

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
March 7, 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, Judy Ridge and Gary Hicks.

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 Gary Hicks to approve the consent agenda giving approval of the minutes of the February 22, 2011 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1707 and #1708 and vouchers #1944EFT through #1958EFT in the amount of \$25,839.18 and Blanket Transaction Voucher Approval Document covering vouchers #28852 through #28906, and Electronic Transaction Vouchers #11030201, #11030202, #110030401, #11030701 and #110032101 in the amount of \$124,641.00. The question was called for on the motion. The motion passed 3-0.

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 Dan Tolleson and his supervisor Keith Stoffel to discuss the 2011 Summary of Asotin County PUD Water Rights. Joe Brogan led the call by addressing four issues with Ecology. The first issue was that under the new summary the Well No. 1 water rights were changed from primary to supplemental. Ecology stated that because it was determined that the Snake River water rights were valid and that Well No. 1's water rights in the Report of Examination are deemed supplemental to the Snake River Rights the primary amount was moved to be included with the river rights.

The second issue discussed was regarding the numbers presented under the superseding certificate for Well No. 7. The primary and the supplemental water right quantities shown were different than previously summarized and did not match up with the total groundwater quantity under the description section on the certificate. Ecology stated that the same held true for these water rights as they did for Well No. 1. Ecology stated that

Because of the validity of the Snake River water rights the primary and supplemental numbers were changed. Some rights were additive and others were primary. The third issue discussed was a request by the PUD to take the remaining Snake River water rights that will not be transferred to groundwater rights and place 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. The manager stated that the result of this discussion was that Mr. Stoffel would check with Ecology's attorney general to determine if this request could be granted.

The final issue discussed was the timing on the process of the water right change application. Ecology stated that the processing is very slow and that they are only process priority issues. They stated that the applications that are being processed right now have entered into a cost reimbursement contract. Ecology stated that we were the first in line in our watershed but were not part of the priority processing. Mr. Tolleson is the only permit writer left in Eastern Washington and has little time left to work on non-priority issues. The manager stated that the group discussed the benefit of contracting with a consultant to get the work on the application completed. Mr. Tolleson stated that what remains is transferring the report onto Ecology's new system. From there it would go through management for review.

It was agreed by to let Mr. Tolleson process the application as he has time and wait to see how the legislature addresses staffing for Ecology and their permit staff. Mr. Brogan will be following up with Mr. Stoffel regarding the applicability of Ecology's Trust Water Right program as it applies to our remaining Snake River Rights. The manager stated that he will follow up with Mr. Tolleson on the processing of our water right change application and the entering of the report of determination data in the new system.

PUD Property Appraisal

The manager presented a property appraisal for 2.5 acres of land where the filter plant and $\frac{3}{4}$ million gallon reservoir are located. The Abundant Life Church located adjacent to the property has expressed an interest in purchasing this property. The manager stated that as a part of this request the board authorized the appraisal of the property. The manager stated that the appraisal puts the value of the property at \$50,000.00 or \$20,000.00 per acre. The per acre value was provided in case the size of the property that is made surplus and put up for sale is larger or smaller.

The Abundant Life Church has been provided a copy of the appraisal and is currently discussing how they will proceed. I will be meeting with the church's pastor to determine the size of the property they would consider and discuss water infrastructure that is in the ground of which we will need an easement for if the property is sold. The church indicated that they will know by late this week how they will proceed. The manager stated if they wish to proceed, the property would need to be declared surplus and advertised for bid.

NEW BUSINESS

Port of Clarkston Economic Development Administration Grant Application

The manager presented a Water and Sewer Facilities Maintenance and Operations Agreement with the Port of Clarkston for water and sewer infrastructure the Port plans to construct in their proposed business park. The Agreement is a result of the Port's application with the United States Economic Development Administration (EDA) for grant funding for developing the proposed business park. As a part of the requirements of the grant the Port must retain ownership of the infrastructure in the park for a period of 20 years. Rather than sign on as a co-applicant to the grant application, which would have brought unwanted obligations, the board agreed to consider an operations and maintenance agreement for water and sewer infrastructure in the park.

The manager stated that the Port would own the water and sewer mains and equipment for a period of 20 years with the PUD collecting all applicable charges and fees and providing operations and maintenance of the line for a period of 20 years. The Agreement is dependent upon the Port receiving the grant. If the grant is not secured, the Agreement can be terminated upon thirty (30) days notification. Counsel has received and reviewed the Agreement.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Gary Hicks approving the Water and Sewer Facilities Maintenance and Operations Agreement with the Port of Clarkston. The question was called for on the motion. The motion passed 3-0.

MANAGER'S REPORT

PURMS Health Insurance – the manager reported that Asotin PUD has the lowest cost per insured under the Public Utility Risk Management System Health Insurance Plan at \$267.00 per insured.

COMMISSIONER'S REPORT

Commissioner Hicks reported that a vote on Washington D.C. talking points presented by Grays Harbor PUD at the February Washington PUD Association board meeting was rescinded during an emergency WPUA board conference call. The vote resulted in the talking points not being part of the discussion provided by the delegation to congress at the end of February. Commissioner Hicks stated that he found no harm in the talking points but several PUDs took offense with the points and the position that Grays Harbor had taken in regards to preference power and the Residential Exchange Program settlement.

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Commissioner Ridge will be attending an Energy Northwest budget meeting Tuesday March 22 through Thursday March 24, 2011.

Commissioner Nuxoll will be attending a Watershed Planning Unit meeting on Thursday, March 17, 2011. He reported that the proposed insurance cost reduction from PURMS will be passed on to our PUD.

ADJOURNMENT

There being no further business the meeting was adjourned at 6:10 pm.