

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
May 24, 2016

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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, Don Nuxoll and Judy Ridge.

PUD Staff: General Manager Tim Simpson 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 Don Nuxoll to approve the consent agenda approving the minutes of the May 10, 2016 Regular Meeting and payment of the Transaction Vouchers covering vouchers #3911EFT through #3927EFT in the amount of \$29,874.89 and Blanket Transaction Voucher Approval Document covering vouchers #35765 through #35801, and Electronic Transaction Vouchers #16052001, #16052002 and #16052003 in the amount of \$94,511.40. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

There were no items presented under Old Business.

NEW BUSINESS

M.A. DeAtley Request to PUD to Apply for Loan/Grant Funding for Water Line

The manager presented a request by Brian Andrews, Construction Coordinator for M.A. DeAtley Construction, that the PUD apply for a grant/loan for construction of a water distribution line from the intersection of Evans and Ben Johnson Roads approximately 7,000 feet north to their property at 825 Evans Road. The purpose of the line is to provide fire flow to a proposed 6,000 square foot building.

The manager stated that when their current operations and shop buildings were constructed in 1999 they were allowed by the County to use an 800,000 gallon pond fed by a private well as a fire-flow source for the buildings. This was to be a stop-gap temporary solution. With the proposed construction of the new building the County will give approval only if a water distribution main is connected to our system in order to provide for adequate fire-flow. The County will let them proceed with a PUD agreement.

The manager stated that the approximate cost of installing and constructing the water distribution is \$750,000. Because of the cost Mr. Andrews began working with Marshall Doak, Executive Director of the Southeast Washington Economic Development Association, to find funding opportunities for the water line. Marshall spoke to CDBG, CERB and the USDA regarding their possible assistance. In general, their interests lie with job creation and documentation of those jobs that created in order to trigger a combination of grants/loans for the project. Citing future economic development opportunities with a new water main in that area, Mr. Andrews is requesting that the PUD apply for a loan/grant for construction of the water line to DeAtley property.

The Commissioners stated that it is their position that development should pay for development and they are unwilling to apply for a loan/grant for the project. They stated that applying for a loan to pay for a new distribution line to serve one customer would be an expense borne by all PUD customers and that was not acceptable. The manager stated that there may be another solution by DeAtley constructing a water distribution line from Linda Lane to their property. This would be a less expensive alternative for providing fire flow to the proposed building. DeAtley will be informed about the Board's decision.

MANAGER'S REPORT

Water Main Projects – The manager reported that a new water main replacement project on 3rd and Diagonal Streets in front of Bi-Mart will start tomorrow. New water main will be installed from Diagonal south to Maple Street, on Maple Street West from 2nd to just past 4th Street, north on 4th Street to Diagonal and west on Poplar Street from 4th to Diagonal. The new main will replace 2,460 feet of 1950s vintage steel water main and older water service lines.

Dimke Development – The manager presented a conceptual residential development plan from Mitch Dimke for 7 acres of property located on the 1500 to 1600 block of Dustin Loop near the Asotin County Aquatic Center. The manager stated that he, Operations Director Craig Riehle and Operations Foreman Bob Wimer met with Mr. Dimke and his engineer to discuss the details of the proposed development. There will be 59 units with stick built homes as small as 400 square feet. The development will be tied into the sewer system. They have asked the PUD to own the water and sewer lines in the development but the manager stated it would be better for the PUD to stay in the right-of-way and would be less expensive for the developer if the lines were private.

2015 Fiscal Year Audit – The manager reported that the Washington State Auditor concluded the onsite portion of our 2015 Fiscal Year audit. Commissioner Nuxoll attended an entrance conference on Monday, May 16th with the manager and Director of Finance, Bob Sischo. The audit should conclude within the next couple of weeks.

Financial Report – The manager reported that through April revenue stands at approximately \$1.19 million and expenses are at \$1.42 million. The Operating Fund balance is \$2.094 million.

COMMISSIONER'S REPORT

Commissioner Hicks and Commissioner Ridge attended the Northwest Public Power Association's Annual Conference May 15-18 in Tulalip, Washington. They reported that the meeting was good. A panel of managers discussed typical issues they are regularly concerned about, such as, customer service, retiring employees and capital improvements.

Commissioner Ridge will be attending Energy Northwest meetings in Seattle, Washington on May 25th. The ENW Board of Directors will be discussing a recently sent 4th anonymous employee letter regarding their concerns about management of Energy Northwest and will be hearing from the independent attorney that was hired to investigate issues raised by the anonymous employees.

Commissioner Ridge will be attending Public Power Council meetings June 1-2 in Portland, Oregon.

Commissioner Hicks will be attending the Public Utility Risk Management System semi-annual meetings June 8-9 in Burien, Washington.

ADJOURNMENT

There being no further business the meeting was adjourned at 6:00 p.m.