

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
June 24, 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, Attorney Scott Broyles, 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 June 10, 2008 Regular Meeting and payment of the Transaction Vouchers covering vouchers 1018EFT through 1032EFT in the amount of \$21,849.96 and Blanket Transaction Voucher Approval Document covering vouchers #25897 through #25931, and Electronic Transaction Voucher #20080601801, #2008062001, #2008062301, #2008062302 and #2008062401 in the amount of \$211,026.23. The question was called for on the motion. Passed 3-0

PORT OF CLARKSTON

Wanda Keefer, Manager for the Port of Clarkston provided an overview of the Port's Industrial Park Feasibility Study. Ms. Keefer provided the Board with a packet of information with executive summary of the study. The goal of the study is to find adequate property to develop an industrial park that will attract businesses and living wage jobs to the County. The Port conducted a property search and has identified a parcel west of Evans Road in Section 36 which is owned by the County. The Port is seeking to purchase or lease the property. In a meeting yesterday the County Commission decided that the question of selling the property will go on the November Ballot as an advisory issue.

Ms. Keefer spoke about the proximity of the property near our 12 inch water main that was extended from 3rd Avenue to Ben Johnson Road. She also spoke of the County's desire to install sewer facilities in the area with a lift station that will provide a benefit to the industrial park and surrounding subdivisions. Ms. Keefer stated that the lack of adequate sewer has been the key issue that has kept business from locating here. It was mentioned that the PUD is part of the steering committee for the feasibility study. Ms. Keefer mentioned other options if the County decides to not sell the parcel identified.

OLD BUSINESS

Water Right Change Applications

The general manager reported that in light of a King County Superior Court judge's ruling on Wednesday, June 11, 2008, attorney's Joe Brogan and Scott Broyles are recommending that we do not pursue the consolidation of our water rights or the transfer of surface water rights to groundwater rights through our water right change applications with the Department of Ecology. Mr. Brogan stated that the judge's ruling which was in regards to a challenge to the Municipal Water Law has significantly weakened our case for transferring water rights and proposed consolidation of our rights. Because of the ruling Department of Ecology staff are waiting for direction from their management on how they should proceed with pending applications. The legal challenge will likely go to the State Supreme Court but will take 8 to 9 months before there are any hearings. The entire process could take two years.

Mr. Brogan has been directed to complete the update of our chronology on the surface water rights and submit these to Ecology however the applications will be pulled out of the processing until the legal challenge to the Municipal Water Law is resolved. The manager stated that he would like to continue to pursue adding the city of Asotin and Atlas Sand and Rock wells as points of diversion on our wells in order to help them with inadequate water right issues. The manager is waiting for a response from Ecology regarding this proposal before proceeding. If adding these wells as points of diversion will put our water rights in jeopardy then the process will not be pursued.

It was the consensus of the Commissioners to pull our water right changes applications from the process at this time.

Operations Shop

The manager reported that the dirt pile where the vehicle storage unit will be constructed has been moved and measurements on its size were made. The building will be 70 feet long by 34 feet wide and will accommodate 6 vehicles. The building will be located 10 feet from the fence line eliminating the need for sheet rocking the building to meet fire code. The building plans were shared with the County and were preliminarily approved. The peak of the building is exactly 1 foot below the maximum allowable height based on its distance from the fence. Using the Small Works Roster process, several firms have been contacted and have been provided building plans and bidding documents. Bids for the building are due on Monday, July 7, 2008. A recommendation for selecting a qualified lowest bid will be presented to the Board at its July 8th meeting.

Standby Generator

The manager reported that after the last meeting Commissioner Ridge contacted top management at Energy Northwest to discuss concerns about the lack of communication from staff about issues that need to be resolved and about the dysfunction in the overall project. The manager reported that since Commissioner Ridge's call the communication from ENW staff involved in the project has been very good. Issues brought up by the state electrical code inspector during inspection are near resolution. The issues are regarding the automatic transfer switch. One problem was regarding the lack of paper work for the UL Code Listing and the other was regarding adequate disconnect switches in the event of an emergency. The sound attenuation material is on site and staff is coordinating with a local contractor to clean the generator enclosure and to spray the material. Diesel Service and Supply who the generator was purchased from is responsible for this service.

Asotin County Sewer System

The manager stated that as directed by the Board he contacted each County Commissioner and commissioner candidate to ensure their support of the PUD seeking sewer authority for the County's proposed assumption by the PUD of their sewer system. The manager stated that each Commissioner and commissioner candidate contacted supports this effort. 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. At the previous meeting it was the consensus of the Board members present, that the PUD should move ahead with a resolution seeking sewer authority. Now that support of the issue has been provided by the County Commission, the general manager will work with counsel in the development of a resolution seeking sewer authority on the November ballot. A board approved resolution is due to the County by August 11, 2008.

NEW BUSINESS

CH2M HILL Well 7 Motor Starter Evaluation Engineering Services Agreement

The manager stated that CH2M Hill Inc. was selected from a Request for Qualifications for consulting services to provide services regarding the evaluation and recommendation of a new soft start motor starter for Well No. 7 which will run and operate the well motor when the standby generator is in operation. CH2M HILL provided a standard Professional Services Agreement and scope of work and budget. The total cost of the service is \$9,323.00. Counsel reviewed the Agreement and requested several deletions and amendments to the agreement which was presented to CH2M Hill by the manager via

e-mail. Counsel felt that the contract for the \$9,323.00 was too comprehensive for the service provided and that the Agreement was not favorable or balanced for the PUD. CH2M Hill's position was that they were trying to provide an Agreement that meets the current project along with potential future projects.

The manager and PUD counsel Scott Broyles met by conference call with CH2M Hill's engineer John Wiskus and their staff attorney to discuss PUD Counsel's requested deletions and amendments. CH2M Hill seemed accepting of the proposed changes. The Agreement will be modified and will be presented to the Board at the July 8th meeting for consideration and approval.

MANAGER'S REPORT

Water Production – water production and water sales are still lagging behind last year. Production is down approximately 100 million gallons.

Vineland Cemetery irrigation project – the Vineland project continues to move forward. Main line pipe has been ordered. Vineland received a favorable quote from Ferguson Waterworks. Sprinkler system material will be ordered in the next two weeks. Construction of the main line is scheduled for July with the sprinkler system installation to begin in August. Vineland has hired James Petrie, owner of Valley Green Sprinkler to complete the lateral line and sprinkler system installation. The Commission commented about the article in the Lewiston Morning Tribune about the Vineland Cemetery and the positive press the PUD received and the positive comments Commissioners received from patrons after reading the article.

Copier Quotes – quotes for a new copy machine using the Vendor Roster Process are being received. The 2008 budget provides for the copier replacement. Money has been set aside in the Equipment Replacement Fund to purchase a new copier. The current copier is eight years old and in need of replacement.

Custodial Service Quotes – quotes are being received from firms interested in providing custodial services.

COMMISSIONER'S REPORT:

Commissioner Hicks attended the American Water works Association's Annual Conference and Exhibition in Atlanta Georgia on June 7-12, 2008.

Commissioner Nuxoll attended the PURMS Board meetings last Wednesday and Thursday, June 18 and 19, 2008. He stated that reserves for the liability pool and the medical pool will be increased. The PUD will receive an assessment and pay their part in increasing the reserves. PURMS is allowing pool members to pay for the proposed assessments monthly for the next twelve months. The state auditor was at the meeting and spoke highly of PURMS and their business model. The Department of Natural Resources (DNR) and the Forest Service is suing PUDs and other utilities because of fires started by trees in the PUD right-of-way falling on power lines. Commissioner Nuxoll spoke about the process and settlement of ongoing suits. He also spoke about the number of water claims submitted and about sewer damage claims. If there is a claim due to backing up of the sewer generally PURMS is buying the house.

ADJOURNMENT

There being no further business the meeting was adjourned at 7:08 pm.