

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
June 29, 2010

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.

MINUTES OF MEETING AND VOUCHER APPROVAL:

MOTION by Commissioner Don Nuxoll and seconded by Commissioner Judy Ridge to approve the consent agenda giving approval of the minutes of the June 8, 2010 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1698EFT through #1711EFT in the amount of \$23,540.78 and Blanket Transaction Voucher Approval Document covering vouchers #28076 through #28134, and Electronic Transaction Voucher #10061801, #10061802, #10062101 and #10070601 in the amount of \$77,903.29. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

Fiscal Year 2009 Audit Recommendations

The manager reported that the Washington State Auditors completed their review and reports for the 2009 fiscal year audit and an audit exit conference was held on Wednesday June 9th with Commissioner Hicks in attendance. The Manager presented the Board with an Audit Exit Conference document. He reported that 2009 was another clean audit with no findings, no management letter and only two minor recommendations. The recommendations included ensuring purchases support a public purpose and ensuring all information regarding smaller and attractive assets items is entered into our fixed asset system. Discussion ensued regarding the need for annual audits. The PUD is only required to be audited every two years. Treasurer Bob Sischo stated that the financial portion of the audit could be conducted annually with the accountability portion being conducted every other year. He stated that the financial portion of audit is more in depth. It was stated that a cost savings could be realized each year but there were concerns from the commissioners regarding the every two-year accountability audit. The manager stated that the decision regarding a biennial audit could be made early next year. The commissioners congratulated the treasurer, manager and staff on another clean audit.

PUD Sign Project

The manager presented final drawings and information regarding the PUD sign project. He stated that the project will get underway soon with the signs being purchased first. One sign will be attached to the north side of the building with the other being attached to the sign base. Construction of the base will be completed first by one contractor with the basalt rock features and landscape being completed by another. PUD staff will run the water line to the feature. The line will be lighted at night. Commissioner Nuxoll directed the manager to check the County's sign ordinance to ensure we are in compliance.

Port of Wilma Water System

The manager stated that he received a call last week from the Port of Whitman County Executive Director Joe Poire regarding the Port of Wilma water system. Mr. Poire stated that he would like the Port and the PUD to reengage in discussions regarding the PUD assuming ownership of the Port of Wilma water system. Mr. Poire stated that Bennett intends to begin operating again in 2011. He stated his concern regarding a good water rate for Bennett until they can get on their feet operationally. He requested that the manager provide a proposal for moving PUD ownership forward. The Board stated that they would like to meet with Jan Dimke and ownership of Bennett Lumber to discuss their future and their water needs. The Board directed the manager to request a meeting with Mrs. Dimke of Bennett Lumber and the Port.

NEW BUSINESS

Resolution 10-357 – Surplus Property on the 2700 Block of Highline Drive

The manager presented Resolution 10-357 which provides for the surplus of 1.46 acres of PUD land located on the 2700 Block of Highline Drive. The manager stated that the land was originally purchased by Washington Water Power and was intended to be used as a site for a reservoir to serve the Clemans area. The manager stated that at the last meeting the Board voted to surplus this property. He stated that the resolution ratifies the decision and provides direction for its sale to the highest bidder. The minimum bid is set at \$30,000.00.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Don Nuxoll to adopt Resolution 10-357 approving the surplus of PUD property located on the 2700 Block of Highline Drive, selling the property through a bid process to the highest bidder and setting the minimum bid at \$30,000.00. The question was called for on the motion. The motion passed 3-0.

City of Clarkston Wastewater Treatment Agreement

The manager presented an agreement between the City of Clarkston and the PUD for wastewater treatment and disposal. The manager stated that the current agreement with the City expires on June 30, 2010. The current agreement was initiated near the end of December 2009 and became effective January 1, 2010, the date the PUD assumed operation of the wastewater collection system from Asotin County. The manager stated that the proposed agreement is for a period of one year beginning July 1, 2010 and ending June 30, 2011. He stated that the only changes to the document were the contract term and language added to allow for payment of future upgrades to the wastewater treatment plant.

MOTION by Commissioner Don Nuxoll and seconded by Commissioner Judy Ridge to approve the Agreement between the City of Clarkston and the PUD for wastewater treatment and disposal and authorize the General Manager to execute the Agreement. The question was called for on the motion. The motion passed 3-0.

City of Clarkston Wastewater Agreement Design Engineering Services Addendum

The manager presented an Addendum to the City of Clarkston Wastewater Treatment and Disposal Agreement which provides for payment of design engineering services for the proposed update to the City's Wastewater Treatment Plant. The manager stated that the PUDs portion of this project will be based upon our percentage of usage of the plant which is currently at approximately 39%. Based upon the total cost provided by the City of \$250,000 for design engineering services, the PUDs portion of the upgrade design will be \$97,500.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Don Nuxoll to approve the Addendum to the Agreement with the City of Clarkston for wastewater treatment and disposal for engineering design costs associated with the proposed wastewater treatment plant upgrade and authorize the General Manager to execute the Agreement. The question was called for on the motion. The motion passed 3-0.

Watershed Planning Director Employment Services Agreement

The manager presented an Employment Agreement between the Watershed Planning Director Brad Johnson and the PUD for the period of July 1, 2010 to June 30, 2011. The Agreement sets forth the terms and conditions of Mr. Johnson's employment as the WRIA 35-Middle Snake Watershed Planning Director. The current Agreement expires on June 30, 2010. The manager stated that based upon the Phase 4 – Year 3 watershed planning funding in the amount of \$115,000 provided by the Department of Ecology and the \$25,000 proposed from the Snake River Salmon Recovery Board, adequate resources are available to meet the compensation and benefits provided for in the employment agreement with Mr. Johnson.

The manager stated that changes made were to Exhibit 2 - WRIA 35 Integration / Coordination Snake River Salmon Recovery Board. The language was brought in line with the proposed funding agreement with the Snake River Salmon Recovery Board which will become effective July 1, 2010 and expires June 30, 2011.

MOTION by Commissioner Don Nuxoll and seconded by Commissioner Judy Ridge to approve the Employment Agreement between the PUD and the Watershed Planning Director Brad Johnson and authorize the General Manager to execute the Agreement. The question was called for on the motion. The motion passed 3-0.

Lemire Contracting Stream Gauge Monitoring Consultant Agreement

The manager presented a Consultant Agreement between Mr. Joe Lemire, of Lemire Contracting, and the PUD for stream flow gauge monitoring activities. The manager stated that \$14,000 of the Phase 4 – Year 3 grant funding will be designated for Enhanced Stream Flow Gauge Monitoring for the period of July 1, 2010 to June 30, 2011. The Planning Unit is responsible for providing an individual or a firm to assist the Department of Ecology and provide monitoring and maintenance of the stream flow gauges that were installed in our Water Resource Inventory Area (WRIA). The amount of funding for this activity has been reduced significantly because the number of gauges to monitor will be reduced. The services will not need to be advertised because the activity is a continuation of the work being performed under our current agreement with Ecology.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Don Nuxoll to approve the Consultant Agreement with the Joe Lemire of Lemire Contracting for stream gauge monitoring and maintenance activities through the WRIA 35 Watershed Planning Unit and authorize the General Manager to execute the Agreement. The question was called for on the motion. The motion passed 3-0.

Snake River Salmon Recovery Board Interagency Agreement

The manager presented the Interagency Agreement with the Walla Walla Community College for Snake River Salmon Recovery Board (SRSRB) funding. The manager stated that the SRSRB has agreed to provide the PUD and the WRIA 35 Watershed Planning Unit \$25,000 in funding toward the continued integration and coordination of the WRIA 35 watershed and regional salmon recovery plans. The funding is for a 12-month period beginning July 1, 2010 an ending June 30, 2011. This agreement is similar to our previous agreement with the SRSRB. The manager stated that the SRSRB funding will be used for administrative purposes paying for salaries, benefits and travel to and from meetings. The SRSRB funding will allow us to place more of our watershed grant Phase 4 – Year 3 funding on the ground towards various projects.

MOTION by Commissioner Don Nuxoll and seconded by Commissioner Judy Ridge to approve the Interagency Agreement between the PUD and the Walla Walla Community College for Snake River Salmon Recovery Board funding for the WRIA 35 Watershed Planning Unit and authorize the General Manager to execute the Agreement. The question was called for on the motion. The motion passed 3-0.

Vehicle Quotes for 2010/2011 Sedan

The manager presented quotes he received from several dealers for a 2010/2011 Manager's Vehicle. The manager stated that he utilized the Material, Equipment and Vehicle Vendor Roster process which allows for the receipt of quotes and purchases from those quotes between the amount of \$15,000 and \$60,000. He stated that the current manager's vehicle, a 2003 Ford Taurus, is scheduled for replacement in 2010. \$26,535 has been designated in the Equipment Replacement Fund for replacement of this vehicle. If the new vehicle purchase is approved the 2003 Taurus will remain in the fleet and been used by the treasurer and other staff.

The manager stated that the four quotes received for the 2010/2011 Manager's Vehicle with Washington State Sales tax is included were: Joe Hall Ford, Lewiston - 2011 Ford Taurus for \$21,050.01, Vern Eide Motorcars, Moscow - 2011 Ford Taurus for \$21,090.69, Vern Eide Motorcars, Lewiston - 2010 Chevy Malibu for \$21,717.46 and Vern Eide Motorcars, Lewiston - 2010 Chevy Impala for \$23,507.51. Based on the quotes received the manager recommended awarding the bid for the 2010/2011 Ford Taurus to Joe Hall Ford, of Lewiston, Idaho in the amount of \$21,050.01. The manager stated that the bid amount is \$5,485.00 below the designated replacement funds for this vehicle. Discussion ensued regarding the need for the vehicle.

MOTION by Commissioner Don Nuxoll and seconded by Commissioner Gary Hicks to accept the 2011 Ford Taurus Manager's Vehicle quote from Joe Hall Ford of Lewiston in the amount of \$21,050.01 and authorize the General Manager to purchase the vehicle. The question was called for on the motion. The motion passed 2-1. Commissioners Hicks and Nuxoll - Yes; Commissioner Ridge - No.

Washington PUD Association Consent in Lieu of Special Meeting Form

The manager presented a document provided by the Washington PUD Association (WPUDA) titled "Washington Public Utility Districts Association Consent In Lieu of Special Meeting of Board of Directors". He stated that the consent form allows, with the signature of all voting delegates, the immediate amending of Washington PUD Association Bylaws (RCW 24.03.065) and relieves the pressure on utilities to make a membership decision before June 30, 2010. Under this amendment, the withdrawal date moves to October 31, 2010, and will revert back to June 30th for all future years.

Commissioner Hicks stated that two WPUDA members have provided notice that they will not be members beginning in 2011. This notice was provided based on a provision of WPUDA's bylaws that PUDs which are members as of June 30th will be responsible for paying dues for the following year. He stated that efforts have been made at improving the structure and decision-making process of WPUDA to ensure better effectiveness for members and at the state legislature. He stated that the process has been slow and tedious and in an effort keep membership intact the document was created while WPUDA explored the reorganization process. Commissioner Hicks stated that WPUDA is currently without an executive director and should finish the process, hire a director and then move forward with discussions regarding restructuring. A meeting to continue discussion of these efforts has been schedule for July 15-16, 2010 at the WPUDA office in Olympia. Commissioner Hicks, the WPUDA Board Representative signed the document.

MANAGER'S REPORT

5th Street Main Replacement – The manager reported that the 5th Street main replacement project is near completion and should be finalized next week. The main being replaced is a cast iron line installed in 1901, 4 years before Clarkston was incorporated as a city.

Sewer Liens – The manager reported that property liens for sewer delinquency assumed from Asotin County have been reduced from approximately \$80,000 to \$19,000. Those who did not pay off their liens and/or did not make payment arrangements have been sent to collections.

Regional Stormwater Program – The manager stated that the Regional Stormwater Program Advisory Group will be meeting on Thursday July 8th. The group will continue to discuss the setting up of the Stormwater Utility. The manager stated that he will be meeting on July 15th with representatives the County, City of Clarkston and City of Asotin to discuss billing options. The Stormwater Program has been seeking the PUDs assistance in providing billing services. The Commissioners stated that the PUD will not be performing billing services for the Stormwater Program. The manager stated that there are other alternatives which will be beneficial to the program that do not require PUD assistance.

City of Asotin Water system Plan – The manager reported that the City of Asotin has approved and adopted their Water System Plan. This was the final step in receiving approval from the State of Washington Department of Health. The City also adopted their Water Use Efficiency Plan.

Annual Water Quality and Water Use Efficiency Reports – The manager stated that the Annual Water Quality and Water Use Efficiency Reports were mailed and arrived to customers last week. The reports are for the calendar year 2009.

COMMISSIONER'S REPORT

Commissioner Nuxoll attended a Regional Stormwater Program open house on Thursday, June 10th and a Drinking Source Water Protection Team meeting on Monday June 14th.

Commissioner Nuxoll attended PURMS self insurance meetings on June 16-17th, The semi-annual meeting was combined with the PURMS executive committee's continued review of proposed changes to PURMS bylaws and policies as a result of measures adopted by the state legislature. Commissioner Nuxoll stated that it was reported that the federal health insurance bill should not affect PURMS or its members. It was stated that 65% of private insurers will be out of business because of the federal plan. It was stated that the cost burden will be too heavy for the smaller insurers to remain in business. A provision in the health care bill allows for dependents up to age 26 even if they are married to be on their parent's insurance plan. He stated that the Asotin PUD has the lowest cost per insured under the PURMS plan.

Commissioner Ridge attended an Energy Northwest Board Meeting on June 16-17th. She stated that an interim Chief Executive Officer (CEO) has been hired. Mark Redman who was one of the three finalists was hired and will be retained as vice president once a new CEO's begins work. Mr. Redman will start with ENW on July 5th. Commissioner Ridge stated that a CEO decision will be made in July. She stated that BPA Administrator Steve Wright was supportive of all three candidates. Commissioner Ridge reported that the Columbia Generating Station has been operating for 200 consecutive days. Grays Harbor PUD has pulled out of the Radar Ridge Wind Energy Project.

Commissioner Hicks and Commissioner Ridge will be attending the Washington PUD Association meetings on July 15-16, 2010.

ADJOURNMENT

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