

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
July 21, 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, Board Secretary Roberta Tilden and Attorney Scott Broyles.

MINUTES OF MEETING AND VOUCHER APPROVAL:

MOTION by Commissioner Don Nuxoll and seconded by Commissioner Gary Hicks to approve the consent agenda giving approval of the minutes of the July 8, 2008 Regular Meeting and payment of the Transaction Vouchers covering vouchers 1049EFT through 1063EFT in the amount of \$22,815.86 and Blanket Transaction Voucher Approval Document covering vouchers #25979 through #26010, and Electronic Transaction Voucher #20080703, #2008071701, #2080702101, #2008072201, #2008072301 and #2008072401, in the amount of \$126,750.95. The question was called for on the motion. Passed 3-0

OLD BUSINESS

Water Right Change Applications

The general manager reported that he is waiting to hear from the Department of Ecology on how to proceed with assisting the City of Asotin and Atlas Sand and Rock with their water right issues. Attorney Joe Brogan is still working on the update of our chronology on the surface water rights.

Standby Generator

The manager reported that a representative from Underwriter's Laboratory will be coming soon to inspect and approve the automatic transfer switch. It will cost about \$1,500.00 to \$2,000.00 to have the inspection completed to satisfy the state electrical inspector. Energy Northwest will pay for the inspection.

Vehicle Storage Building

The manager reported that the contract with Baldwin Construction for construction of the Vehicle Storage Building has been executed. Construction is scheduled to begin on the vehicle storage building on August 4th.

Using the Engineering Request for Qualifications process as advertised in May, work has begun on seeking Statements of Qualifications from architects for design of the operations shop. The manager stated that he will make a recommendation to the Board for hiring an architect in August. After selection of an architect, a contract will be negotiated for design of the operations shop. When the vehicle storage building is complete, items will be moved from the old shop to the storage building and the old shop will be torn down. The first step after shop demolition occurs will be to level the ground and take the surface down five to ten feet.

NEW BUSINESS

Write off 2004 Bad Debts

The manager stated that the Administrative Policy requires board approval for the write-off of bad debts after the customer's accounts remain uncollected for more than three (3) years. The 2004 accounts submitted for write-off were sent to the collection agency and will continue to be pursued. Customers that have been sent to collection and want to sign up for service again must pay any previous bad debt before receiving service. Any amounts received after approval of write-off become miscellaneous income.

The 2004 Bad Debt includes 88 accounts sent to collections in the amount of \$7,006.96. The bad debt amount represents .0028 percent of our \$2.510 million in metered sales for the year 2004. The Commissioners commented that the 2004 bad debts were higher than 2003. The general manager stated that the primary reason for the increase in the amount was due to the delinquent account fees that we began applying in 2003.

MOTION by Commissioner Don Nuxoll and seconded by Commissioner Gary Hicks to approve the write off of the 2004 Bad Debts. The question was called for on the motion. Passed 3-0.

HDR Engineering Services Agreement-Phase II Hydro/Geological Study

The manager presented for Board approval, Amendment No. 1 to the Engineering Services Agreement with HDR Engineering Inc. for the WRIA 35 Watershed Planning

Unit's Hydro Geological Study. Phase I of the study is near completion. The manager reported that the Planning Unit has reviewed HDR Engineering's Phase II Scope of Work for the study and has recommended approval of an Amendment. The State Department of Ecology provided funding in the amount of \$300,000 for the study. \$100,000 was allocated to Phase I with \$160,000 allocated to Phase II. The remaining funds of \$40,000 will be utilized for additional studies. The study is focusing on the geologic formations in the Asotin basin.

MOTION by Don Nuxoll, seconded by Gary Hicks, approving Amendment No. 1 to the Engineering Services Agreement with HDR Engineering for Phase II of the Hydro Geological Study and authorizing the General Manager to execute the Amendment. The question was called for on the motion. Passed 3-0.

Snake River Salmon Recovery Board Coordination Agreement

The manager presented the Snake River Salmon Recovery Board (SRSRB) Interlocal Governmental Coordination Agreement. The SRSRB has agreed to provide the PUD and the WRIA 35 Watershed Planning Unit \$30,000 in funding toward the continued integration and coordination of the WRIA 35 watershed and regional salmon recovery plans. The funding is for a 12-month period beginning July 1, 2008 and ending June 30, 2009. The manager stated that this agreement is similar to our 2007-2008 agreement with the SRSRB. One item that has changed is that the Snake River Salmon Recovery Board is now "housed" as part of the Walla Walla Community College.

The SRSRB funding will be used for administrative purposes for the Watershed Planning director, Brad Johnson, paying for salaries, benefits and travel to and from meetings.

MOTION by Don Nuxoll, seconded by Gary Hicks approving the Snake River Salmon Recovery Board Interlocal Governmental Coordination Agreement and authorizing the general manager to execute the Agreement. The question was called for on the motion. Passed 3-0.

Resolution 08-333 – WPUDA Mutual Aid Agreement

The manager presented Resolution 08-333 which authorizes the execution of the Washington PUD Association's Mutual Aid Agreement. The Agreement is between all public utility districts that operate water and sewer utilities in Washington State and is similar to the one used by other water and wastewater districts in the state. Each PUD who adopts the Agreement agrees to provide personnel, materials and equipment to other PUDs who are parties to this Agreement and who request assistance to handle a disaster or emergency. Counsel has reviewed the Agreement and has approved of its content.

MOTION by Gary Hicks, seconded by Don Nuxoll, to approve Resolution 08-333 approving the WPUA Mutual Aid Agreement and authorizing the general manager to execute the Agreement. The question was called for on the motion. Passed 3-0.

Resolution 08-334 – Personnel Policy Amendment

The manager presented Resolution 08-334 which provides for the amendment of the Personnel Policy and Procedures manual. The manager explained that amendments to the Personnel policy will address and clarify audit recommendations provided by the state auditor as part of the fiscal year 2007 audit. The policy amendment adds an Employee Recognition Program and clarifies when personal leave is earned and how personal leave is paid out in the event of the death of an active employee.

MOTION by Don Nuxoll, seconded by Gary Hicks, to approve Resolution 08-334 amending the Personnel Policy. The question was called for on the motion. Passed 3-0.

Resolution 08-335 – Sewer Authority Ballot Proposition

The manager presented Resolution 08-335 which provides for the placement of a proposition requesting sewer authority from PUD customers on the November 2008 ballot. For the past several years Asotin County and its Commissioners have requested that the PUD discuss with them the assumption their sewer system. The Sewer Ballot Proposition, if passed, will provide sewer authority to the PUD and will allow the PUD to talk in earnest with Asotin County about the possibility of assuming their sewer system. The manager stated that approval of the proposition and provision of sewer authority by our customers does not necessarily mean that the PUD will be assuming the sewer system; it just means that discussions can officially begin. The law provides that the PUD has ten (10) years to acquire or construct a sewer system before authority lapses. The Commissioners suggested that the public be notified about the benefits of this plan before the election. The manager stated that he would contact the Tribune and provide them with the Board's decision. A certified copy of the Resolution will be taken to the County Auditor tomorrow.

MOTION by Gary Hicks, seconded by Don Nuxoll, to approve Resolution 08-335 authorizing a ballot proposition for sewer system authority and directing the Asotin County Auditor to place the proposition on the November 2008 ballot. The question was called for on the motion. Passed 3-0.

MANAGER'S REPORT

Well No 6 – The US Motor on Well No. 6 failed again for fourth and final time. Specialty Pump was notified and the motor was removed and the old Well No. 7 motor was put in place. The well is operational. The manager contacted the company that did the repair work requesting a refund. The motor was retrieved by H&N Electric and shipped back to the company that is located in North Carolina. They will evaluate the motor for workmanship. The repairs, made in the summer/fall of 2007 are under warranty.

Vineland Cemetery – Mainline pipe has been ordered and a material supply vendor has been selected for the sprinkler laterals, sprinkler heads and other material. Vineland Cemetery has hired Valley Green Sprinklers to install the sprinkler system components.

Copier Replacement – A Konica copier has been selected from the price quotes the PUD received. The cost of the copier is \$3,722.00 plus tax. The copier has the same functions as our current copier at a higher page per minute rate and can be used as a fax machine and scanner. The purchase price is less than half of that was budgeted for replacement.

Janitorial Services – The PUD has received several quotes for janitorial services. No final decision has been made at this time. References are being contacted and a firm should be chosen with a contract start date of September 1st.

Commissioner Per Diem – The Office of Financial Management has adjusted the Public Utility District Commissioner per diem rate for inflation from \$90 per day to \$104 effective July 5, 2008. The change was posted in the Washington State Register. The RCW concerning commissioner compensation provides for an adjustment every five years beginning July 1, 2008.

City of Asotin – The manager has received the City's Comprehensive Water System Plan. The plan is currently under review by the State Department of Health.

COMMISSIONER'S REPORT:

Commissioner Hicks attended the Washington PUD Association meetings in Wenatchee on July 16-18, 2008. The round table discussions were very informative. He reported that Whidbey Island has gathered enough signatures to place a proposition for formation of a PUD on the November ballot. Jefferson and Skagit are both considering seeking electrical authority on the November ballot. A citizens group in Jefferson County has taken the initiative for a petition drive that has garnered enough signatures to qualify for the November ballot. Skagit is considering a resolution for a proposition.

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Commissioner Ridge will be traveling on July 22, 2008 to Richland for Energy Northwest (ENW) meetings being held the 23rd and 24th. The manager stated that Jim Oakley, a representative from ENW will be at the August 12th meeting to update the Board on recent activities.

ADJOURNMENT

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