

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
November 23, 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, Treasurer Bob Sischo and Counsel Scott Broyles.

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 November 9, 2010 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1843EFT through #1856EFT in the amount of \$23,145.34 and Blanket Transaction Voucher Approval Document covering vouchers #28549 through #28567, and Electronic Transaction Vouchers #20101130, #10110301, #10110302, #10111901 and #10111902 in the amount of \$631,674.44. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

Water Rights Change Application

Counsel Scott Broyles reported that he contacted attorney Joe Brogan to discuss the recent Washington Supreme Court ruling in favor of the Municipal Water Law and discuss how the PUD should proceed with their water right change application with the Department of Ecology in light of the ruling. Mr. Brogan was not available and will be contacting our Counsel after he has an opportunity to review our file.

NEW BUSINESS

Bonneville Power Administration FY 2012 Rate Increase

The manager reported that he received an email from our Bonneville Power Administration Account (BPA) Executive regarding the current BPA rate case and the

potential increase our PUD will be facing. The manager stated that he reported in August that the preliminary results of the BPA rate case showed our power costs increasing between 24.20% and 40.22%. The final outcome is that we will see a 38.6% increase in our rates. Our current cost will increase from \$0.255 per kilowatt hour to \$.0354 per kilowatt hour increasing our annual costs an estimated \$52,450.00 per year. The manager stated that the proposed new rates would take effect in October 2011 and that the increase is due primarily to a change in how demand charges are calculated.

Resolution 10-359 – Approving PURMS Resolution 11-4-10-6

The manager presented PUD Resolution 10-359 which provides for Commission approval of PURMS Resolution 11-4-10-6. PURMS Resolution 11-4-10-6 provides for changes in the Property Risk Pool Premium and Liability Pool Premium Assessment formulae. The manager stated that the change in formulae will save our PUD between \$3,500 and \$4,000 per year. In order to change the formulae PURMS will need 100% consent. If approved, the formulae change will go into effect on January 1, 2011. The approving PUD Resolution provides our PURMS representative, Commissioner Nuxoll, authorization to execute the Property Pool and Liability Pool Self-Insurance agreements.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Don Nuxoll to approve Resolution 10-359 providing approval of PURMS Resolution 11-4-10-6 and authorizing Commissioner Don Nuxoll to execute the Property and Liability Pool Self-Insurance Agreements on behalf of the PUD. The question was called for on the motion. The motion passed 3-0.

MANAGER'S REPORT

City of Asotin Intertie – the manager reported that the intertie between the PUD and the City is nearly complete. He stated that the line was flushed and then charged with chlorinated water. A Coliform Bacteria sample was taken Monday and the results should be available on Wednesday. When the sample is shown satisfactory the crew will tie in the new main to the City's water distribution system and then begin changing over the customer services located on Riverside Drive.

Port of Clarkston Broadband – the manager reported that the Port of Clarkston is working with NOANet to extend Broadband to the City of Clarkston and Asotin County. The Port of Whitman County received federal stimulus dollars to connect their system all the way to Walla Walla but have no plans to link the City of Clarkston. The Port, who has Broadband authority, is seeking to provide the service to our community. The manager stated that he is meeting next week with the Port, Asotin County, City of Clarkston and other representatives to discuss the proposed plans.

GIS Mapping Program Presentation – the manager reported that Murray, Smith and Associates, our GIS consultant, submitted our GIS conversion project to the Pacific Northwest Section of the AWWA for presentation at their annual conference which will be held in Boise, Idaho the first week of May 2011. The project presentation was accepted and GIS Coordinator, Craig Riehle and the manager will be on hand at the conference to assist with the presentation. The presentation is titled: “Paper or Plastic?”

COMMISSIONER’S REPORT

Commissioner Nuxoll attended the Watershed Planning Unit meeting on Wednesday, November 17, 2010 at the PUD office. He stated that state dollars are getting even tighter and the program will see additional cuts next year.

Commissioner Nuxoll stated that he would like to review water rates before year end. The current rate resolution provides for base, consumptive, installation and other rates through 2012. The manager stated that he would develop information regarding our current rate resolution and our future budget plans for presentation at the next meeting.

Commissioner Ridge attended an Energy Northwest (ENW) Board of Directors meeting on November 17 and 18, 2010. She stated that a refueling outage is planned for the Columbia Generating Station in May 2011. She stated that the outage will be an extended one in order to address a number of operational issues. She reported that Debt Optimization was a topic of interest at the meeting. Initially the idea did not receive much support but after discussion of the issue the Participant’s Board provided full support of the debt optimization plan. She reported that BPA Administrator, Steve Wright is working well with the new ENW Chief Executive Officer.

ADJOURNMENT

There being no further business the meeting was adjourned at 6:05 pm.