

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
February 8, 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 Judy Ridge and Gary Hicks.

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 Gary Hicks and seconded by Commissioner Judy Ridge to approve the consent agenda giving approval of the minutes of the January 24, 2011 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1705 and #1706 and vouchers #1915EFT through #1929EFT in the amount of \$27,950.34 and Blanket Transaction Voucher Approval Document covering vouchers #28763 through #28818, and Electronic Transaction Vouchers #11020202, #11020203, #11020301, #11020401, #11020402, #11022201, #11022301 and #11022302 in the amount of \$354,386.79. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

Water Rights Change Application

The manager reported that he will be hearing from Department of Ecology staff Dan Tolleson later in the week regarding water rights quantity information. His analysis is nearly complete. The manager presented a document from the Department of Ecology regarding trust water rights. He reported that he communicated with attorney, Joe Brogan regarding how Ecology's trust water rights program would apply to the PUD. Mr. Brogan stated that the donation of some portion of the Snake rights would be done in the context of Ecology's approval of a transfer of Snake River water rights to groundwater. In that instance, the donation is considered part of the mitigation sought by Ecology and usually interested tribes. The donation is almost always considered permanent. The manager asked Mr. Brogan that if the PUD were to assume the Port of Wilma's water system would the approximately 2,000 acre feet of water right be put into trust for access in the future. The Port is only using approximately 130 acre feet a year. Mr. Brogan stated that the rights that are not currently being exercised would be placed into a temporary trust for use later.

Appraisal of Filter Plant and ¾ Million Gallon Reservoir Property

The manager reported that the Abundant Life Church has stated that they are interested in purchasing the filter plant and ¾ million gallon reservoir and the property it is on. The property is located near the operations shop off of 16th Avenue. The church would like to proceed with the appraisal and have secured Bi-State Appraisal for performing the work. The manager stated that the cost quote is \$400.00 and Bi-State should be retained by the PUD. Counsel concurred. He stated that the property will include the structures and approximately 2.50 acres. The church is aware that after receiving the appraisal the property would be put out to bid and sold to the highest bidder per state law.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Gary Hicks approving the appraisal of PUD property by Bi-State Appraisal and authorizing the General Manager to secure their services. The question was called for on the motion. The motion passed 3-0.

NEW BUSINESS

Murray, Smith and Associates GIS Contractual Services Amendment

The manager stated that in February 2010, the Board approved the selection of Murray, Smith and Associates, Inc. (MSA) and entered into a contract to provided services for converting the PUD mapping database to a Geographical Information System (GIS) system. This project was completed last month but additional work was identified that will need to be performed by MSA. The manager presented Task Order 11-01 providing for amendment to the contractual services agreement with MSA. The manager stated that the amendment will provide for additional detailed conversion of our GIS system into the hydraulic water model after surveying the system and calibration of that model. He stated that the hydraulic model is an essential component of our water system plan update. The amendment also provides for sewer flow monitoring and flow model calibration which will be an essential component of our next wastewater collection system plan update and will provide valuable information for future expansion of the wastewater system.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge approving Task Order No. 11-01 with Murray, Smith and Associates providing amendment to the GIS Contractual Services Agreement. The question was called for on the motion. The motion passed 3-0.

Port of Clarkston Economic Development Administration Grant Applications

The manager stated that the Port of Clarkston submitted a grant application last year to the United States Department of Commerce Economic Development Administration (EDA) for infrastructure funding of Phase 1 and 2 of their proposed Industrial Park.

The Port received a letter regarding their application stating that the EDA was unable to consider their proposal for several reasons. The primary issues that EDA stated that need to be addressed in the application are the ownership of the proposed project elements such as water and sewer infrastructure and roads and operations and maintenance of those elements. The manager stated that under the grant the EDA requires the applicant to own and maintain these elements for 20 years. He stated that typically the developer would install the water and sewer mains and we would take ownership of those lines and maintain them. The same would hold true for the roads for the County.

In their letter, EDA told the Port that one solution to the issue would be to have the County and the PUD sign on as co-applicants with the Port and to enter into agreements for operations and maintenance of the infrastructure elements for a 20-year period. The application and infrastructure elements would be completed at no-cost to the PUD. The manager reported that he spoke with the County about the issue. They are concerned about the strings that would be attached as a co-applicant if the Port did not perform grant contractual duties. The County has a conference call with EDA to discuss a number of concerns. The county's attorney has stated that she is not in favor of the county signing on as a co-applicant. PUD counsel concurred with her position.

After further discussion about the application the Commissioners stated that they would not be in favor of signing on as a co-applicant but would be willing to work with the Port regarding ownership of the infrastructure and an operations and maintenance agreement.

ENERGY NORTHWEST REPORT

Energy Northwest (ENW) Representative Jim Oakley provided an update of activities. Mr. Oakley stated that the Columbia Generating Station is on day 452 of its current run. It is the second longest run in history and if the plant can keep running until March 16th it will become the longest run. He stated that ENW will be spending \$112 million to replace a 1980's condenser. Through the upgrade the plant will gain an additional 12 megawatts of electricity capacity. A refueling outage is planned for April 6th. ENW will be replacing 1/3 of the fuel rods. Mr. Oakley stated that the Packwood Hydro facility was 100% available in December. They have found an old Pelton Wheel that will be tested for balance and will use it as a spare. A new wheel would cost \$1.3 million. Mr. Oakley reported that the Radar Ridge Wind project is progressing. A couple ENW members have pulled out of the project due to delays and the ENW Board of Directors voted to own more than 25% of this project only. Usually ENW will only own up to 25%. The cost per megawatt will be in the \$60 to \$70 range. The permit for Kalama Energy, the natural gas plant, is nearly complete. ENW is researching an opportunity for a geothermal plant in southern Washington. ENW has completed testing and it looks promising. The modular nuclear group continues to meet and will begin the process of permitting a plant. Mr. Oakley stated that they would likely be going with NuScale. Mr. Oakley reported that the solar energy project in Oregon is going well.

MANAGER'S REPORT

City of Clarkston – the manager presented a binder and reported that the pre-design for the City of Clarkston's Wastewater Treatment Plant (WWTP) upgrade is complete. Funding for the WWTP is on track and the City is seeking to authorize the start of the full engineering design of the proposed upgrades.

Port of Clarkston and NOANet – the manager reported that Northwest Open Access Network (NOANet) will be constructing a fiber line from the Port of Whitman County as part of a grant to the Point of Presence at the AT&T building near the Clarkston marina. He stated that the Port of Clarkston has been working with NOANet to run additional fiber lines in the Port through downtown Clarkton past Tri-State Hospital, past the PUD to the Heights Library and out to the courthouse in Asotin. The Port will own the line up to the Heights Library with NOANet owning the line from that point to Asotin. NOANet will install approximately 144 pair of fiber. The size of the line going out to Asotin will be approximately 48 pair.

COMMISSIONER'S REPORT

Commissioner Hicks stated that he will not be available for the meeting on February 22nd.

Commissioner Ridge reported that Larry Reese has resigned as commissioner for the Wahkiakum PUD. She reported that she will be attending the Washington PUD Association meetings Wednesday through Friday, February 16-18th.

Commissioner Nuxoll reported that he will be attending a Drinking Source Water Protection Group meeting on Thursday, February 17th.

ADJOURNMENT

There being no further business the meeting was adjourned at 6:55 pm.