

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
September 21, 2009

President Gary Hicks presiding, the Public Utility District No. 1 of Asotin County Meeting was called to order at 4:30 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 September 8, 2009 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1453EFT through #1465EFT in the amount of \$20,204.21 and Blanket Transaction Voucher Approval Document covering vouchers #27259 through #27284, and Electronic Transaction Voucher #20090918, #20090921, #20090924, #09092801, and #09100501 in the amount of \$71,904.35. The question was called for on the motion. Passed 3-0

OLD BUSINESS

County Wastewater System Ownership Transfer – System Transfer Agreement

Counsel Scott Broyles reported that he has developed a draft Memorandum of Understanding (MOU) between the PUD and County for the transfer of their wastewater collection system. The manager has reviewed the draft and provided comments to Counsel. Counsel stated that he has sent the draft to an attorney with Foster Pepper for review seeking legal counsel on the County's responsibility under the Revised Code of Washington for transfer of the system. Once he receives a determination he will forward the MOU to the County for review.

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

Counsel Scott Broyles reported that a draft amendment to the Port of Whitman County Water Sales Contract and Operations and Maintenance Agreement with the PUD for the Port of Wilma is nearly complete.

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NEW BUSINESS

Award 2010 Truck with a Utility Service Body

The manager stated that in August the Board authorized the replacement of the 1994 Chevy Truck and the receiving of quotes on a 2010 Truck with a Utility Service Body. Due to mechanical and engine problems, the 1994 Chevy has reached the end of its useful life with the PUD. The manager stated that he requested quotes from several dealers for a 2010 ¾ Ton Truck including a Knapheide Utility Service Body. He received three (3) valid quotes from the vendors contacted. He recommended awarding the vehicle quote to the lowest responsible bidder, Joe Hall Ford, in the amount of \$24,471.30.

MOTION by Judy Ridge, seconded by Don Nuxoll awarding the quote for a 2010 ¾ Ton Truck with a Knapheide Utility Service Body to Joe Hall Ford, the lowest responsible bidder, in the amount of \$24,471.30. The question was called for on the motion. Passed 3-0.

Resolution 09-344 – Surplus and Sale of Equipment

The manager presented Resolution 09-344 which provides for the surplus and sale of equipment identified. He stated that the 1994 Chevy with a utility service body has reached the end of the useful and he is requesting approval of the resolution to surplus and seek bids on the vehicle. He stated that the truck and utility service body will be sold as is with no warranty.

MOTION by Don Nuxoll, seconded by Judy Ridge approving Resolution 09-344 providing for the surplus of the 1994 Chevy and authorizing the General Manager to seek bids on the vehicle. The question was called for on the motion. Passed 3-0.

State Auditor's Office – Audit Frequency

The manager reported that he was contacted by the Washington State Auditor's Office (SAO) requesting a decision on audit frequency. Debbie Pennick, SAO Program Manager for the Pullman team, stated in her request that changes to state law (RCW 43.09.260) that took effect July 1, 2009, require SAO to conduct audits of local governments no more often than once every two years if the entity's general fund revenues are \$10 million or less and the entity has no 'findings of impropriety for the three-year period immediately preceding the audit period'. She stated that these changes do not alter the frequency of audits required by federal agencies as a condition of receiving grant money; by bond covenants; or by other laws or regulations. Based on the new law, SAO is requesting the completion of an audit request memorandum if we choose to be audited more frequently.

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The manager stated that we are currently audited annually and have not received a finding or management letter since beginning operations in April 1987. In addition, he stated that PUD revenue is less than \$10 million placing the PUD in a position to audit no more often than once every two years. He stated that there are pros and cons to a biennial audit. The pro is that we would likely save a few thousand dollars. The downside would be producing two years worth of information and then trying to remember issues that occurred two years ago and if an issue arose it would not have been dealt with for some time. He stated that given our track record of clean audits we could go to a two year cycle but will leave that decision up to the Board.

The Board discussed the pros and cons of this decision and whether an every two year audit cycle would be positive or unfavorable. Some Board members favored the controls that an annual audit would provide while others felt that staff is competent and responsible and liked the savings that a biennial audit would provide. After further discussion the following motion was presented.

MOTION by Don Nuxoll, seconded by Judy Ridge approving annual audits by the Washington State Auditor's Office. The question was called for on the motion. Commissioner Ridge and Commissioner Nuxoll – Yes. Commissioner Hicks – No. The motion passed 2-1.

Billing Flyer Insert Request – Public Transportation Benefit Area

The manager presented a flyer insert provided by the Public Transportation Benefit Area (PTBA) organization. He stated that the PTBA is requesting the insertion of the flyer with PUD billing statements. The PTBA has a ballot issue in the local November election. They are seeking the continuation of the two-tenths (2/10) of 1% sales and use tax for public transportation in Asotin County. The manager stated that he spoke with staff from their office and they have had the PDC review and approve the information to ensure it did not violate state laws regarding the promotion of a ballot or election issue.

Counsel advised against inserting the flyers with our billing statements due the fact that they are seeking support for a ballot issue. He stated that the perception would be that the PUD is supporting the issue. The Commissioners concurred with Counsels recommendation and declined the request.

2010 Budget Hearing – Setting Date and Time

The manager stated that a budget hearing for the 2010 Budget is scheduled for the first Monday in October as provided under state law. The Budget hearing will be Monday, October 5, 2009 and will begin at 5:30.

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MANAGER'S REPORT

City of Asotin Grant Award – The manager stated that the City of Asotin has secured a Community Revitalization and Economic Development grant and loan for the installation of an intertie between the City and the PUD.

Scenic Way Exit Ramp – The manager stated that the PUD property exit ramp to Scenic Way has been put on hold. The ramp would have extended too far into our current driveway once it was completed. An alternative exit will be sought.

WPUDA Meetings – The manager will be attending the Washington PUD Association Water Workshop in Leavenworth September 23-25, 2009.

COMMISSIONER'S REPORT

Commissioner Nuxoll attended the Watershed Planning Unit meeting on Thursday, September 10th. He stated that the new Ecology lead has begun attending the meetings

Commissioner Ridge attended an Energy Northwest Board Workshop held in Atlanta Georgia. She will be attending the Washington PUD Association Water Workshop.

Commissioner Hicks attended the Washington PUD Association meetings in Olympia. He stated that a major issue discussed is how PUDs are allowed to vote on significant issues. Up to now it has been one PUD, one vote. There was discussion at the last meeting to allow for a number of votes based on size or have water PUDs vote on water issues and electric PUDs vote on electric issues. Association Governance issues will be addressed in detail in the near future. Commissioner Hicks will be attending the Washington PUD Association Water Workshop in Leavenworth.

ADJOURNMENT

There being no further business the meeting was adjourned at 5:25 pm.