

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
December 27, 2011

President Don Nuxoll 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: Don Nuxoll and Gary Hicks. Judy Ridge joined by phone.

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

MINUTES OF MEETING AND VOUCHER APPROVAL:

MOTION by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge to approve the consent agenda approving the minutes of the December 12, 2011 Commissioner Redistricting Public Hearing and minutes of the December 12, 2011 Regular Meeting and Regular payment of the Transaction Vouchers covering vouchers #1730 through #1741 and vouchers #2220EFT through #2233EFT in the amount of \$29,090.47 and Blanket Transaction Voucher Approval Document covering vouchers #29764 through #29808, and Electronic Transaction Vouchers #11120302, #11121901, #11122101, #11122201 and #11122801 in the amount of \$418,565.12. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

Resolution 11-375 – Commissioner Redistricting

The manager presented Resolution 11-375 addressing the review of the most recent federal decennial census and setting of commissioner district boundaries. The manager stated that at the December 12th Commission meeting, after the Commissioners Redistricting Hearing, the Board stated that upon review and discussion of the population numbers in each commissioner district that they would prefer to leave commissioner district boundaries as is. Consequently adoption of Resolution 11-375 was tabled until the following meeting in order to allow a rewrite of the resolution to fit with the Board's preferred position on commissioner district boundaries and population within those boundaries as based upon the 2010 census.

The manager stated that Resolution 11-375 states that the Board has fulfilled their responsibility as described in RCW 29.70.100 section 1 which states, "It is the responsibility of each county, Municipal Corporation, and special purpose district to

periodically redistrict its governmental unit, based on population information from the most recent federal decennial census.” The resolution also states that upon review of the information presented the Board has decided to leave the commissioner district boundaries as is and voter precincts will remain as defined in Asotin County Commissioner Resolution 04-26 which was adopted in 2004. The manager stated that the County Commission may adjust voter precincts next year based on discussions with the County Auditor. He stated that if this occurs the Board will need to review the precincts and ensure that each precinct matches up with commissioner districts and precincts outlined in Resolution 11-375.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge approving Resolution 11-375 leaving the boundary lines of the existing commissioner districts as is and currently divided in accordance with the County of Asotin Redefining Voter Precincts Resolution No. 04-26 and repealing Resolution No. 04-281. The question was called for on the motion. The motion passed 3-0.

NEW BUSINESS

Port of Wilma Water and Sanitary Sewer Systems Transfer Agreement

The manager presented a Port of Wilma Water and Sanitary Sewer Systems Transfer Agreement with the Port of Whitman County (Port). He stated that the Port is proposing to transfer ownership of both the water and wastewater systems in the Port of Wilma to the PUD.

The manager stated that the Agreement is modeled after the sewer system transfer agreement between Asotin County and the PUD. The Port’s only concern or issue items is that in transferring the water system to the PUD they want assurance that Bennett Lumber will be afforded an industrial customer rate below our current water rate of \$0.89 and that other customer rates rise gradually. The manager stated that with the water revenue bond retired setting an industrial customer rate should not be an issue. He stated that the Port of Wilma water system has 2,000 acre feet of water rights attached to it.

In reviewing the Agreement, the manager stated that he and counsel both agree that section 3(c) where the Port dictates to the PUD how to rates will be set after the transfer is not acceptable. The language can be construed as taking away PUD Commissioner rate-making authority. The manager stated that a more generic agreement on the review and setting of rates for the Port of Wilma would be more acceptable. The manager stated that the only other issue with the Agreement is that the Port states the ownership transfer date of January 1, 2012. He stated that this is impossible due to the fact that we received a copy the Agreement on Friday December 16th.

After further discussion of the Port of Wilma and the Transfer Agreement the Board directed the manager to address issues with the Agreement with the Port attorney and executive director and request and review financial information on the water and sewer systems and investigate the condition of the sewer system.

Change January 10, 2012 Commissioner Meeting Start Time

The manager stated that due to commissioner travel to meetings he is requesting that the start time of the meeting scheduled for Tuesday, January 10, 2012 be changed to begin at 4:00 pm.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Gary Hicks to change the Tuesday, January 10, 2012 Board of Commissioner meeting start time from 5:30 pm to 4:00 pm. The question was called for on the motion. The motion passed 3-0.

MANAGER'S REPORT

2012 Capital Improvement Projects – the manager reported that staff had a kick-off meeting with Murray, Smith and Associates on Tuesday, December 20th to begin the process of developing the bid packet for capital improvement projects scheduled for 2012. The manager stated that areas where projects will occur have been surveyed and our GIS Coordinator has developed maps for operations staff review and detailing of project specifications. He stated that the goal is to have bid packets ready by March 2012.

Water/Sewer Rate Resolution – the manager reported that he will be presenting water and sewer rate resolutions at the next Board meeting. He stated that the purpose is not to increase any rates, charges and fees but to insert clarifying language in the rate resolutions showing how state utility tax impacts the cost of service and how it is calculated on the total sum of consumptive rates, monthly minimum charges and other specific fees.

COMMISSIONER'S REPORT

Commissioner Ridge attended Energy Northwest (ENW) meetings in Richland, Washington on December 13 through December 15, 2011. She stated that ENW staff announced the termination of the Radar Ridge Wind Project primarily due to concerns by environmental groups about the project endangering Marble Merlots. She stated that discussion took place regarding the lawsuits that have occurred from the recent refueling outage. She stated that Jack Baker has announced that he will retire in June 2012.

Commissioner Ridge will be attending the Washington PUD Association meetings on January 11 through January 13, 2012 in Olympia Washington.

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ADJOURNMENT

There being no further business the meeting was adjourned at 6:15 p.m.