

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
August 29, 2012

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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.

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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 Judy Ridge and seconded by Commissioner Gary Hicks to approve the consent agenda approving the minutes of the August 14, 2012 Regular Meeting and payment of the Transaction Vouchers covering vouchers #2461EFT through #2475EFT in the amount of \$27,165.63 and Blanket Transaction Voucher Approval Document covering vouchers #30557 through #30610, and Electronic Transaction Vouchers #12082001 and #12082002 in the amount of \$181,809.54. The question was called for on the motion. The motion passed 3-0.

PORT OF CLARKSTON

Wanda Keefer, Manager for the Port of Clarkston was in attendance to present an economic development funding opportunity to the Commission. Ms. Keefer stated that the United States Department of Agriculture (USDA) has Rural Economic Development Loan and Grant Programs that has funds available from the pay back of other loans that can be used for economic development. She stated that as a Port they do not qualify for the funding but utilities such as the PUD and Clearwater Power Company are eligible applicants for the funding. Clearwater Power was considered but they do not provide service in the area that they are considering for a new tenant. Ms. Keefer stated that as an eligible applicant the PUD would receive the funding and, working as a revolving fund, would loan the money to entities such as the Port or private companies. The PUD, as an intermediary, can recoup administrative costs up to 1% of the total funding.

Ms. Keefer stated that she is working with a high-tech company that is looking to locate on Port property near the Snake River. She stated that this company will be bringing 43 new jobs with it and the Port wants to build a building to accommodate their business. She is requesting that the PUD apply for the USDA Rural Economic Development Loan with the Port as the ultimate recipient of the loan. Ms. Keefer stated that in speaking to the Clearwater Economic Development Association (CEDA) and other agencies, there

were questions as to whether the PUD has authority under the Revised Code of Washington to participate in the program and establish a revolving loan fund. Ms. Keefer stated that she has contacted the Municipal Research organization in the state to get clarification as to whether the PUD is able to participate in this lending program. Counsel Scott Broyles stated that he could check with bond counsel at Foster Pepper to see if they have any knowledge regarding the PUD's ability to be involved in this program. Discussion ensued regarding the funding program and the location of the proposed new tenant. The Commissioners stated their concern regarding the liability they would assume if they became the primary or intermediary for a lending program. The Commission directed counsel to look into the matter and be conservative with the costs associated with seeking legal guidance.

OLD BUSINESS

Port of Wilma Water and Sanitary Sewer Systems Transfer

The manager reported that he executed the Port of Wilma Water and Wastewater System Transfer Agreements sending copies of each document to the Port. He stated that on the same day of execution, August 15, 2012 he wrote a letter to the Washington State Department of Health (DOH) identifying Joe Louis as the Operator of Record for the Port of Wilma water system. Within a couple of days DOH responded approving Mr. Louis putting the Port back into compliance with their water system operating permit.

The manager stated that he has talked with staff regarding the items necessary to bring the sewer system up to our standards. He stated that once they have completed PUD water line construction they will flush and video the Port sewer distribution main looking for any discrepancies. This will be followed by repair or replacement of the grinder pumps and ancillary equipment at each lift station. On the Port water system side the manager stated that he has received a quote in the amount of \$62,140.00 for water service meters that match our current meters. He stated that this meter quote has been forwarded to Port of Whitman County Executive Director Joe Poire for review and approval. The manager stated that the agreements state that the Port will be directly billed for equipment and services that are not provided by the PUD.

The manager stated that he spoke with the Department of Ecology (DOE) regarding the water right certificates the Port water system has attached to each well. He stated that Well No. 1 and Well No. 2 each have 1,000 acre feet per year of water right available. DOE stated the 2,000 acre feet could be transferred to the PUD through a "conforming" document upon receipt of a letter from the PUD because each right identifies domestic supply in their certificate. The Well No. 1 certificate may be an issue because it has a large portion of the right identified for industrial use. The manager stated that he has estimated that it would take 5 to 6 months before the work on each system is completed and the title will be transferred to the PUD.

NEW BUSINESS

Critchfield Road Property and Building Purchase Offers

The manager stated that at the last meeting he reported to the Board that we did not receive any bids for the property and building on Critchfield Road known as the Critchfield Road Booster Station. The minimum bid sought was the appraised value of \$47,000.00. After the last meeting the manager stated he advertised the property and building again seeking offers. The deadline for receipt of the offers was Tuesday, August 28th at 4:00pm. The manager reported that at the deadline he had received four (4) offers on the property that ranged from a low of \$17,100.00 to a high of \$22,000.00. The Board stated that the highest offer was much lower than what they thought the property was worth. They stated that even though we would likely not receive the full appraised value they felt that at least 75% of the appraised value was reasonable. The manager stated that it was not imperative that we sell the property but it will remain posted for sale and we will take offers as they come.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Gary Hicks to reject all offers submitted on the property and building located at “2122” Critchfield Road known to the PUD as the Critchfield Road Booster Station. The question was called for on the motion. The motion passed 3-0.

Water Rights Usage Request

The manager reported that he met with an Asotin County resident who is seeking assistance in submitting a new water right application with the Washington State Department of Ecology. He sought our counsel because of our extensive dealings with Ecology in the water rights arena. The manager told him that it would be nearly impossible to get a new water right under the current conditions in the state. The manager told the individual that Atlas Sand and Rock submitted a new water right application in 1992 and it still has not been processed. The individual is seeking up to 2,000 acre feet year for a commercial operation in the Anatone area. He also stated that while they were seeking the water right that they would like to lease our water rights. At the meeting the manager stated that he agreed to contact Ecology regarding the prospects of a new water right and the use of our water rights by the commercial operation.

The manager stated that he made contact with Ecology staff Dan Tolleson on Tuesday August 28th. Mr. Tolleson stated that although he asked his supervisors on many occasions to process new water right applications in our watershed, new water right applications will not be considered until Ecology conducts an extensive geological study of our aquifer. The manager pointed out to Mr. Tolleson that Dale Ralston and others have conducted extensive studies of the aquifer and we are very certain of the water availability in our area. Mr. Tolleson stated that the other issue is that the location of the proposed well site in the Anatone, at the 2,200 to 2,400 foot level brings up the question

as to whether the water is physically available. Mr. Tolleson also stated that any new water right cannot impact the Snake River because of Endangered Species Act (ESA) issues with that body of water.

Regarding the use of or lease of our water right Mr. Tolleson stated that as long as we have an agreement with the party for the use of our unused portion of our water right they would likely approve this well as a point of diversion from our wells. He stated the only concern he would have is the distance from the far end of our service territory, the city of Asotin, to the proposed location which the manager stated is approximately 5 to 6 miles from the city of Asotin. The manager stated that he has requested a conference call with the individual, himself and Mr. Tolleson. After additional consideration the Commission stated their interest in pursuing the request further.

MANAGER'S REPORT

Construction Update – the manager reported contractor M.L. Albright & Sons (Albright) completed installation of the line on Adams Street, 4th Street and 3rd Street and has moved back to Beachview to complete the second and final phase of that project. The PUD crew is currently replacing approximately 600 feet of 4 inch steel water main on the east end of Valley View Drive.

Emergency Sewer – the manager reported that a septic system has failed on two trailers located at 2029 Valley View Drive. He stated that he and staff are working with the homeowner to extend the sewer line from Scenic Way to the intersection of 20th Street and Valley View Drive extending in west stopping 100 feet from the intersection of Valley View Drive. On the property in question, a line will run the length of the property south to Andreasen Drive. The manager showed the Board a map of the proposed sewer main extension. He stated that the owner not only wants to connect the two trailer houses on the septic system that failed but her other two other houses located in the vicinity. Interest has been received from other homeowners in the area. The manager stated that he is using the Small Works Roster to receive quotes on construction of the sewer main extension.

Abandoned Well Program – the manager showed the Board a copy of the newspaper advertisement for the LOID, City of Lewiston and PUD joint promotion encouraging homeowners to notify each agency about abandoned wells on their property. The goal is to locate abandoned wells and properly decommission them. Each well is connected to the aquifer and there is a potential for each well to contaminate the drinking water in the aquifer. The manager also showed them a TV promotion that will run on KLEW TV.

2013 Budget – the manager reported that work has begun on the 2013 Budget. He stated that a budget hearing will be held on the first Monday in October. He also stated that due to the increase in capital improvement project costs with funding being taken from reserves, the 2012 Budget will need to be amended before the end of the year.

Record Archives – the manager stated that most of our meeting minutes, resolutions and agendas were sent to the State Archives for recording. The PUD recently received word that these historic documents are now archived and online for anyone who wants to access them.

WPUDA Records Symposium – the manager reported that our PUD will be host to a Records Symposium being conducted by the Washington PUD Association on September 6-7, 2012 at the Quality Inn in Clarkston. Bob Sischo and staff Laurie Dorman and Joy Welch will be attending the Symposium.

Wastewater Treatment Plant Construction – the manager reported that Williams Brothers was awarded the contract for the upgrade of the Clarkston Wastewater Treatment Plant. He stated that execution of the contract is pending. The City had discussed having a groundbreaking ceremony prior to the start of construction. The manager stated that he would inform the Board if and when a joint ceremony would take place.

COMMISSIONER'S REPORT

Commissioner Hicks stated that he will be attending the Washington PUD Association Meetings in Ellensburg, Washington on September 19-21, 2012.

Commissioner Ridge and Commissioner Hicks stated that they will be attending the Washington PUD Association Water Workshop in Spokane, Washington on September 26-28, 2012.

ADJOURNMENT

There being no further business the meeting was adjourned at 7:05 p.m.