

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
November 10, 2008

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 Board Secretary Roberta Tilden.

MINUTES OF MEETING AND VOUCHER APPROVAL:

MOTION by Commissioner Gary Hicks and seconded by Commissioner Don Nuxoll to approve the consent agenda giving approval of the minutes of the October 28, 2008 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1645 through #1646 and #1157EFT through #1172EFT in the amount of \$27,365.26 and Blanket Transaction Voucher Approval Document covering vouchers #26309 through #26356, and Electronic Transaction Voucher #20081103, #2008103101, #2008103102, #2008110501, #2008110601 and #2008110602 in the amount of \$111,822.89. The question was called for on the motion. Passed 3-0

REGIONAL STORMWATER

Cheryl Sonnen, Regional Stormwater Coordinator presented information and discussed activities of the Asotin County Regional Stormwater Group which consists of Asotin County, the City of Clarkston and the City of Asotin. Ms. Sonnen stated that the entity had been formed approximately one year ago in response to the Environmental Protection Agency's (EPA) Stage 2 Stormwater Rule. Grant funding was provided for by EPA through the Department of Ecology. They are currently in Year 2 of a five year process. They are currently developing a plan and will be forming a utility during this process. The PUD is being considered to provide billing service since we serve the majority of the customers in the county. When the timing is right they will weigh using the PUD versus purchasing their own computer program.

Ms. Sonnen stated that one of the significant parts of the process is education. She has developed a survey and is requesting that the PUD include it with their billing statements to customers in December. Ms. Sonnen stated that the survey would help determine the city and county resident's level of understanding of storm water issues. The Board approved

her request. Ms. Sonnen stated that she would talk with her board about the \$800 plus cost of inserting the survey with PUD billing statements. Ms. Sonnen stated that a meeting to update the Clarkston and Asotin City Councils and the county commissioners will be held on Tuesday, November 18th at the Walla Walla Community College beginning at 6:00 pm. Commissioner Nuxoll stated that he would be attending the meeting.

OLD BUSINESS

Property Acquisition

The general manager reported that he, Commissioner Judy Ridge, and Counsel Scott Broyles met with owners Darin and Carol Laughery on Thursday, October 30, 2008, to discuss the details of the purchase of the storage units and land located above the PUD office. The owner has accepted the PUD offer of \$220,000 for the structures and property. At the meeting details of the agreement were discussed and initially agreed upon. The PUD will be providing \$20,000 down. The PUD initially agreed to a 10-year payoff of the remaining principal with semi-annual payments. The annual interest rate will be 5.5%.

The PUD requested a payoff of the principal balance after 5 years. Mr. Laughery expressed concern regarding the payoff due to capital gains tax considerations. Counsel Broyles stated that an escrow account could be set up where the principal and interest would be paid by the PUD with annual payments going to the Laugherys. The Board discussed whether this was an acceptable arrangement. The manager stated that Mr. Laughery spoke with his attorney and accountant and stated to the manager that he did not feel comfortable with the escrow account payoff arrangement. Mr. Laughery countered with a proposed 8-year loan term with an option to payoff the remaining principal after 6 years. The Manager stated that an 8-year arrangement would save the PUD approximately \$12,000 in interest costs.

Mr. Laughery requested completion of the transaction prior to January 1, 2009. Counsel will draw up the agreement and necessary documents and provide these documents to the Laughery's attorney Bob Brown. Issues regarding tenants of the main large building will need to be resolved. It may be a few months before the renter returns from his winter home. The Board stated that the management company that currently oversees rental of the property will be retained. The management fee is minimal and will keep storage rental transactions separate from our utility business. All documents and a resolution approving the property purchase will be available for Board review and approval at the next regular meeting. Closing costs will be split with the sellers.

Commissioner Nuxoll stated that the property is zoned residential/commercial and will need to be changed to public purposes. The manager stated that he would contact the County about zoning for this property and discuss what steps would be necessary to complete the zone change once the PUD secures ownership.

NEW BUSINESS

Sewer Authority

The manager congratulated the Board on obtaining sewer authority from voters during the general election held on Tuesday, November 4, 2008. The manager stated that the sewer authority ballot proposition passed at a rate of nearly 72%. The manager stated that it was not only a support for sewer authority but a vote of confidence about the level of service we are providing Asotin County.

The manager requested direction on the next step(s) since authority has been granted. He stated that two items will need attention. A meeting with the County to discuss aspects of the assumption of the sewer would need to occur and the hiring of a consultant to conduct a condition assessment and feasibility study. The manager stated that once information is obtained and the Board decides that the process will move forward it would be prudent to hold a public meeting to inform customers of our activities.

The manager stated that the contract with the City of Clarkston for treatment of the County sewer system effluent ended on October 31, 2008. The County will begin engaging the City in contract negotiations and will include the PUD in these discussions. In addition, the manager stated that the County is in the process of updating their ordinances regarding sewer connections and other issues. The County has invited the manager to be a part of the update process. Commissioner Nuxoll, in his capacity as a planning commission member, was also asked to participate.

The manager was directed by the Board to contact County Engineer, Joel Ristau, to set up a meeting to initiate discussion about assumption of the sewer system. Commissioner Nuxoll was designated as the Board representative to this meeting.

PUD Logo Update Proposal Review

The manager provided samples of new proposed PUD logos for Board consideration. After review and discussion the Board selected two logos requesting modification to both. The manager and the Board discussed the expense of changing to a new logo. The manager stated that changing stationery and envelopes would be minimal but the making of an office sign and changing of bill print and other items will be a bit more money. He

stated that the change can be gradual as supplies run out. The PUD website is scheduled for an update to go along with our new online payment program. The new logo will be incorporated in the website update. Commissioner Hicks stated that new name badges need to be made for the commissioners once a logo is decided upon. The manager stated that he would provide the Board with a cost estimate to change to a new logo.

MANAGER'S REPORT

Well 6 Motor – The recently repaired motor for Well No. 6 was replaced and is operational. The manager stated that this is the fourth repair made to the rotor that initially failed in 2005.

Online Payment Program Update – Treasurer Bob Sischo provided an update to the commissioners about the status of the online payment and e-statement program. The treasurer stated that a website link is ready and undergoing testing. Customers will be able to pay their account with a credit card using the site. Each customer will be able to set up their own account. They can also select receipt of their bill via their email account saving the PUD the cost of printing and mailing. Testing will continue through December and the program will be offered to customers beginning in January.

PURMS Operations Committee Meeting – Treasurer Bob Sischo provided an update to the commissioners about the PURMS Operations Committee meeting held on Thursday, November 7, 2008 and the status of the property, liability, and health insurance pool. The treasurer was elected Chair of the Operations Committee and will serve in that capacity for one year. The treasurer will be attending the PURMS annual meeting on Thursday November 13, 2008.

COMMISSIONER'S REPORT:

Commissioner Nuxoll will be attending the PURMS annual meeting on Thursday November 13, 2008. The Watershed Planning meeting scheduled for November was postponed until December due to conflicting schedules

ADJOURNMENT

There being no further business the meeting was adjourned at 6:35 pm.