

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
December 28, 2010

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 and Treasurer Bob Sischo.

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 14, 2010 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1702 and vouchers #1872EFT through #1885EFT in the amount of \$23,317.45 and Blanket Transaction Voucher Approval Document covering vouchers #28639 through #28678, and Electronic Transaction Vouchers #10121701 and #10122101 in the amount of \$101,299.12. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

Water Rights Change Application

The manager reported that he received an email from Keith Stoffel regarding where Department of Ecology staff Dan Tolleson left off in the processing of our water right change application. In a previous conversation Mr. Stoffel stated that he would have Mr. Tolleson send us a copy of the "informal" draft report for our review. Mr. Stoffel stated that he misspoke about sharing the draft report. He stated that Ecology cannot do that until the draft report is ready for posting on their internet site. He continued by stating that Mr. Tolleson can share some of his data with us. Mr. Stoffel also stated that they are working on reviving the reports that Mr. Tolleson had started to draft. He stated that the first step is to convert them into a new format that Ecology started using since the water change application process was halted. The manager reported that Mr. Tolleson also contacted him by email and shared water rights quantities that we had discussed prior to the moratorium on the water right application processing. The manager reported that he has forwarded all information received to our PUD counsel and water rights counsel Joe Brogan. The manager read an email from Mr. Brogan regarding the information provided by Ecology. The manager stated that he and counsel will continue to pursue having our water right change application process reinitiated.

NEW BUSINESS

Vehicle Quote Award – 2011 Operation Foreman’s Truck

The manager reported that he requested quotes for a 2011 Foreman’s Vehicle from several dealers. He stated that quotes were sought on a full-size truck. He reported that he utilized the Material, Equipment and Vehicle Vendor Roster process which allows for the receipt of quotes and purchases from those quotes between the amount of \$15,000 and \$60,000. He stated that the current Foreman’s vehicle, a 1999 Ford Ranger, was originally scheduled for replacement in 2006. Replacement of this vehicle is budgeted for 2011 and \$21,965 has been designated in the Equipment Replacement Fund for replacement of this vehicle. As a part of the quote the 1999 Ranger will be offered as a trade on the new truck.

The manager reported that he received three (3) quotes for the 2011 Truck. The lowest quote came from Vern Eide Motorcars in Moscow, Idaho. Their net quote for a Ford F150 Extended Cab Truck was \$16,460.11. Included in this quote is \$3,000 for the trade in of the 1999 Ford Ranger. The manager recommended awarding the quote for the 2011 Operations Foreman truck to Vern Eide Motorcars of Moscow, Idaho in the amount presented.

MOTION by Commissioner Don Nuxoll and seconded by Commissioner Judy Ridge awarding the quote for the 2011 Operations Foreman’s 2011 Truck to Vern Eide Motorcars of Moscow, Idaho in the amount of \$16,460.11. The question was called for on the motion. The motion passed 3-0.

Resolution 10-361 – Surplus 1999 Ford Ranger

The manager presented Resolution 10-361 which provides for the surplus of the 1999 Ford Ranger allowing for it to be traded in on the 2011 Operations Foreman’s Truck.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Don Nuxoll approving Resolution 10-361 authorizing the surplus of the 1999 Ford Ranger and allowing it to be used as a trade in for the 2011 Operation Foreman’s Truck. The question was called for on the motion. The motion passed 3-0.

Intergovernmental Cooperation Agreement with the Port of Clarkston

The manager presented an Intergovernmental Cooperation Agreement between the Port of Clarkston and the PUD which provides for our cost reimbursement of our requested upsizing of the proposed Port Industrial Park water main from a required 8-inch line to a 12-inch line. Counsel has received a copy for his review. The manager stated that the upsizing of the line will ensure adequate flow to the area and provide for future growth.

He stated that the approximately 2,675 foot line will run west from near a hydrant on Ben Johnson and south on Evans Roads to approximately the middle of the Port's proposed Industrial Park. The PUDs portion of the approximately \$146,000 project is \$38,927. He stated that the Port of Clarkston followed State of Washington bid laws pertaining to the advertising and awarding of the bid to the lowest responsible bidder.

The manager stated that our cost associated with the project recognizes the difference in the price of material and labor between an 8-inch and 12-inch line. Minor engineering costs are also included. The manager stated that a 12-inch line was extended from 3rd Avenue during construction of the Cobblestone Subdivision allowing us to extend this larger sized line to the proposed industrial park. The manager stated that counsel has reviewed the document and made minor corrections to its content.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Don Nuxoll approving the Intergovernmental Cooperation Agreement between the Port of Clarkston and the PUD providing for cost reimbursement of the requested upsizing of the water line for the proposed Industrial Park and authorizing the General Manager to execute the Agreement. The question was called for on the motion. The motion passed 3-0.

Review of Rate Resolution 08-338

The Commissioners continued discussion regarding the review of water rates, charges and fees. The manager stated that he was concerned about the budget based on recent news he received from the City of Clarkston regarding their 2011 budget for their wastewater treatment plant. The manager stated that the City has included an additional \$680,000 in their budget for engineering services for the design of the proposed wastewater treatment plant update. The manager stated that the PUD is responsible for 35 to 38% of the wastewater treatment plant operation and maintenance budget. The percentage represents the PUD wastewater flow to the plant.

The manager stated that he was surprised by the budget number. He stated that generally a utility seeking to improve their facilities wraps the cost of engineering into the loan or grant. The manager stated that he has not had an opportunity to speak with the City of Clarkston Public Works Director due to the holidays and was not included in on the discussion regarding the budget. The manager stated that he will meet with the City's Public Works Director at the beginning of the year and to discuss protocol on including the PUD on budget discussions related to the plant and discuss the budget engineering services for the treatment plant upgrade.

Commissioner Ridge stated that the sewer budget has nothing to do with the water budget and that expenses incurred should not be based on rates charged for water customers. She also stated that we should not pay for these services that the City plans on charging. The manager agreed regarding the budget but stated that the PUD is a combined utility and that some services including personnel and customer service overlap and the

proposal by the City affects the bottom line of the budget. He also stated that we have agreements in place that provide for the payment of our percentage of the operations and maintenance budget of the treatment plant and an agreement providing for the payment of engineering services for the proposed upgrade to the plant. He stated that the engineering service costs will have to be paid someday but he stated that we would be better prepared to pay these costs in 2012.

Discussion ensued regarding how to proceed with the water rate, charges and fees resolution now in place. The manager restated options and the rate structure that the Board is considering. Both Commissioner Ridge and Commissioner Hicks stated that they were in favor of staying the course at least until 2012, after the revenue bond that bought the water system was paid off in December 2011. Commissioner Nuxoll stated that he would prefer that the consumptive rate remain the same and that the monthly minimum charge be raised \$1.00 per month. He stated that any time we raise the rate those with the highest usage have to pay the most. He stated that a monthly minimum charge increase distributes the costs somewhat evenly.

After further discussion the Commission agreed to leave the consumptive rate at \$0.89 per unit or 748 gallons and increase the monthly minimum charge \$1.00 for each size of water service. The manager stated that the new resolution would need to be adopted and the current one repealed in order for the rates to take effect. He stated that in order to move forward with the new rates January 1, 2011 for billing purposes the Board would need to make a motion adopting the rates specified and then they could ratify their decision with a new resolution at the January 11, 2011 meeting. After discussion regarding other charges and fees associated with Resolution 10-338, the Board directed the manager to review the New Service Installation Charge and Fire Hydrant Installation Charge to ensure adequate coverage of costs and provided for those costs in the new resolution. If costs are adequately covered by the charges the Board stated that those fees will remain the same for 2011.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Don Nuxoll to set the Consumptive Rate at \$0.89 per unit and increase the Monthly Minimum Charge \$1.00 per month for each size of service to be effective January 1, 2011. The question was called for on the motion. The motion passed 3-0.

MANAGER'S REPORT

City of Asotin – the manager reported that the PUD and the City of Asotin are now interconnected. Changing services over to the new line will occur after the first of the year.

Stormwater Utility Fees – the manager reported that he received a document from the new Asotin County Stormwater Utility which provided information about our annual costs for the utility. Our cost will be approximately \$2,500.

COMMISSIONER'S REPORT

There were no reports by the Commissioners.

ADJOURNMENT

There being no further business the meeting was adjourned at 6:45 pm.

Commissioner Gary Hicks, President

Commissioner Don Nuxoll, Vice President

Commissioner Judy Ridge, Secretary

I, JUDY RIDGE, Secretary of the Commission of Public Utility District No. 1 of Asotin County, Washington, certify that the attached copy of PUBLIC UTILITY DISTRICT NO. 1 OF ASOTIN COUNTY regular Meeting Minutes Dated December 28, 2010, is a true and correct copy of the original minutes approved on the 11th Day of January 2011, as such minutes appear in the Minute Book of the PUD.

Judy Ridge, Secretary of the Commission