

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
December 29, 2009

President Gary Hicks 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: Gary Hicks, Don Nuxoll and Judy Ridge.

PUD Staff: General Manager Tim Simpson, Treasurer Bob Sischo and Watershed Director Brad Johnson.

Wanda Keefer, Port of Clarkston Manager.

Members of the public were present.

MINUTES OF MEETING AND VOUCHER APPROVAL:

MOTION by Commissioner Judy Ridge and seconded by Commissioner Don Nuxoll to approve the consent agenda giving approval of the minutes of the December 8, 2009 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1534EFT through #1546EFT in the amount of \$20,302.26 and Blanket Transaction Voucher Approval Document covering vouchers #27531 through #27579, and Electronic Transaction Voucher #20091121, #20091218, #20091221, #20091228 and #20091230 in the amount of \$55,972.06. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

Port of Whitman County – Port of Wilma Water System Operations

The manager stated that he sent a letter to the Port of Whitman County Executive Director Joe Poire confirming receipt of the Port's letter dated November 23, 2009 in which the Port provided a 30 day notice suspending the operations and maintenance agreement with the PUD for the water system at the Port of Wilma. The manager stated in the letter that the operations and maintenance agreement for the Port of Wilma water system will be terminated at midnight on December 31, 2009, that the PUD is available in the event of an emergency and that we are interested in continuing discussions regarding transfer of the Port of Wilma water system to the PUD. The manager stated that staff has spent time this month training Port staff and preparing for the changeover. The manager stated that the Water Sales Contract between the Port of Whitman County and the PUD will remain in force.

Sanitary Sewer System Transfer

The manager stated that the process of transferring the Asotin County Sanitary Sewer System to the PUD on January 1, 2010 is going well. County staff has been spending time training PUD staff. The current County sanitation truck will remain with County staff even though the system will transfer to the PUD. This will allow County staff to respond to call outs until staff feel they have been adequately trained on the system. When the county receives a call out PUD staff on call will be contacted immediately to assist with the call out. The manager stated that he has contacted our insurance company and it is acceptable for a County staff member to use the vehicle even though ownership has been transferred to the PUD. The manager stated that an original set and a copy of the sewer maps will be provided to the PUD this week. The County will keep one of the sets as a backup.

The manager stated that in reviewing operations with County staff he will be evaluating liability associated with STEP systems and with an improvement district on 18th Street that was initiated in 1980's. The STEP system policy currently requires the PUD to maintain the line and pump on the customer's property. The PUD has always owned and operated facilities in the right-of-way and service lines on the customer's property are their responsibility. The manager is concerned about the cost and liability in a fully built out STEP system at the proposed 200 units. Likewise sewer service provided on 18th Street as stated in the utility easement may require the PUD to own and maintain the sewer service line up to and including the clean out. The manager stated that he is concerned about liability and costs associated with this issue. The manager stated that he will discuss these issues with Joel Ristau, County Public Works Director and decide how to proceed.

Port of Clarkston Industrial Park

Wanda Keefer, Manager for the Port of Clarkston provided an overview of the development of the Port of Clarkston Industrial Park on Evans Road. She stated that the Port received approval for a \$300,000 grant and \$700,000 loan from the Community Economic Revitalization Board (CERB) for development of Phase 1 of the Industrial Park. Ms. Keefer stated that the loan payment is deferred for five years. Ms. Keefer provided a handout that detailed the requirements of the funding from CERB. The Port has to make significant progress toward development and construction of Phase 1 by July 1, 2010. She stated that a big component of the Industrial Park is the provision of water and sewer service.

Ms. Keefer stated that an engineering design has already been completed to construct a water line from Ben Johnson road approximately 3,400 feet to the site on Evans Road. She stated that she is aware that the Port's responsibility is to construct an 8-inch water line but that the PUD would prefer a 12" line to adequately provide for future expansion

of the area. Ms. Keefer requested that the PUD consider paying the incremental costs or difference between construction of the 8" and 12" line. Ms. Keefer provided a copy of the proposed budget for the Park that identifies estimated costs for sewer and water. She stated the estimated cost of the water project is \$230,000 and the estimated cost of the sewer is \$950,000. She stated that the Port has sought a congressional appropriation that will pay for a portion of the water line.

The sewer service line would be run down 4th Avenue and would require 2 lift stations. Jerry Cox has proposed a development in the area of 4th Avenue and has stated his willingness to participate in the project because he will need sewer for his planned development. Ms. Keefer stated that a sewer service line could be run from 6th Avenue near the land fill lift station to the park property as a temporary solution to meet the CERB requirements for funding. She stated there is currently no funding for the optimal sewer solution on 4th Avenue. Ms. Keefer requested the Board's consideration of seeking a congressional appropriation to construct the optimal solution for sewer service to the Park and surrounding areas. The Board stated that they will consider the requests made by Ms. Keefer and the Port of Clarkston.

NEW BUSINESS

Watershed Planning Director – Modified Employment Agreement

The manager presented a modified Employment Agreement for the Watershed Planning Director, Brad Johnson for 2010. The manager stated that on Wednesday, December 9, 2009 we received news from the State Department of Ecology that the Governor cut all funding for watershed planning beginning July 1, 2010. In addition \$32,800 will be cut immediately from our budget. The manager stated that this funding elimination for watershed planning will ultimately be decided by the legislature. He stated that we should have a better understanding of watershed planning funding by the time the legislature adjourns their short session at the end of March 2010. Until then we will plan for an exit strategy for termination of employment with Brad Johnson, Watershed Planning Director on June 30, 2010 due to the Governor's elimination of funding.

The manager stated that because of the funding elimination, the Planning Unit will accelerate the process to set instream flows by June 30, 2010. Moving forward beyond June, we will be seeking additional funding for WRIA 35 Integration / Coordination from the Snake River Salmon Recovery Board (SRSRB). There is also potential funding from the Bonneville Power Administration for watershed planning. The Planning Unit wants to stay active as the stream flow setting process progresses and wants to continue to meet on a regular basis. If the SRSRB and BPA provide funding Mr. Johnson can be retained and he will be tasked with deliverables in the funding and will be tasked with seeking grant funding for completing projects in our Detailed Implementation Plan.

Brad Johnson stated that he is committed to the process and will do everything in his power to find funding to continue the watershed planning process. He stated that he has contacted legislators and other officials explaining the situation and the need for funding to complete stream flow setting and move into implementation of projects. He stated that BPA has funding available but the state is reluctant to seek this funding because of political issues. Commissioner Hicks stated that we have put a lot of time and effort into this process for it to stop now. The Commissioners stated to Mr. Johnson that they are committed to the process and supportive of seeking legislator effort to reinstate funding for watershed planning.

The manager stated that the previous Agreement approved by the Board at their last meeting was not executed due to the receipt of the news of funding elimination. The modified Employment Agreement between the Watershed Planning Director Brad Johnson and the PUD is for a 6-month period beginning January 1, 2010 and ending June 30, 2010. The new Agreement sets forth the terms and conditions of Mr. Johnson's employment as the WRIA 35-Middle Snake Watershed Planning Director. The current Agreement expires on December 31, 2009.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Don Nuxoll approving the Watershed Planning Director Employment Agreement with Brad Johnson and authorizing the General Manager to execute the agreement. The question was called for on the motion. The motion passed 3-0.

Landscape Consulting Services Agreement – Don Brigham Plus Associates

The manager presented a Consultant Agreement with Don Brigham Plus Associates for landscape design services for PUD office property. Mr. Brigham will work with the Washington State University extension office and the Master Gardeners to develop office landscape to meet our water use efficiency goal and provide a demonstration Xeriscape or water efficient landscape.

Mr. Brigham's Scope of Work for the project includes a conceptual landscape design, a landscape design plan, a PUD sign design and a water feature design. The cost estimate of these tasks, 1- 4, is \$3,710. Task 5 involves bidding and construction management which would be charged on an hourly basis at \$105 per hour if the PUD chooses to utilize Mr. Brigham's services for this task. The manager stated that he has estimated the cost of landscaping, PUD sign and water feature at \$15,000. The design, landscaping, PUD sign and water feature are provided for in the 2010 budget.

MOTION by Commissioner Don Nuxoll and seconded by Commissioner Judy Ridge approving the Consultant Agreement for Landscape Architectural Services with Don Brigham Plus Associates and authorizing the General Manager to execute the agreement. The question was called for on the motion. The motion passed 3-0.

Scenic Way Pedestrian and Bike Facility User's Guide – Bill Statement Insertion Request

The manager presented a User's Guide for the Asotin County Scenic Way Pedestrian and Bicycle Facility Project. The guide provides information about the recently completed project and information on how to use the new pedestrian and bike path. Asotin County has requested insertion of this user's guide with our monthly billing statements. The County will pay for the cost of insertion of the flyer. Commissioner Hicks stated that he supported the insertion and felt it was a good idea by the County to showcase the project and provide useful information to those who intend to utilize the pathway.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Don Nuxoll approving the insertion of the User's Guide for the Asotin County Scenic Way Pedestrian and Bicycle Facility Project with our January billing statements. The question was called for on the motion. The motion passed 3-0.

Resolution 09-350 – Amending the 2010 Budget

The manager presented Resolution 09-350 which amends the 2010 Budget to provide for the operation and maintenance of the sanitary sewer system which the PUD will be taking over from the County on January 1, 2010. The budget was revised to include projected revenue and expenses for operating the sewer system. The manager stated that in summary, the addition of sanitary sewer will provide \$817,000 in revenue and operations and maintenance will incur an estimated \$612,000 in expenses. The manager estimated that due to the lack of a bond payment and the cutting of administrative overhead that was necessary under County management, unappropriated resources of approximately \$205,000 can be placed into sewer system reserves by year end.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Don Nuxoll approving Resolution 09-350 amending the 2010 Budget to provide for operation and maintenance of the sanitary sewer system. The question was called for on the motion. The motion passed 3-0.

Resolution 09-351 – Sole Source Purchase of Sensus AMR Meters

The Manager presented Resolution 09-351, 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 manager stated that the 2010 budget provides \$180,000.00 toward the purchase of radio read meters.

The manager stated that in 2010 we are planning to replace and/or retrofit approximately 628 meters. 40 additional electronic metering systems will be purchased for new service installations. By the end of the year approximately 5,430 meters or nearly 78% of our customer base will be on the automated radio meter reading system.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Don Nuxoll approving Resolution 09-351 waiving the competitive bidding requirements and authoring 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.

MANAGER'S REPORT

AWWA Management Training – The manager reported that he and Treasurer Bob Sischo will be attending an American Water Works Association Public Utilities and Waterworks Management Institute in Moscow, Idaho on January 11-13, 2010.

COMMISSIONER'S REPORT

Commissioner Ridge and Commissioner Hicks attended the Washington PUD Association Annual Meeting in Grand Mound Washington on December 2-4, 2009. Commissioner Hicks stated that Pend Oreille PUD Commissioner Dan Peterson has stated that he wants to be considered for the Associations' Executive Director's position.

Commissioner Nuxoll attended a Watershed Planning Unit meeting on Wednesday, December 9th at the PUD office and a Stormwater Advisory Group meeting on Tuesday, December 15th. He stated that a hearing for the stormwater construction ordinance has been scheduled for Wednesday January 6, 2010 at the Clarkston High School.

ADJOURNMENT

There being no further business the meeting was adjourned at 6:40 pm.