

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
March 23, 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 and Don Nuxoll. Judy Ridge joined the meeting by phone.

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 Don Nuxoll and seconded by Commissioner Judy Ridge to approve the consent agenda giving approval of the minutes of the March 8, 2010 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1615EFT through #1627EFT in the amount of \$21,837.27 and Blanket Transaction Voucher Approval Document covering vouchers #27800 through #27829, and Electronic Transaction Voucher #10031901, #10031902, #10032201, and #10040101 in the amount of \$24,013.24. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

STEP System Sewer Main Construction on 21st Street

The manger stated that at the March 8th Commission meeting several residents from 21st Street attended to discuss their failed septic systems and their request for assistance in resolving the emergency. Both the Craber's, located at 3155 21st Street, and the Brotnov's, located at 3161 21st Street, have failed septic systems. The Brotnov's have been able to maintain their system and were given a year by the Asotin County Health Department to resolve their septic drain field issues. The Craber's recent failure on their 5-year old home were given 3 to 5 weeks by the Asotin County Health Department to either replace their drain field or seek connection to the sewer system. Replacement of the drain field would be complicated and expensive and it would likely fail again.

The manager stated at the last meeting he requested the construction of a 2" pressurized line from the sewer manhole at 10th Avenue to the Brotnov and Craber residence. The homeowner's would be responsible for installation of the STEP System and connection to the sewer line. After discussion of the issues at the March 8th meeting, Commissioners

requested additional information about the cost of construction before making a decision. The manager stated that he researched the issue further and solidified a cost on installation of approximately 1,000 feet of 2" high density polypropylene pipe from the sewer main and manhole at 10th Avenue to the Brotnov's house on 21st Street. The cost of material is \$5,698 and the cost of using a local contractor to push the pipe is estimated at \$9,546. This cost includes a saddle and a stub out for 25 properties in the area. The total cost of the project is estimated at \$15,244. The manager stated that the individual cost to extend a line across to the West side of the street, the furthest side, is approximately \$750.00. He did not recommend extending service at this time except to the Crabers and the Brotnov's. He stated that if a customer wishes to connect they can pay the cost of extending to their property. The manager stated that construction of the STEP System line does not preclude us from constructing a gravity line in the future.

The manager recommended the construction of the line due to the nature of the issue and the emergency situation that a homeowner is faced with. Counsel recommended using the Small Works Roster to select a contractor.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Don Nuxoll approving the construction of a pressurized Septic Tank Effluent Pump (STEP) System main line to serve 21st Street residents and authorizing the General Manager to select a contractor utilizing the Small Works Roster. The question was called for on the motion. The motion passed 3-0.

NOTE: Commissioner Ridge left the meeting after the 21st Street Sewer Line Discussion.

ENERGY NORTHWEST UPDATE

Energy Northwest (ENW) Representative Jim Oakley provided an update on ENW activities. He stated that a CEO candidate has been selected and that negotiations are underway for his contract. He stated that current CEO Vic Parrish will retire in July. Mr. Oakley stated that staff continues to work through issues and concerns regarding bird harm concerns on the Pacific County Radar Ridge wind project. He stated that the issues are near resolution and that the project should proceed. Mr. Oakley stated that ENW will work with a private company in the development and construction of the Mustang Ridge Wind Project in Prosser. The private company can bring tax credits to the table making the project more affordable. The Nine Canyon Wind Project turbines continue to be scrutinized. Siemens utilized a South Korean firm to provide welding services on several sites throughout the country. The 3rd phase of the project was checked and it was discovered that some turbines will need to be repaired. He stated there has not been much wind energy production in the past couple of months. The site, rated for 96 megawatts, is only producing 5 megawatts of energy.

Mr. Oakley stated that solar energy project located in Christmas Oregon is going well. With a Business Energy Tax Credit the energy costs from this project will be reasonable.

The Packwood Hydroelectric Project is in the processing of relicensing. The 50-year license expired on February 28, 2010 but the Federal Energy Regulatory Commission (FERC) has provided a 1-year extension while the licensing process continues. The Columbia Generating Station is on day 130 under its current run. The next planned outage is scheduled for May 2011. 17% of the Bonneville Power Administration's energy resources come from the Columbia Generating Station (CGS). CGS provides 6% of the state's resource and 2.8% of the Northwest regions energy resources. Mr. Oakley stated that ENW signed a contract to partner with a private firm to develop the Kalama energy site where the petroleum coke plant was planned to be built. ENW and the private company will develop a 326 megawatt natural gas generation plant. The City of Sheldon in Mason County was selected as the site for the Adage energy wood biomass project. Arriva and Duke Energy companies will purchase the power. The 50 megawatt plant will employ 300 during construction and 100 permanent positions after construction is completed. Mr. Oakley stated the small scale modular nuclear project is moving forward. A survey has been sent to participating entities regarding the informal selection of two vendors, Babcock and NuScale.

SOLAR ENERGY PRESENTATION

Tom Anderson from Advanced Solar Energy provided a presentation on the economics, incentives and cost of developing a solar project. Mr. Anderson stated that Engrossed Senate Substitute Bill 6170 provided cost recovery incentives for community and non-community organizations to develop solar energy projects. Community projects would realize a \$1.08 per kilowatt hour incentive for the next ten years where as non-community projects would realize a \$0.54 per kilowatt hour incentive. He stated that although the legislation has passed rules have yet to be written addressing the use of the legislation and solar incentives. Mr. Anderson spoke of green tags and carbon trading.

He stated that there are limits on the size of projects and the financial return. He stated that a 4,585 kilowatt project would realize a payback in less than 20 years. He stated that the PUD could manage its own project or organize a community group under 503c status. The community project is the most ideal because of the higher incentive provided. The income would be long-term and stable. He stated that some of the obstacles are the lack of rules developed under the legislation, the need for financial players and insurance.

Mr. Anderson showed a solar panel that is manufactured in Washington State by Silicon Energy. He stated that it has a Class A fire rating, is virtually indestructible at 150 pounds per square foot and is aesthetically pleasing. It could be used for roofing or other decorative purposes. The estimated useful life is 25 years. He stated that Franklin PUD recently underwent an upgrade to their administrative building and installed the Silicon Energy panels as part of the project. He stated that the ideal applications would be for facilities needing an uninterruptible power supply, facilities needing roof rebuilds and facilities needing shading structures like awnings or parking covers.

Mr. Anderson stated that he completed calculations on the size and cost of installing solar panels in order to meet the energy needs of the PUDs office building. He stated that the average kilowatt hour was 165. This would require 288 panels or a 50 kilowatt system. At \$12.00 per watt the cost of the project is estimate at \$604,800. He stated that a demo project like a parking structure could be constructed for \$30,000 to \$35,000.

OLD BUSINESS (continued)

Sanitary Sewer System Transfer Transition

The manager reported that that he received a cost estimate regarding the extension of the sewer main on the 1300 and 1500 blocks of Elm Street. The estimated cost from the contractor was \$112,000 for each extension. He stated that biggest single cost in the estimate is replacing the roadway after construction. The contractor was under the impression that if 1/3 of the roadway was disturb that the whole road would need to be re-asphalted. This assumption added \$50,000 to each portion of the project. The manger stated that after he received the cost estimate he spoke with the Asotin County Public Works Director, Joel Ristau regarding the spirit of the road repair and replacement ordinance. Mr. Ristau stated that it wasn't the County's intention that the entire roadway be replaced. The intent of the ordinance is to ensure that the road was properly restored and that it was smooth and even. He stated that a good patch of the trench and a chip seal would suffice. The manager stated that he shared the information he received from Mr. Ristau with the contractor and a new estimate will be provided. The manager stated that once he has a new estimate he will share it with interested homeowners in these two areas. If the response is favorable then the Small Works Roster would be utilized to receive bids and extend the sewer main to serve interested customers.

The manager stated that s survey seeking homeowner's interest in the construction of a sewer main and the provision of sewer service on Rainier Street, Cascade Street and 25th and 26th Streets has been mailed. He stated that many of the surveys have been returned but the interest versus no interest is 50-50. Commissioner Nuxoll requested that the manager contact the Asotin County Health Department about septic system failures in the area where surveys have been mailed. The manager stated that he spoke with Joel Ristau about the transfer of funds from the County's sewer fund to the PUD. He stated that April 30, 2010 will be the cut-off or deadline for payment of any outstanding invoices and expenses. Transfer of the funds will occur the first part of May.

NEW BUSINESS

Asotin County Landfill Yard Waste Flyer

The manager presented a flyer form the Asotin County Landfill. The County is requesting insertion of the flyers with the PUD billing statements. The County has received a grant from the Department of Ecology that provides funding allowing County

residents to bring their yard waste to the landfill rather than burn it. After discussion the Commissioners declined the request to insert the flyer with the PUD billing statements.

Change April 13, 2010 Meeting Date to April 12, 2010

The manager stated that due to a scheduling conflict he is requesting that the meeting scheduled for Tuesday, April 13, 2010 be changed to Monday, April 12, 2010.

MOTION by Commissioner Don Nuxoll and seconded by Commissioner Gary Hicks to change the Board of Commissioner meeting date from Tuesday, April 13, 2010 to Monday, April 12, 2010 beginning at 5:30 pm. The question was called for on the motion. The motion passed 2-0.

MANAGER'S REPORT

GIS Mapping Conversion/GIS position – The manager reported that the conversion of the mapping database to a Geographical Information System (GIS) is underway. He stated that County staff is being utilized to survey sewer manhole and gather data for input into the mapping system. He stated that the City of Clarkston is interested in being a part of the mapping update and the City Council will be addressed on GIS mapping capabilities at their Monday, April 12th meeting by the PUD Manager and its consultant. Interviews for the GIS Coordinator position are underway. The manager stated that the selection of a candidate should occur the first full week of April.

Proposed 4th Avenue Development – The manager reported that he met with developer Jerry Cox on Monday, March 15th to discuss a proposed development on 4th Avenue. The moderate to high density residential area will require the extension of sewer from the intersection of Appleside Boulevard and 4th Avenue to the project located to the West on 4th Avenue and Ben Johnson Road. Mr. Cox stated that he wants to be underway with infrastructure for the proposed project in 2 to 3 years. He understands the burden of the cost of extending the sewer system is his responsibility. A late comer agreement on the proposed project was discussed. Commissioner Ridge attended the meeting with the manager.

Well No. 7 Generator Repairs – The manager reported that the repairs on the controller which provides fuel for the standby generator engine at Well No. 7 were completed. EC Power Systems and a representative from Mitsubishi completed the repairs in two days. The generator was tested under load and performed properly.

COMMISSIONER'S REPORT

Commissioner Nuxoll attended a Drinking Source Water Protection Committee meeting at the Lewiston Orchards Irrigation District on Wednesday, March 17th. He stated that an open house will be scheduled in May and flyers regarding source water protection are

under development and will be printed and mailed to valley residents prior to the open house. Commissioner Nuxoll will be joining a Public Utility Risk Management System (PURMS) conference call the morning of Wednesday March 24th. The conference call is regarding the setting of meetings to discuss and adopt multiple resolutions provided for at the last years November annual meeting. He stated that on the afternoon of March 24th he would be attending a Watershed Planning Unit meeting.

ADJOURNMENT

The manager stated that the PUD Commissioners have been invited to attend a presentation regarding engineering report on the City of Clarkston Wastewater Treatment Plant Study. The meeting will be held on Monday, April 5, 2010 at the City Council Chambers. The meeting will begin at 5:30 pm.

MOTION by Commissioner Don Nuxoll and seconded by Commissioner Gary Hicks to adjourn the meeting to Monday, April 5, 2010 at the City Council Chambers in order to meet jointly with the Clarkston City Council to hear a presentation of the engineering report on the City's Wastewater Treatment Plant Study. The question was called for on the motion. Passed 2-0

There being no further business the meeting was adjourned 7:25 pm.