

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
March 22, 2011

President Don Nuxoll 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, Gary Hicks and Judy Ridge
(by phone).

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 Gary Hicks and seconded by Commissioner Judy Ridge to approve the consent agenda giving approval of the minutes of the March 7, 2011 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1959EFT through #1972EFT in the amount of \$23,973.12 and Blanket Transaction Voucher Approval Document covering vouchers #28907 through #28936, and Electronic Transaction Vouchers #11031801, #11032102, #11032201 and #11032801 in the amount of \$25,070.71. The question was called for on the motion. The motion passed 3-0.

ASOTIN COUNTY HEALTH DISTRICT

Asotin County Health District Administrator, Joe Lillard and Director of Environmental Health, Juan Caballero was in attendance to discuss the failure rate of septic systems in the County and to encourage the build-out of the sewer system by the PUD to address these failures. Mr. Caballero provided a handout which showed the number of new septic system permits and replacements due to failure. He reported that many failures are not being reported. Those not reporting their failures are having their systems pumped every 5 to 6 months to avoid replacing their drain field. Mr. Caballero also provided various maps that pinpointed where failures were occurring. Mr. Lillard and Mr. Caballero stated that building sewer infrastructure into the areas where there are high rates of failure would be beneficial. They stated that with many failures comes the potential for contamination of the aquifer and health issues. Discussion occurred regarding the cost of installation of sewer infrastructure and the willingness of homeowners to pay for the improvements. Discussion also occurred regarding the mapping of septic systems. Commissioner Nuxoll stated that the PUD has the capability of mapping these systems and would welcome discussion on how the PUD could assist the Health District with this.

OLD BUSINESS

Water Rights Change Application

The manager reported that counsel Scott Broyles, attorney Joe Brogan and himself met via conference call with Department of Ecology staff Keith Stoffel and Dan Tolleson on Wednesday, March 16th. The call was a follow up to discussions regarding the 2011 Summary of Asotin County PUD Water Rights and a request by the PUD to take the remaining Snake River water rights that will not be transferred to groundwater rights and place a portion into Ecology's water trust program as a permanent donation and the rest into a temporary trust for use by the PUD in the future. Mr. Stoffel was tasked with checking with Ecology's attorney general to determine if this request could be granted.

Mr. Stoffel stated that only water that has been put to beneficial use could be placed into trust. He stated that since we are moving the water rights that have been determined to be proven to have been put to beneficial use the remaining rights have not been put to beneficial use and therefore cannot be transferred. Mr. Stoffel stated that this is what Ecology has determined as "active compliance". Mr. Brogan concurred with Mr. Stoffel's conclusions based upon his research. Mr. Stoffel stated that based on initial discussion about the water right change application the PUD they would voluntarily relinquish the inchoate water rights. The manager stated to Mr. Stoffel that this was our original thought but we wanted to pursue an opportunity to preserve some rights for future use. The manager stated that the phone call ended with the need to take this decision for voluntarily relinquishing the remaining rights to the PUD Board of Commissioners.

The manager presented the decision to the Board by reading a note received from Mr. Brogan after the conference call. Mr. Brogan stated that the PUD did offer that we would be willing to either voluntarily relinquish the balance of the Snake rights, but thought we would at least explore Ecology's willingness to set aside the balance in trust, or view the balance as preserved. Mr. Brogan stated that he concurred with Ecology that the trust donation is not an option here. He stated that if we argue that the balance is still preserved as a right in good standing, we are essentially going back on our promise to put water back in the river. If we go back and argue some quantity will go back in the river, and some is preserved, we will delay the processing of the application and run square into Ecology's controversial "active compliance" position. Mr. Brogan stated that his recommendation is that we voluntarily relinquish the remaining portion of the Snake River Water Rights as a part of the application process. The Board concurred.

The manager reported that Mr. Stoffel stated during the conference call that he feels Ecology has put forth a defensible position on our water rights as part of our water rights change application. Mr. Stoffel stated near the end of the call that he is committed to processing our water rights change application in as timely a manner as possible.

NEW BUSINESS

Resolution 11-364 – Personnel Policy Amendment

The manager presented Resolution 11-364 which provides for the amendment of the Personnel Policy, more specifically, Chapter 5 – Hiring, Section 5.7 – Job Descriptions.

The manager stated that he is recommending amendments to most of the job descriptions under Section 5.7 – Job Descriptions along with several job description deletions. The Operations Foreman, Operations Crew Leader and Utility Person job descriptions will see the addition of wastewater terminology. He is requesting eliminating the job description Utility Person “F” because that position is not listed in our classification listing. He stated that the Treasurer’s job description will see the addition of language regarding assisting the manager with policy development. The GIS job description will remain the same. He stated the biggest changes will be to the Customer Service Representative and Billing Clerk/Auditor job descriptions. We will be shifting duties amongst staff and will be creating what we have termed a “super user”. The modified job description will be titled Customer Service Representative/Accounting Technician. The position responsibilities will include customer service, billing, assisting the Treasurer with payroll and accounts payable duties and appointment by the Board as Deputy Auditor. This position will also have responsibility of leading the customer service staff.

The manager stated that because of the previously described change, the Billing Clerk/Auditor job descriptions will be eliminated. The remaining Customer Service Representative positions will include language describing assistance with billing and assisting with other duties that were listed under the Billing Clerk position. All three customer service staff has been crossed trained on all the duties necessary for customer service and billing.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge approving the Resolution 11-364 amending the Personnel Policy. The question was called for on the motion. The motion passed 3-0.

Resolution 11-365 – Surplus Real Property

The manager presented Resolution 11-365 which provides for the surplus of 2.5 acres of real property located at 1500 16th Avenue including the obsolete filtration plant, ¾ million gallon reservoir and other structures. He stated that at the March 7, 2011 meeting the Board received an appraisal report which put the value of the 2.50 acres of property at \$50,000.00 or \$20,000.00 per acre. No value has been assigned to the filtration plant and ¾ million gallon reservoir. The manager stated that at this time the legal description of the property will remain un-described to allow for flexibility in adjusting the property lines based upon buyer preference and PUD acceptance of the property boundaries.

Commissioner Nuxoll stated that he wanted the property description to include a statement that property access would be limited since it is within our fenced operations area. The manager stated that he would advertise the property seeking bids for it.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge approving the Resolution 11-365 providing for the Surplus of Real Property located at 1500 16th Avenue including the structures on the identified surplus property. The question was called for on the motion. The motion passed 3-0.

Resolution 11-366 – Appoint Deputy Auditor

The manager presented Resolution 11-366 which provides for the appointment of Joy Welch as Deputy Auditor. The manager stated that due to the amendments to the Personnel Policy to Chapter 5, Hiring, Section 5.7 Job Descriptions presented in Resolution 11-364 and the reassignment of customer service staff, he is requesting the appointment of Joy Welch as Deputy Auditor. He stated that Joy will be assigned to the new Customer Service/Accounting Technician position taking a lead role over customer service and staff. She is the logical choice for performing the duties of Deputy Auditor. Roberta Tilden currently holds this position and will be reassigned under an existing job description. The manager stated that the approval of Resolution 11-366 includes the rescinding of Resolution 04-284 which appointed Roberta Tilden as Deputy Auditor.

The manager stated that the purpose of the Deputy Auditor is to review payroll and accounts payable vouchers, sign checks and to provide another point of fiscal and audit control for financial activities. Essentially it is another set of eyes for reviewing financial transactions that are set in motion by the Treasurer and/or Manager.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge approving the Resolution 11-366 appointing Joy Welch as Deputy Auditor and rescinding Resolution 04-284. The question was called for on the motion. The motion passed 3-0.

Bonneville Power Administration Residential Exchange Program Settlement Agreement

The manager presented the final version of the Bonneville Power Administration's (BPA) Residential Exchange Program (REP) Settlement Agreement. The Settlement represents a significant effort by consumer-owned and investor owned utilities regarding the contentious Residential Exchange Program and preference power. The courts found that BPA had violated their law regarding power for preference customers and used the settlement as a way to refund preference power customers and keep the issue from further litigation.

The manager stated that based upon the table found on page 1 of Exhibit B of the Agreement, the Asotin County PUD will not be receiving a refund this time. In the previous partial settlement we received approximately \$17,080.00. Although we will not receive compensation the manager stated that he felt it is important for us to execute the document and stand with other public utility districts that will be approving this final REP settlement and will receive significant refunds under the agreement. BPA has set a deadline of April 15, 2011 for receiving an executed copy of the agreement. Counsel has reviewed the Agreement.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge approving the Bonneville Power Administration's Residential Exchange Program Settlement Agreement and authorizing the General Manager to execute the Agreement. The question was called for on the motion. The motion passed 3-0.

MANAGER'S REPORT

Scenic Hills Easement Issue – the manager reported that the water main that extends from the Scenic Hills Reservoirs runs through a customer's property. There had been a minor disagreement as to whether there was an easement for the water main because it did not show up on the property owner's title report when he purchased it a couple of years ago. After some research by staff the easement was located and provided to the customer. He provided the easement to the title company and requested that they pay for the relocation of the line. The line is located where he would like to construct a couple of buildings. The PUD has provided an estimate to the landowner for relocating the line for his presentation to the title company. The relocation is pending.

City of Asotin Intertie Agreement – the manager reported that he developed a draft intertie agreement between the City of Asotin and PUD for the new intertie. The agreement has been provided to the Asotin City Council for review and approval.

COMMISSIONER'S REPORT

Commissioner Hicks attended the Washington PUD Association meetings in Olympia on March 16-18, 2011. He stated that this has been a good year for the association regarding proposed legislation. Bills promoted by the Association have advanced whereas bills opposed have been defeated or modified. He stated that the Association and member PUDs are still struggling with the new governance format. He stated that the Public Works Trust Fund loan list is in jeopardy along with the Public Works Board (PWB) program. He stated that there is legislation that would alter how the PWB functions in the future along with how they will fund projects.

Commissioner Nuxoll attended a Watershed Planning Unit meeting on Thursday, March 17, 2011. He reported that stormwater and its inclusion in the Updated Detailed Implementation Plan became contentious and will be discussed further at the next Planning Unit meeting. He stated that funding for watershed planning for the next fiscal year is still unknown. Commissioner Nuxoll will be attending a PURMS meeting on Thursday, April 7th in Burien, Washington.

Commissioner Ridge was attending the Energy Northwest budget meetings Tuesday March 22nd through Thursday March 24, 2011.

ADJOURNMENT

There being no further business the meeting was adjourned at 6:35 pm.