

PUBLIC UTILITY DISTRICT NO. 1  
OF ASOTIN COUNTY, WASHINGTON  
MEETING MINUTES  
October 27, 2009

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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.

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

PUD Staff: General Manager Tim Simpson

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 October 13, 2009 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1480EFT through #1492EFT in the amount of \$20,295.17 and Blanket Transaction Voucher Approval Document covering vouchers #27353 through #27377, and Electronic Transaction Vouchers #20091021, #09102001, #09102101 and #09110301 in the amount of \$45,645.43. The question was called for on the motion. Passed 3-0

Energy Northwest – Representative Jim Oakley

Energy Northwest (ENW) representative Jim Oakley provided an overview of ENW activities. Mr. Oakley reported that the proposed Radar Ridge Wind Project located in Pacific County is moving forward. A study on Marble Merlots was conducted and they found less than one death per year. Due to the results of study the Audubon Society has sent a letter supporting the project. Pacific, Clallam, Grays and Mason PUDs will be purchasing the 100 percent of the energy output. This is the first major wind project on the west side of the state and has garnered legislative and congressional support. Based on wind studies and statistics gathered, it may be the most efficient site in the United States showing a 37% capacity factor. The Mustang Ridge Wind Project near Prosser and Benton City continues to be developed. ENW is looking at using US manufactured wind turbines that have proven to be more reliable than the turbines at Nine Canyon.

A 5 megawatt solar project is under development near Burns Oregon and a 3.5 megawatt solar project is under development in Central Valley. ENW is looking at adding new units to the White Bluffs solar site. These new and current sites will utilize new solar panel technology that is touted as being more efficient. The panels are being donated and ENW will only have to pay for installation and construction. The new sites are located

close to the BPA transmission lines. Mr. Oakley states that the donation of the panels and the location will make the energy output costs reasonable. The question remains as to the longevity on the new solar panels.

Mr. Oakley reported that CEO Vic Parrish will be retiring from ENW in June of next year and a search is underway for his replacement. A firm has been hired to seek his replacement. Commissioner Judy Ridge is on the committee overseeing the CEO search. Steve Wright, the Bonneville Power Administration (BPA) Administrator has requested that BPA be a part of the search committee. At the last ENW meeting Mr. Wright presented a white paper on the operation of the Columbia Generating Station nuclear power plant. Due to recent maintenance issues the plant has had several periods of down time since refueling concluded in May. The down time has created anxiety with BPA because CGS is 17% of BPA's total power supply. With the plant down energy has to be bought on the market and energy from CGS cannot be sold on the market.

## OLD BUSINESS

### County Wastewater System Ownership Transfer – System Transfer Agreement

The manager reported that Asotin County will be holding a hearing on the transfer of their wastewater collection system to the PUD on Monday, November 16 during their regular Commission meeting. He stated that the Agreement is still under review by the County and the manager anticipates that a meeting will occur between the County and PUD within the next couple of weeks to discuss the details of the Agreement.

The manager reported that Public Works Director Joel Ristau stated that the proposed engineering plan for 13<sup>th</sup> Street and 16<sup>th</sup> Avenue will be taken out of the Agreement. The County wanted to prepare a design of sewer infrastructure to be ready for future funding opportunities. The corridor is a good location for future development and will need sewer services in order to accommodate growth. The County has already advertised for proposals but has not moved toward selection of a consulting firm primarily due to the pending transfer of the wastewater collection system to the PUD. Mr. Ristau stated that he felt that the PUD would need to make the decision on whether to proceed after the transfer occurs on January 1, 2010. He did not want to start the process and then change management of the project. Firms that submitted a proposal will be contacted and given the opportunity to withdraw their proposal from consideration.

The manager stated that due to a scheduling conflict, the next PUD meeting will need to be changed to Monday November 9<sup>th</sup>. This would include the need to move the hearing for the same day. He stated that a motion for moving the meeting date and addressing the hearing as a part of the meeting will occur later under New Business of the Board.

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

The manager reported that a draft Addendum to the Port of Whitman County Water Sales Contract and Operations and Maintenance Agreement with the PUD for the Port of Wilma was completed by Counsel and forwarded to the Port last week. Included with the Addendum was an agreement addressing the transfer of the Port of Wilma water system to the PUD. The Port reviewed the Addendum and their counsel provided a revised document for our review. The manager stated that a meeting to discuss the Addendum with the Port of Whitman County's Executive Director, Joe Poire and their counsel, Bruce Ensley had been scheduled for Wednesday, October 28, 2009 at 9:00 am. PUD Counsel, Scott Broyles will be in attendance.

Port of Clarkston Industrial Park Partnering Request

The manager stated that the Port of Clarkston has purchased property from the County to develop an Industrial Park. The Port's Manager, Wanda Keefer, is seeking partnerships from both the County and the PUD to extend sewer and water services to the Park located on Evans Road. The Port applied for a grant from the Public Works Board for construction of the water line but did not make the funding cut. The Port has applied to the Community Economic Revitalization Board (CERB) for funding development of the Park but will not receive funding if the utilities cannot be extended to the Park. In addition to the CERB grant application, the Port has applied for a congressional appropriation through Senator Patty Murray's office. Ms. Keefer is asking what the PUD would be willing to provide in construction of the water main or in-kind support of the project. After discussion about the project and the Port's request, the Board stated that they could not commit resources or in-kind support for the project until the revenue bond is retired in December 2011.

NEW BUSINESS

Bonneville Administration Power Sales Agreement – Tier 2 Power Purchase Election

The manager reported that through the Regional Dialogue and rate setting process customers have until November 1, 2009 to make election on how they want to handle their Tier 2 power purchases if their energy load grows beyond the "High Water Mark" (HWM) that the Bonneville Power Administration (BPA) has determined for each utility. The PUD has three choices when it comes to Tier 2 elections: The PUD can use BPA for all of their load growth; we can find our own resources for load growth or do a combination of both BPA and our own own resources to provide for any growth that may occur.

The manager recommended selecting BPA to provide for all our future energy for load growth. The selection of BPA to provide all power purchases under Tier 2 would include our election for Above Rate Period High Water Mark (RHWM) power supply for the first Purchase Period beginning October 1, 2011 through September 30, 2014. We will purchase 100% of our above-HWM load, greater than 8,760 MWh's, at the Tier 2 Short Term rate, Alternative A.

**MOTION** by Don Nuxoll, seconded by Judy Ridge to approve the Tier 2 Short Term rate, Alternative A under the Bonneville Power Administration Power Sales Contract for the Above Rate Period High Water Mark power supply for the first purchase period beginning October 1, 2011 through September 30, 2014 at 100% of our above-High Water Mark load, greater than 8,760 megawatt hours. The question was called for on the motion. Passed 3-0.

#### Change Meeting Date and Time – Set Public Hearing on Wastewater System Transfer

The manager stated that due to a scheduling conflict with one commissioner the regular Board of Commissioners meeting scheduled for Tuesday, November 10, 2009 will need to be changed to Monday, November 9, 2009. The manger requested a revised start time of 5:00 pm to accommodate Counsel and his meeting schedule that evening. The manager also stated that due to the meeting date change, if approved, the Public Hearing regarding the transfer of the County wastewater collection system to the PUD would need to be rescheduled. The manager stated that he has stopped publication of the legal advertisement of the Public Hearing due to the pending meeting date change.

**MOTION** by Judy Ridge, seconded by Don Nuxoll to change the Board of Commissioner meeting date from Tuesday, November 10, 2009 to Monday, November 9, 2009 beginning at 5:00 pm and to set a special hearing during the regularly scheduled Commission meeting on Tuesday, November 9, 2009 for consideration of the an agreement between Asotin County and the PUD for the acquisition and transfer of the Asotin County Wastewater Collection System to the PUD. The question was called for on the motion. Passed 3-0.

#### MANAGER'S REPORT

Scenic Way Project – The manager stated that landscaping of the PUD property has occurred as a result of the Scenic Way project. The lawn near the parking spots was removed and landscape rock was placed. The Scenic Way project is near completion.

Office Carpeting – The manager stated that three quotes for carpeting the office were received from three businesses. He stated the quotes were within \$100 of each other and that he will select a local business to install the carpet. He stated that the bids were under the dollar amounts set by state bid law requirements.

### COMMISSIONER'S REPORT

Commissioner Nuxoll attended a Watershed Planning Unit meeting on October 15th. He stated that there was good input and discussion regarding the recently completed Stream Habitat Assessment study. He stated that many landowners were at the meeting to express their views. The study will be utilized to set instream flows on many tributaries within the watershed.

Commissioner Nuxoll attended a Drinking Source Water Committee meeting on October 20th. The Source Water Protection Plan was adopted by the committee. The Plan will be reviewed and adopted by the City of Lewiston and the Lewiston Orchards Irrigation District before year end. This will be the City's and LOID's primary plan for wellhead protection. The group will reconvene after the first of the year to begin the process of outreach and education of valley residents regarding the aquifer we draw our water from. The manager stated that a brochure and public information regarding source water protection has been developed for distribution to our customers. The manager stated that this information is available on our website.

Commissioner Nuxoll attended a County Ordinance Update meeting on Monday, October 26<sup>th</sup> where the Sewer Administration Code was discussed. The County is in the process of updating their ordinances including their sewer ordinance. Although they have completed some work on the ordinance they will not adopt the sewer administrative code due to the transfer of the system to the PUD. The County will be in charge of land use planning and has stated that they will work with the PUD when it comes to sewer service to subdivisions and individual homes or businesses. Commissioner Nuxoll will attend a Stormwater Advisory Committee meeting on October 29<sup>th</sup>. He stated that the next few Stormwater meetings will focus on the construction and post-construction ordinances.

Commissioner Ridge attended the Washington PUD Association meetings in Union, Washington on October 14-16. She mentioned the proposed by-law changes and the Committee Organization, Roles and Procedures document. In conjunction with these meetings Commissioner Ridge attended an Energy Northwest Executive Search Committee meeting on October 15<sup>th</sup>.

Commissioner Ridge attended the Energy Northwest meetings and Member Forum in Richland, Washington on October 21-23, 2009. She stated that in meetings previous to the Member Forum, Bonneville Power Administration Administrator, Steve Wright, expressed his disappointment in the operational issues that the Columbia Generating Station is having. He stated that he had a white paper on the issues that he was going to release but reconsidered after discussion with the Energy Northwest Board of Directors. The letter spoke to the INPO ratings that the plant has received. Commissioner Ridge stated that BPA has provided \$50 million for improvements to the plant.

Commissioner Hicks attended the Washington PUD Association meetings in Union, Washington on October 14-16. He stated that the Association has started discussion regarding changing the by-laws and the Committee Organization, Roles and Procedures (CORP). He stated that the discussion is a result of concerns by larger utilities that smaller utilities are affecting the outcome of votes when they have no real stake in the issue. It always has been one vote for each PUD. Some changes to these documents will be beneficial but Commissioner Hicks stated that he does not support changing the one vote per PUD process.

Commissioner Hicks attended Energy Northwest Forum in Richland, Washington on October 22-23, 2009. He stated that it was one of the best Member Forum's he has attended in recent years.

#### ADJOURNMENT

There being no further business the meeting was adjourned at 7:00 pm.