

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
June 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: Don Nuxoll and Judy Ridge.

PUD Staff: General Manager Tim Simpson, Attorney Scott Broyles and Board Secretary Roberta Tilden.

MINUTES OF MEETING AND VOUCHER APPROVAL:

MOTION by Commissioner Don Nuxoll seconded by Commissioner Judy Ridge to approve the consent agenda giving approval of the minutes of the May 27, 2008 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1634 through #1635 and 1002EFT through 1017EFT in the amount of \$25,152.84 and Blanket Transaction Voucher Approval Document covering vouchers #25839 through #25896, and Electronic Transaction Voucher #20080603, #2008052801, #2008052802, #2008060301 #2008060501 and #2008060502 in the amount of \$144,754.95. The question was called for on the motion. Passed 2-0

OLD BUSINESS

Water Right Change Applications

The general manager reported that the Department of Ecology's Assistant Attorney General (AAG) has completed his review of our water right change applications and the report that accompanied them. He provided feedback to the Ecology staff in the Eastern Regional office the last week of May. The manager spoke with the Ecology staff about the results of the AAG review. It appears that the change applications are supported by Ecology. The Ecology staff has requested additional information regarding our surface water rights to help strengthen our application and their report. The manager met twice with counsel to work on the update of this document. Once completed, the updated document will be submitted to the Ecology staff. The Ecology staff will be making changes noted by the AAG and will resubmit a final report in a couple of weeks for final review by the AAG.

Ecology's determination of "Active Compliance" on their interpretation of the Municipal Water Law could possibly be an issue. On Wednesday June 11, the King County Superior Court Judge will provide a decision on the challenge to the 2003 Municipal Water Law. The decision will likely be appealed to the State Supreme Court.

Operations Shop

The manager reported that on Monday, June 2nd, the Asotin County Commissioners unanimously approved the PUD Conditional Use Permit application for the vehicle storage building and operations shop. The manager stated that the next step is to move the dirt pile where the vehicle storage unit will be constructed and get exact measurements on its size. The goal is to have an adequately sized building that is far enough away from the fence line to meet fire code requirements. Once this is a complete, the Small Works Roster will be utilized to seek bids.

Standby Generator

The manager stated that the Request for Qualifications (RFQ) for Electrical Engineering and other consulting services was advertised and several consulting firms have responded. The staff reviewed the RFQ's and is proposing contracting with CH2MHILL to provide electrical engineering services for replacement of the motor starter at Well No.7. The current motor starter will not start the well motor when the generator is in operation because of the electrical load. CH2MHILL will be responsible for reviewing the current documentation, testing the electrical load requirement of the motor and providing a recommendation for the purchase of a new motor starter. A scope of work and contract is under development and should be ready to submit to the commissioners for consideration by the June 24th meeting. The manager stated that he has not received a response to contact made with Energy Northwest regarding resolution of the electrical code issues. Commissioner Ridge was asked to contact Energy Northwest about the lack of response.

City of Asotin

The manager reported that as a follow up on the City of Asotin's request to consider ownership of their system, he has reviewed their financial records. The city receives approximately \$151,000.00 in annual water system revenue and has approximately \$141,000.00 in expense. They have no debt on their water system at this time however they are constructing a new reservoir that will create a \$37,000 to \$43,000 annual debt payment. The manager stated that based on the financial information provided, the City will need to increase rates to cover the new debt.

The manager stated that the City charges their customers \$20.50 per month for 10 units of water. The PUD cost for the same amount of water is \$20.40. It is likely that in the winter months City resident's bills would be lower. In the summer there is a disparity because their consumptive rate for water used over 10 units is \$0.35 per unit. The PUD rate is \$0.79. The Asotin-Anatone School District would see the largest affect from PUD ownership due our rates. On average the PUD is slightly higher per month than the City. With a rate increase for their debt payment the difference will be much closer.

The manager reported that he received a copy of the City's Washington State Department of Health Operating Permit. The permit showed their category as "Yellow". This indicates that they have a compliance issue. The manager contacted the DOH regional engineer and found out that their comprehensive water system plan was due in April. Because they did not meet that deadline their permit automatically was changed to yellow. The manager stated that he is currently assisting the City's consultant with the water system plan. The plan is due to DOH on June 27, 2008

Asotin County Sewer System

The manager requested direction on a resolution seeking sewer authority. If a resolution is to be considered for the November election it has to be at the County Auditor's office by August 11, 2008. The County has again expressed their interest in the PUD assuming their sewer system. In order to talk with them in earnest the PUD would need to receive permission for sewer authority from their customer-owners by vote in November. It was agreed that the PUD should move ahead with a resolution seeking sewer authority. The general manager was directed to speak with each County Commissioner and Commissioner candidate to ensure their continued interest. Once interest is ascertained the manager was directed to work with counsel in the development of a resolution seeking sewer authority on the November ballot.

NEW BUSINESS

Watershed Planning Unit - WSU Stream Habitat Assessment Agreement

The manager stated that the Watershed Planning Unit advertised a Request for Proposals for a Stream Habitat Assessment Project in the watershed. The Planning Unit reviewed the proposals submitted and selected Washington State University to provide the services requested. The Planning Unit is recommending the hiring of WSU. The manager presented the Stream Habitat Assessment Project Agreement between the PUD and WSU for Board consideration. The manager requested approval and authorization to execute the agreement.

MOTION by Don Nuxoll, seconded by Judy Ridge approving the Agreement between the PUD and Washington State University for the Watershed Planning Unit Stream Habitat Assessment Project and authorizing the General Manager to execute the agreement. The question was called for on the motion. Passed 2-0.

2007 Fiscal Year Audit

Commissioner Ridge took a moment to thank the management and staff for another clean audit. The manager stated that the audit for the year 2007 resulted in two minor recommendations. The recommendations are policy related and will require amendments to our personnel policy.

MANAGER'S REPORT

Water Production – water production and water sales are lagging behind last year due to more timely rain. Through the first 10 days of June we have received 1.75 inches of rain. We have used 98 million gallons of water less than last year and revenue is down by about \$100,000.00. Production for June is less than half of what it was last year.

Well #7 Chlorinator Upgrade – The equipment for the ClorTec system upgrade has been shipped. The system upgrade should be completed by the end of June.

Vineland Cemetery irrigation project – the Vineland project is moving forward. Vineland is working with a local sprinkler company to identify all necessary material quotes and will be seeking quotes for the material. The materials should be purchased by the end of the month. Vineland has raised \$60,000.00 in donations for the project. The Watershed Planning Unit will be providing another \$15,000. Construction of the main line is scheduled for July with the sprinkler system installation to begin in August.

COMMISSIONER'S REPORT:

Commissioner Nuxoll attended the Watershed Planning Unit meeting today at the PUD office and he will be attending PURMS meetings next Wednesday and Thursday.

ADJOURNMENT

There being no further business the meeting was adjourned at 6:10 pm.