

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
February 25, 2014

.....

President Judy Ridge 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: Judy Ridge, Gary Hicks and Don Nuxoll.

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 Gary Hicks to approve the consent agenda approving the minutes of the February 11, 2014 Regular Meeting and payment of the Transaction Vouchers covering vouchers #3020EFT through #3034EFT in the amount of \$26,503.23 and Blanket Transaction Voucher Approval Document covering vouchers #32283 through #32316, and Electronic Transaction Vouchers #14022001 and #14022102 in the amount of \$25,688.18. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

Port of Wilma Progress Report for Water System Transfer

The manager reported that on Friday, February 21st he received the US Army Corps of Engineers (Corps) 2nd waterline easement reassignment document which was signed by the Port of Whitman County (Port). The manager and Commissioner Nuxoll signed the document and it was sent back the same day to the Corps for their signature. The Corps will sign and send an original back to the Port for their file and for recording at Whitman County. Once recorded, the Port and PUD will set a date for assumption of ownership of the water system at the Port of Wilma. The manager stated that the system should be transferred to the PUD by mid-March

The manager reported that all customer information has been secured and letters to customers will be sent next week to inform them that the PUD would soon be taking ownership of the system. The letter will also explain our billing process and rate structure and will serve as a way to ensure that all of the customers' information is correct.

NEW BUSINESS

Resolution 14-407 – Water Rates Charges and Fees – Industrial Water Rate

The manager stated that he received estimated water use at Bennett Lumber from Jan Dimke and her staff. The manager took the information and developed several scenarios regarding the setting of an Industrial Service Water Rate. The manager presented the information to the Board for review and discussion. The manager stated that the cost of producing water with electricity and chlorination was approximately \$0.22 per unit or 748 gallons. This number is the lowest rates can be and still provide for the actual cost of pumping water from the ground. He stated that the estimated usage numbers provided by Bennett were used to develop the proper breakpoint between the three (3) tiers of the rate structure. The manager stated that he recommends that the first tier account for usage between 0 to 1,499 units at our full rate of \$0.89 per unit, the second tier account for usage between 1,500 and 10,000 units at a rate of \$0.35 per unit and the third and final tier accounting for usage over 10,000 units at \$0.25 per unit. The Commission agreed with the choice as the best rate structure to start with.

The manager reiterated that the Industrial Water Rate is for those customers who are defined as manufacturing a product. He stated that the rates can be reviewed and changed later if the Board feels the structure is not adequate to address industrial use. Counsel stated that the Board should table the adoption of Resolution 14-407 until their next meeting after the rate structure they desire is added to the document.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Don Nuxoll to table action on Resolution 14-407 until the March 11, 2014 regularly scheduled meeting. The question was called for on the motion. The motion passed 3-0.

Port of Clarkston Request for Use of Business Park Sewer Line

The manager stated that he was contacted by Wanda Keefer, Port of Clarkston Manager, requesting the use of the 3-inch pressurized sewer main that was that was installed from 6th Avenue to the Business Park in 2011. She asked if the PUD would be willing to transfer the line back to the ownership of the Port so they could use the line as a conduit for cable, fiber and/or phone lines. Ownership of the line was provided for through a Bill of Sale approved by the Board at the meeting held on July 25, 2011. The Port paid for the construction of the line with no funding provided by the PUD.

The manager stated that in the process of developing the Park and the sewer system, the Port's engineer discovered that the 3-inch line would not be adequate to serve the Park and designed for the installation of a 4-inch pressurized sewer main making the 3-inch line unusable. Commissioner Nuxoll stated that it was unlikely that the State would approve the use of the line as conduit for the Port's intended purpose because it does not meet their code in regards to color and type.

Commissioner Nuxoll asked if the line could be used as a water line. The manager stated that it might be able to be utilized as a water line depending on the pipe characteristics. It could provide a looped feed to the line on Evans road for water quality. He stated that no sewer has gone through the line and that it is HDPE pipe. He said he would check into the question. Counsel stated that the line would need to be made surplus before turning it back to the Port for their use. Commissioners directed the manager to find out from the Port if the State would approve the line for the Port's intended use before the PUD starts the process of making the line surplus.

MANAGER'S REPORT

Heights Reservoirs Recoating Project – the manager reported that the Clarkston Heights Reservoirs Recoating Project Contractual Agreement and associated documents were returned by Coatings Unlimited with their signature. The manager executed the Agreement and returned a copy to Coatings Unlimited for their file. The manager stated that the start date of the project is on or before October 1, 2014.

Port of Clarkston Business Park – the manager reported that on Thursday, February 6th, PUD staff met with the Port of Clarkston and their contractor to participate in a pre-construction meeting for the Port's Business Park on Evans Road. Our interest in the project is the proper construction of the water and sewer facilities, main lines and lateral services. Even though this is not our project we will be inspecting all work completed on the water and sewer systems to ensure construction meets our standards because we will operate and maintain the systems and will assume ownership of the systems in the future.

Atlas Sand and Rock Water Rights Usage – the manager reported that Atlas Sand and Rock used nearly 60 acre feet of PUD water rights beyond their State allotted 26.5 acre feet of water right. This amount equals 19.5 million gallons and translated into approximately \$11,500 in revenue for the PUD on top of the \$2,500 per year standby fee.

Sue Reed to Retire – the manager followed up on his memorandum to the Commission stating that 20-year employee Sue Reed has tendered her resignation and will be retiring on July 4th of this year. The manager stated that she has been a great representative of the PUD through her excellent customer service to our patrons. He stated that the process to fill her position has begun. The position was advertised on Sunday, February 23rd and over 45 applications have been received to date. The manager stated that he hopes to have someone hired and starting the first week in April to ensure they are properly trained before Sue retires.

COMMISSIONER'S REPORT

No Commissioner reports were provided.

Meeting Minutes
February 25, 2014
Page 4

ADJOURNMENT

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