

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
November 24, 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, Treasurer Bob Sischo and Counsel 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 November 9, 2009 Regular Meeting and approval of the minutes of the November 10, 2009 Special Meeting and payment of the Transaction Vouchers covering vouchers #1507EFT through #1520EFT in the amount of \$19,841.59 and Blanket Transaction Voucher Approval Document covering vouchers #27434 through #27470, and Electronic Transaction Voucher #200911123, #20091130, #09112001, #09112002 and #09112003 in the amount of \$65,513.52. The question was called for on the motion. Passed 3-0

OLD BUSINESS

Port of Wilma Interlocal Governmental Agreement Addendum

The manager reported that he executed and sent the Addendum to the Interlocal Governmental Agreement between the Port and the PUD to the Port of Whitman County Executive Director Joe Poire on Tuesday, November 10th. He stated that he received a phone call from Mr. Poire on Thursday November 19th regarding the Addendum. Mr. Poire stated that they did not like the language added that would reimburse the PUD for operations and management of the Port of Wilma water system if transfer of the system to the PUD did not occur. The manager explained to Mr. Poire that the PUD Commission requested the language and that it would not be removed. He stated to Mr. Poire that the language ensures that the PUD receives compensation for the work performed. Mr. Poire stated that the Port does not have the budget to afford paying the operations and maintenance agreement.

The manager told Mr. Poire that if the Addendum was not acceptable that the Port could invoke the 30-day termination clause in the operations and maintenance contract. Mr. Poire asked the manager if invoking the 30-day termination clause in the contract would prohibit further discussion regarding the transfer of the Port of Wilma water system to the PUD. The manager told Mr. Poire that the PUD would be willing to continue discussions regarding transfer of the Port of Wilma water system to the PUD. Mr. Poire stated that he would have his attorney contact our counsel to get the 30-day contract termination process initiated.

Asotin County and PUD Sanitary Sewer System Transfer Agreement

The manager stated that the County did not approve the Sanitary Sewer System Transfer Agreement on Monday November 23rd as previously proposed. The County's attorney was still fine tuning the Agreement, waiting for attachments to be gathered and waiting to hear from bond counsel regarding the language in the Agreement about the County's general obligation bond. The manager stated that we are now working toward a December 7th approval of the Agreement by the County Commission and a December 8th approval by the PUD Commission.

The manager stated that the County held a public hearing regarding the transfer of the sewer system to the PUD on Monday, November 16, 2009. The manager stated that the hearing went well, was very positive and he was able to answer several questions from patrons regarding the transfer and how the PUD would handle billing and other issues. The manager reported that on the same day he and Treasurer Bob Sisco met with the County Public Works Director Joel Ristau and his executive secretary Barb Cook to develop a checklist of items that would need to be gathered and given to the PUD. The manager stated that he and Mr. Ristau were guests on the local radio show "Opinion Please." He stated that the show went well but they did not receive any calls from patrons.

The manager reported that he is currently working on finalizing a Sewer Administrative Code, a sewer rate resolution and Septic Tank Effluent Pump (STEP) system specifications and policy manual. A resolution adopting the Sewer Transfer Agreement has been completed and is being reviewed by counsel. The sewer code, rate resolution and STEP system manual will be delivered to counsel for his review. The manager reported that work related to development of our customer information system for transition into sewer billing was completed last week. He stated that minimal updating will need to take place to ensure customer data is accurate for billing sewer in February. The manager stated that he has developed a preliminary budget for sewer operations based on information received from the County and costs the City will charge for treatment and disposal. These numbers will be added to the PUD's approved 2010 budget which will be amended and adopted by the board before year end. Commissioner Nuxoll requested information regarding inspections of sewer connections by a licensed plumber. The manager stated that he would check into the issue and report back.

The manager stated that he met with the City of Clarkston Administrative Committee today to request that the current treatment and disposal agreement with the County be assigned to the PUD. The three city councilors that comprise the committee agreed to this request. The agreement will go to counsel and be presented to the City Council for adoption at their meeting on Monday December 14th. The manager stated that one outstanding issue that will need to be resolved is a late comer's agreement with Verl Long for the development of his STEP system. The County never adopted the agreement and work will need to be done to move this process forward.

NEW BUSINESS

City of Asotin Intertie with PUD

The manager stated that City of Asotin Mayor Jim Miller requested information as to whether there would be a standby charge to the City for the proposed intertie with the PUD. The manager stated that Mayor Miller is concerned that the PUD will arbitrarily flow water and charge the City for it. The manager stated that he assured the Mayor that the PUD would only provide them water when they needed it similar to the arrangement with the Port of Wilma water system. The Commissioners could not answer the question regarding a standby fee at this time and it would be an item for discussion when an intertie and water use agreement is developed. The manager stated that an 8" meter would be installed on our connection the system and a \$50.00 minimum monthly fee would be charged to the City.

City of Clarkston Wastewater Treatment Plant Study Joint Meeting

The manager stated that he and PUD Commissioners have been invited to a joint meeting with the Clarkston City Council and the Asotin County Commissioners to hear a presentation regarding a study of the City's wastewater treatment plant. The meeting will be held at 2:00 pm on Monday, November 30th at the Bank of Whitman conference room.

MANAGER'S REPORT

Sterling Savings Bank – The manager stated that he and Treasurer Bob Sischo had a meeting with the regional manager from Sterling Savings Bank to discuss recent information about their recent write off of mortgage defaults and the FDIC directive to find \$300 million in capital loans to bolster their bottom line. Sterling has improved their position and is working proactively to meet the FDIC directive. Sterling assured us that that their bank is stable. PUD funds deposited with Sterling remain secure.

Solar – The manager stated that Tom Anderson, Advanced Solar Energy has agreed to attend the December 8th Commission meeting to discuss options for installing a solar demonstration project on the PUD office building.

Xeriscape Water Efficient Landscaping – The manager stated that he met with the Asotin County Master Gardeners, The WSU County Extension Office agent and Don Brigham a local landscape architect to discuss transforming the PUD office lawn into a water use efficient Xeriscape landscape demonstration project. The manger stated that it would be the first of its kind in the County and would meet our goal in our Water Use Efficiency plan to develop a demonstration project. The manager stated that the recent Scenic Way upgrades and bike path have provided an opportunity to improve the landscaping. The landscape plan will include a water feature and a PUD sign visible to drivers coming up Scenic Way from Fleshman. Mr. Brigham will develop a cost estimate for the design of the project.

Port of Clarkston Industrial Park Funding – The manager reported that the Port of Clarkston was successful in their presentation to the Community Economic Revitalization Board and will receive one million dollars in funding for the development of Phase 1 of the proposed industrial park.

New Utility Truck – The manager reported that the new 2010 Utility Truck has arrived.

Municipal Water Law Challenge – The manager reported that the Washington State Supreme Court will begin hearing oral arguments on January 12, 2010 regarding the challenge to the 2003 Municipal Water Law.

Residential Fire Sprinkler Systems – The manager reported that he met with Asotin County Building Department officials, City of Clarkston Public Works and building officials and the City of Clarkston Fire Department to discuss the Washington State proposed Residential Fire Sprinkler System code adoption. The Asotin County Fire District was invited but did not attend. The manager stated that the state is preparing to adopt a new code allowing for the installation of residential fire sprinkler systems. The state is opting to allow local jurisdictions to decide if they want to adopt the code. The manager stated that the purpose of the meeting was to not dissuade the City or County from adopting the code but to discuss concerns resulting from connection to the PUD system and the type of system that will work best for the customer and the PUD.

Commissioner Gary Hicks – 25 Years – The manager stated that 25 years ago this month Commissioner Gary Hicks was elected to the PUD Board of Commissioners the same month the PUD was formed by the vote of the public – November 1984. The manager, staff and other Commissioners congratulated Commissioner Hicks on his 25th anniversary and many years of service to the citizens of Asotin County.

COMMISSIONER'S REPORT

Commissioner Nuxoll attended the PURMS annual meeting on Wednesday and Thursday, November 11th and 12th. He reported that Treasurer Bob Sischo was appointed to the Administrative Committee and that he was elected Vice Chair of the PURMS Board. He reported that the bulk of the meeting focused on resolutions prepared as a result of regulations adopted into law by the state. The new law requires a super majority, 17 out of the 19 members to approve any changes to the Self Insurance Agreement or to adopt any resolutions of the Board.

Commissioner Nuxoll stated that one of the new resolutions is regarding officer liability and treasurer indemnification. Commissioner Nuxoll approved the motion to begin work toward adopting the resolutions to ensure passage before year end to meet state regulations. These resolutions and other changes will come to the PUD Board for approval in March or April of 2010. He stated that health insurance for members for 2009 has averaged \$1,000 per month. For our PUD it has averaged approximately \$800 per month. He stated that overhead has increased approximately 2.4% and we will likely see an overall increase in health insurance of 10%. He reported that the health insurance stop loss was increased to \$200,000 saving PURMS approximately \$56,000 per year.

Commissioner Ridge attended an Energy Northwest Executive Search Committee meeting. She stated that they would like to get a qualified candidate hired by early next year. BPA Administrator Steve Wright has been selected to be on a special panel to interview the prospective candidates. She reported that the Columbia Generating Station had another 6 day outage increasing the pressure on staff by BPA.

Commissioner Ridge and Commissioner Hicks will be attending the Washington PUD Association Annual Meeting in Ground Mound Washington on December 2-4, 2009.

ADJOURNMENT

MOTION by Commissioner Don Nuxoll and seconded by Commissioner Judy Ridge to adjourn the meeting to Monday, November 30, 2009 at 2:00 pm at the Bank of Whitman in order to meet jointly with the Asotin County Board of Commissioners, and the City of Clarkston Council Members to hear a presentation by consultant Keller Associates regarding the City's Wastewater Treatment Plant Study. The question was called for on the motion. Passed 3-0.

There being no further business the meeting was adjourned at 6:50 pm.