

PUBLIC UTILITY DISTRICT NO. 1  
OF ASOTIN COUNTY, WASHINGTON  
MEETING MINUTES  
September 27, 2010

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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 and Don Nuxoll.

PUD Staff: General Manager Tim Simpson and Treasurer Bob Sischo.

Members of the public were present.

MINUTES OF MEETING AND VOUCHER APPROVAL:

**MOTION** by Commissioner Don Nuxoll and seconded by Commissioner Gary Hicks to approve the consent agenda giving approval of the minutes of the September 13, 2010 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1785EFT through #1798EFT in the amount of \$23,095.60 and Blanket Transaction Voucher Approval Document covering vouchers #28363 through #28402, and Electronic Transaction Vouchers #10092001, #10092201, #20100907, #20100923, #20101001 and #10100501 in the amount of \$140,829.97. The question was called for on the motion. The motion passed 2-0.

OLD BUSINESS

PURMS Self Insurance Program Update

Commissioner Don Nuxoll recently attended a meeting of the Public Utility Risk Management System (PURMS), the self-insured program that the PUD belongs to. He reported that 5 of the amendments to the Self Insurance Agreement (SIA) were discussed. Amendments were being driven by state legislative changes to the Washington Administrative Code. One amendment requires the update of the document that spells out the plan administrator's duties. Other amendments are a result of changes to federal health care laws. One such change will allow employee's dependents to be on the PUD insurance plan until they reach the age of 26 even though they may be married and not living with the employee as a dependent. This change will become effective in 2014.

Commissioner Nuxoll stated that another proposed change to the SIA is the member voting procedures. He stated that member's have to be present to vote. The change will allow members to vote by resolution without being present. If a voting resolution is not returned it will equal a vote in favor of any SIA amendment or insurance policy changes. Current policy requires a unanimous vote to approve changes.

A performance bond on the PURMS treasurer/auditor is now required. He stated that it will cost PURMS approximately \$4,600 per year and will have a liability limit of \$1 million dollars. PURMS is also considering leaving \$1 million in reserve fund for any occurrences. Commissioner Nuxoll stated that the way that PURMS is calculating liability and property assessments is more expensive smaller members like Asotin. He stated that PURMS is considering a change in the formula so that smaller members don't get hit with a higher percentage of the assessment. He stated that it could save our PUD \$3,000 to \$4,000. He asked the manager to research what our costs would be if we had another insurance carrier handle our property and liability insurance.

Commissioner Hicks asked who we would go with. Commissioner Nuxoll stated that he doesn't want to move to another carrier he just wanted to know the cost so he could it back to the next PURMS meeting for comparison. Treasurer Bob Sischo stated that Thurston is leaving PURMS and going to the larger Counties pool for property and liability insurance. Thurston told PURMS it is less expensive for them. The manager stated that he would research the cost of liability and property insurance and provide it to the Board in October.

#### Write-Off of Bad Debt for the Year 2006

The manager stated that the Administrative Policy requires Board approval for the write-off of bad debts after the customer's accounts remain uncollected for more than three (3) years. The 2006 accounts submitted for write-off were sent to the collection agency and will continue to be pursued. The write-off moves the bad debt from the system to bad debt accounts receivable. Customers that have been sent to collection and want to sign up for service again must pay previous bad debt before receiving service. Any amounts received after approval of write-off become miscellaneous income.

The manager stated that the 2006 Bad Debt includes 78 uncollected accounts in the amount of \$4,751.69. This amount represents .0018 percent of our \$2.640 million in metered sales for the year 2006.

**MOTION** by Commissioner Don Nuxoll and seconded by Commissioner Gary Hicks to approve the write off of 2006 uncollected bad debt. The question was called for on the motion. The motion passed 2-0.

#### 2011 Budget – Set Hearing Date and Time

The manager stated that the proposed budget for the 2011 calendar year has been developed and was placed in file on September 1, 2010. He stated that by law a budget hearing should be scheduled for the first Monday in October which is on the 4<sup>th</sup>. He requested a 5:00 pm start time. The manager stated that the hearing will be advertised.

**MOTION** by Commissioner Don Nuxoll and seconded by Commissioner Gary Hicks to set a 2011 Budget Hearing for Monday, October 4, 2010 beginning at 5:00 pm. The question was called for on the motion. The motion passed 2-0.

#### MANAGER'S REPORT

Filter Plant Reservoir – the manager reported that he received a call from Abundant Life Church, who resides adjacent to our operations yard, seeking interest in purchasing the old ¾ million gallon reservoir and property it's on. The church stated they want to use it for a youth activity center. The reservoir was built in the early 1950's with the filter plant and was used as a finished water reservoir for supply to the Vineland or downtown Clarkston area. The manager stated that he told the church the property would have to be appraised, made surplus by the Board and then put up for bid. The Commission directed the manager to discuss further with the church their interest in the facility and property.

WPUDA Water Workshop – The manager reported that he will be attending the Washington PUD Association Water Workshop being held in Bremerton this week on Wednesday, September 29 through Friday October 1, 2010.

#### COMMISSIONER'S REPORT

Commissioner Hicks will be attending the Washington PUD Association Water Workshop being held in Bremerton on September 29 to October 1, 2010.

#### ADJOURNMENT

There being no further business the meeting was adjourned at 6:05 pm.