

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
January 8, 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. Attorney Scott Broyles

Members of the public were present.

MINUTES OF MEETING AND VOUCHER APPROVAL:

MOTION by Commissioner Don Nuxoll seconded by Commissioner Gary Hicks to approve the consent agenda giving approval of the minutes of the December 27, 2007 Regular Meeting and payment of the Transaction Voucher covering vouchers #1621 through #1625, and 850EFT through 862EFT in the amount of \$24,944.59 and Blanket Transaction Voucher Approval Document covering vouchers #25361 through #25403, and Electronic Transaction Voucher #20080104, #20080108, #2008010801 and #2008210802 in the amount of \$145,639.80. The question was called for on the motion. Passed 3-0

PUBLIC FORUM: WATER USE EFFICIENCY/CONSERVATION PLAN

The general manager gave a presentation on a proposed water use efficiency/water conservation plan. The PUD is developing a water conservation plan to meet the Washington State Department of Health Water Use Efficiency Rule (Rule). The Rule was adopted in January 2007 and was a result of the 2003 Municipal Water Law. The purpose of the Rule is to set measurable demand-side or customer water conservation goals. The voluntary goals are intended to help customers use water more efficiently. The purpose of the public forum is to engage our customers and seek their input on the goal setting process. The PUD is required to measure conservation and annually report to the state and our customers about water conservation.

The manager reviewed current conservation measures as outlined in the 2006 Comprehensive Water System Plan. Leak detection and repair, the installation of source meters, the replacement of service meters, rate increases and customer education are some of the measures that the PUD has employed to encourage conservation.

The manager stated that as required by the Rule, reclaimed water opportunities have been considered but are cost prohibitive at this time. In addition, the manager reviewed the requirement of imposing a conservation rate during the peak season of June through October to encourage water use efficiency. The proposed rate would increase to \$1.25 per unit for customers who use more than 500 cubic feet or five units per day. The Rule requires the review but does not require adoption.

The manager reviewed the proposed conservation measures for the years 2008 to 2012. The measures proposed are: showing consumption history on billing statements, customer education, free toilet leak detection dye tablets, free bathroom faucet aerators, free showerheads and promotion of irrigation efficiencies and landscape management. By the end of 2012 it is estimated that these measures will be save approximately 27,700 gallons of water per day.

The manager stated that comments provided by customers will be reviewed and incorporated into the plan. The Rule requires that the plan be adopted on or before January 22, 2008. A final plan will be provided to the Board for consideration and adoption at the next regular meeting.

OLD BUSINESS

Port of Wilma Water Sales

The manager stated that Joe Poire, Executive Director of the Port of Whitman County contacted him to discuss their proposal to raise rates at the Port of Wilma. Mr. Poire stated that they are considering raising rates to the same per unit charge as the PUD. Because Bennett Lumber has cut their water use in half with more efficient sprinklers the revenue received is much lower and they are not meeting their fixed costs. Mr. Poire stated that the rates would be raised and they would shut off their pump and use PUD water. He reported that not utilizing their well would save the Port \$6,000 to \$7,000 a year in electrical costs. Mr. Poire asked that if the Port used more PUD water would the standby fire protection fee sunset. The Board stated that they would honor their word during contract discussions last year that they would reduce or eliminate the fee if water use increases. Essentially the line would no longer be a large fire service line but would then become a full distribution main and the fee could be reduced or eliminated. Mr. Poire stated that he will be discussing this proposal with his Board on Thursday, January 17th.

NEW BUSINESS

Resolution 08-327 Rates, Charges and Fees

The manager presented Resolution 08-327 which sets rates charges and fees for the years 2008 through 2012. The manger stated that at the previous meeting a majority of the Board voted to not increase rates for the year 2008 as proposed in Resolution 06-313. The manager stated that this resolution ratifies their decision.

MOTION by Don Nuxoll, seconded by Judy Ridge to approve Resolution 08-327 establishing water rates, fees and charges and repealing Resolution 06-313. The question was called for on the motion. Commissioners Nuxoll and Ridge – Yes; Commissioner Hicks – No. Passed 2-1.

Resolution 08-328 Sole Source Sensus Electric Meters

The Manager presented Resolution 08-328, which waives the bidding requirements allowing for the Sole Source purchase of Sensus electronic meters and radio frequency meter reading units from United Pipe and Supply, Inc., an authorized Sensus Metering Systems dealer. The 2008 budget provides \$200,000 toward the purchase of radio read meters. In 2008 we are planning to replace and/or retrofit approximately 875 meters. 25 additional electronic metering systems will be purchased for new service installations. By the end of the year approximately 3,900 meters or nearly 57% of our customer base will be on the automated radio meter reading system.

MOTION by Gary Hicks seconded by Don Nuxoll to approve Resolution 08-328 waiving the competitive bidding requirements and authorizing the sole source purchase of Sensus electronic radio meters and equipment from United Pipe and Supply. The question was called for on the motion. Passed 3-0.

EXECUTIVE SESSION:

The Board of Commissioners entered into executive session at 6:35 p.m. to discuss the sale and acquisition of real property. Commissioner Ridge stated that the executive session would last approximately twenty (20) minutes.

Commissioner Ridge reconvened the meeting at 6:45 p.m. The manager and legal counsel were instructed to offer \$235,000.00 on the property located at 1510 Scenic Way.

The PUD is planning to utilize the property, situated above the PUD office, as their operations shop. The property consists of 2.44 acres and 20 commercial storage units.

Legal Services Agreement for 2008-2009

At the previous meeting the Board approved the 2008-2009 Legal Services Agreement between the PUD and Attorney Scott Broyles. The Agreement was approved and the same 2007 fees without Mr. Broyles' requested monthly retainer increase from \$750.00 to \$1,000.00. Mr. Broyles requested reconsideration of his monthly retainer increase by the Board. After discussion about the request, the Board decided to rescind their previous Agreement approval decision and increase Mr. Broyles retainer for legal services from \$750.00 to \$1000.00 per month.

MOTION by Gary Hicks, seconded by Don Nuxoll to rescind the previous decision regarding the 2008-2009 Legal Services Agreement with Attorney Scott Broyles and to approve the new 2008-2009 Legal Services Agreement with a \$1,000.00 per month retainer. The question was called for on the motion. Passed 3-0

MANAGER'S REPORT:

Standby Generator – the insulation for sound attenuation was scheduled to be sprayed inside the generator cover but it is too cold. This has been rescheduled and will take place in March or April. The muffler has been installed and the wire will be in place by tomorrow. Energy Northwest will change the oil and anti-freeze. The initial start up is scheduled to occur on January 24th.

Bill Print and Mailing Outsourcing – the beginning of outsourcing for the bill printing and mailing has been postponed until February.

Washington PUD Association Building Dues Assessment – the PUD's third and final assessment on the new PUD Association Building has been paid.

COMMISSIONER'S REPORT:

Commissioner Nuxoll will attend the Watershed Planning Unit meeting on January 24.

Gary Hicks will be attending the Washington PUD Association meeting in Olympia on January 30-31.

Meeting Minutes
January 8, 2008
Page 5

ADJOURNMENT

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