charges an additional \$10.00 per month for those on the step system. There are currently 10 customers on a step system with a total potential of 200 connections. The County has current agreements with the owners that would need to be transferred to the PUD if the system is assumed. Commissioner Nuxoll stated that a new smaller step system was approved for 22nd Street and will have a total of 26 connections. He stated that step systems would be an item that the PUD would limit in the future if we own the system.

The SCADA control on the lift stations is a phone dial system. If the PUD takes over operations these would be converted to equipment used with the PUD SCADA System. There are delinquent accounts that total approximately \$70,000. The County currently has repayment agreements with some of their delinquent customers. Additionally all easements, property right of way and agreements would need to be transferred.

Commissioner Ridge asked if the County's sewer fund reserve is transferable. Commissioner Nuxoll stated that the reserve was transferable and would go with the system. Commissioner Nuxoll also stated that \$10,000 for the assessment and study would come out of the reserve. The County will also pull approximately \$100,000 out of the reserve to develop an engineering design for installation of sewer lines on 13th Street.

The Manager stated that additional financial review will be conducted and the issues discussed at the meeting will be addressed and included in a new draft report which would be available by the end of May. The group discussed the schedule and is recommending a joint PUD and County commissioner meeting on Monday June 8th beginning at 5:30 pm at the PUD. The purpose of the meeting is to hear a report from Keller Associates on the condition assessment and feasibility study. The public will be invited to the meeting and will have the opportunity to discuss the report.

The Manager stated that Joel Ristau would be contacting the County Commission seeking their agreement to the date and time. After further discussion, the Board agreed to the meeting date and time pending the County's availability.

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

The Manager stated that per the Board's direction he contacted Joe Poire, Executive Director of the Port of Whitman County and stated to him that the PUD Commission would support the suspension of the operations and maintenance contract for the remainder of 2009 for the Port of Wilma water system only if the PUD were not the designated operator of record for the water system.

The Manager also told Mr. Poire that 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 will not diminish just because Bennett was shutting down. The Manager asked Mr. Poire if the Port would consider allowing the PUD to take over ownership of the water system. The Manager followed up the phone discussion with a letter to Mr. Poire stating the same.

The Manager stated that Mr. Poire contacted him on Friday, May 8th and he stated that he had spoke with his Commission and they are interested in discussing the option of transfer of ownership of the Port of Wilma water system. Mr. Poire stated that their primary concern with a transfer is the cost of water. He stated that the Port has historically used water as a tool for economic development and they would be concerned if the prices were to increase significantly.

Mr. Poire agreed to a meeting with the PUD to discuss the operations and maintenance contract and the assumption of the water system by the PUD. After discussion about rate structure and the Port of Wilma water use, the Board directed the Manager to set a date for a meeting. Representatives from the PUD will include the Manager, Board President Gary Hicks and PUD counsel Scott Broyles.

NEW BUSINESS

Change the May 26, 2009 Meeting Start Time

The Manager requested that the Tuesday, May 26, 2009 meeting start time be changed to 6:00 pm due to a schedule conflict.

MOTION by Don Nuxoll, seconded by Judy Ridge to approve changing the Tuesday, May 26, 2009 meeting start time from 5:30 pm to 6:00 pm. The question was called for on the motion. Passed 3-0.

MANAGER'S REPORT

Well 7 Generator Fuel Tank – The Manager stated that the remaining component, a day tank, has arrived. He stated that the day tank prevents the siphoning of the line between the main fuel tank and the generator when it is in operation. The Manager is working with the tank supplier to set a date for installation.

Solar Energy Project – The Manager stated that he has contacted 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.

PUD Association Meeting – The Manager will be attending the Washington PUD Association Manager's Section meeting in Kennewick on Wednesday May 13th.

Regional Stormwater Meeting – The Manager will be attending the Regional Stormwater Meeting on Tuesday May 19th.

Watershed Planning Unit Meeting – The Manager will be attending the Watershed Planning Unit Meeting on Wednesday May 20th. The public is invited to review the draft Hydro Geological Study.

COMMISSIONER'S REPORT

Commissioner Nuxoll stated that he attended the Asotin County Ordinance Update Technical Team meeting along with the Manager on Monday, May 4th.

Commissioner Nuxoll will be attending the Regional Stormwater Meeting on Tuesday May 19th and the Watershed Planning Unit Meeting on Wednesday May 20th.

Meeting Minutes
May 12, 2009
Page 5

Commissioner Ridge will be attending the Washington PUD Association meetings in Kennewick May 13-15, 2009 and Energy Northwest meetings that will occur during the same time.

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

ADJOURNMENT

There being no further business the meeting was adjourned at 6:20 pm.