

PUBLIC UTILITY DISTRICT NO. 1  
OF ASOTIN COUNTY, WASHINGTON  
MEETING MINUTES  
October 11, 2011

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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.

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ROLL CALL: PRESENT    Commissioners: Don Nuxoll, Judy Ridge and Gary Hicks.

PUD Staff: General Manager Tim Simpson, Treasurer Bob Sischo and Counsel Scott Broyles.

MINUTES OF MEETING AND VOUCHER APPROVAL:

**MOTION** by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge to approve the consent agenda approving the minutes of the September 26, 2011 Regular Meeting and the minutes of the October 3, 2011 2012 Budget Hearing and Regular payment of the Transaction Vouchers covering vouchers #1721 and #1722 and vouchers #2147EFT through #2161EFT in the amount of \$29,278.97 and Blanket Transaction Voucher Approval Document covering vouchers #29501 through #29559, and Electronic Transaction Vouchers #11100501, #11100502, #11100503, #11100601, #11102101, #11103101 and #11103102 in the amount of \$115,227.81. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

Water Right Change Application Reports of final Examination – Final Decision

The manager stated that he received a letter from Keith Stoffel, Section Manager of the Eastern Regional Department of Ecology Water Resources Program. The manager read the letter which stated; “Your applications have been approved.” He reported that we have received the final decision and the Report of Examinations which contain the decisions regarding our water right change application. The manager stated that the final decision by Ecology was posted to their website on Wednesday October 5<sup>th</sup>. He stated any party has a right to appeal the decisions on our water rights to the Pollutions Control Hearing Board within thirty (30) days of posting of these decisions.

The manager stated that this process, which began in 1998, is now hopefully in its final 30 days. He stated that the PUD is giving up 79% of its valid surface water right to receive the remainder in groundwater rights. The decision provides a total of 10,202 acre feet of groundwater right and adds the City of Asotin two wells and the Atlas Sand and Rock’s well as points of diversions on our wells so they can pump more water. In addition the decisions put all of our wells under one water right for pumping purposes.

NEW BUSINESS

Resolution 11-369 – 2012 Budget Adoption

The manager presented Resolution 11-369 which provides for the adoption of the 2012 Budget. He stated that minor changes have been made to the budget since its presentation to the Board at the meeting on September 26<sup>th</sup> and the Budget Hearing on October 3<sup>rd</sup>. He stated that he budgeted for an increase in operating permit fees from the Department of Health, provided for an update of the Wastewater Comprehensive Plan after completion of the Comprehensive Water System Plan update is complete and increased the capital improvement budget to \$1,000,000.

The manager stated that at the last meeting he provided a recommendation to use the \$481,000 that was set aside for reserve as part of the Water Revenue Bond to retire three (3) other loans early. As directed by the Board he contacted those holding the debt to request early payoff. He stated that he contacted Darin and Carol Laughery who hold the note on the operations shop, the Department of Ecology (DOE) who hold the debt on the Sewer State Revolving Fund (SRF) Loan and the Public Works Board (PWB) who hold the debt on the Disinfection System State Revolving Fund (SRF) Loan.

The manager stated that the Laughery's were not interested in an early payoff due to the capital gains tax implications they would face. DOE and the PWB both approved early payoffs of their loans. When calculating the loan payoff the manager stated that he requested a January 3, 2012 payoff date. The payoff of the DOE SRF Loan would net an interest savings of \$995.00 whereas the early payoff of the PWB SRF Loan would net an interest savings of \$31,674.00. The total payoff of both of these loans would be \$283,556.00 with principal and interest leaving \$197,445.00 remaining in the reserve fund to use for annual payments to the Laughery's for the remainder of the loan we have with them. After payoff of this loan, approximately \$41,245.00 would remain for other debt payments

**MOTION** by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge to approve and adopt the 2012 Fiscal Year Budget. The question was called for on the motion. The motion passed 3-0.

Ecology Stream Flow Gauge Monitoring Grant Agreement

The manager presented a new Stream Flow Gauge Monitoring grant agreement with the Department of Ecology for the 2011-2013 Biennium. The manager stated that after having its budget severely cut Ecology included \$24,000 in its biennial budget to continue stream flow gauge monitoring in our Watershed. The Planning Unit requested this funding in order continue the gathering of flow data on key streams because Instream flow rulemaking for our watershed was put on hold for 2-4 years due to state budget constraints even though consensus on flows was achieved and supported by all parties

involved. The current contract will utilize \$12,000 for the term beginning October 1, 2011 through June 30, 2012 and \$12,000 for July 1, 2012 through June 30, 2013. Watershed Planning Director, Brad Johnson, will provide the services under this agreement. The manager discussed other funding opportunities for the Planning unit and Watershed Planning Director.

**MOTION** by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge to approve the Stream Flow Gauge Monitoring Grant Agreement with the Department of Ecology and authorize the General Manager to execute the Agreement. The question was called for on the motion. The motion passed 3-0.

#### Asotin County Intergovernmental Agreement for Parcel Mapping Services

The manager presented an Intergovernmental Agreement with Asotin County providing for our payment for services for converting the Asotin County parcel maps into a Geographical Information System (GIS) format. He stated that earlier this year the PUD advocated for and committed \$25,000 to help fund the conversion of the County handwritten parcel maps into a GIS mapping format. The Metropolitan Planning Organization, the City of Clarkston and Asotin County also dedicated funds for the parcel map conversion. He stated that from this commitment the County advertised for consultants and through a consultant selection process attended by the PUD GIS Coordinator, Geographic Mapping Consultants, Inc. was selected to complete the project.

The manager stated that the Parcel Mapping project provides a benefit to the PUD in that having parcels identified in the GIS format will allow us to tie our GIS system into our Eden billing system. Having parcels and parcel numbers will provide for a seamless flow of customer data from Eden to our GIS system providing up-to-date information on every service connection. He stated that funds have been designated in the 2012 Budget for conversion and training for using the GIS system and parcel mapping with our Eden Systems billing program.

**MOTION** by Commissioner Judy Ridge and seconded by Commissioner Gary Hicks to approve the Intergovernmental Agreement with Asotin County for payment of services for the Parcel Mapping Project and authorize the General Manager to execute the Agreement. The question was called for on the motion. The motion passed 3-0.

#### Bonneville Power Administration Amendment No. 1 to the REP Settlement Agreement

The manager presented Amendment No.1 of the Bonneville Power Administration (BPA) Residential Exchange Program (REP) Settlement Agreement. He stated that the amendment would permit additional entities to sign on to the Settlement. He stated that Amendment No. 1 to the REP was created as a result of the BPA Administrator's decision in the REP-12 Record of Decision (ROD) to work with representatives of existing parties to the REP Settlement Agreement to draft an amendment that would

allow additional entities to become Parties to the Settlement. The manager stated that the terms of this Amendment were drafted by BPA, representatives of Investor-Owned Utilities, representatives of Consumer-Owned Utilities (COU) and a representative of a large number of non-settling COU's.

**MOTION** by Commissioner Judy Ridge and seconded by Commissioner Gary Hicks to approve Amendment No. 1 to the Residential Exchange Program Settlement Agreement with the Bonneville Power Administration and authorize the General Manager to execute the Agreement. The question was called for on the motion. The motion passed 3-0.

#### Write-Off of Bad Debt for the Year 2007

The manager stated that our Administrative Policy requires board approval for the write-off of bad debt after customer's accounts remain uncollected for more than three (3) years. He stated that the 2007 accounts submitted for write-off were sent to the collection agency and will continue to be pursued. Customers that have been sent to collection and want to sign up for service again must pay previous bad debt before receiving service. Any amounts received after approval of write-off become miscellaneous income. The manager stated that for the year 2007 there were 81 accounts sent to collections that remain uncollected. The uncollected bad debt amount is \$6,645.96. This amount represents .0022 percent of our \$3.033 million in metered sales for the year 2007.

**MOTION** by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge to approve the write off of 2007 uncollected bad debt. The question was called for on the motion. The motion passed 3-0.

#### Change the Tuesday October 25, 2011 Meeting Date to Monday October 24, 2011

The manager stated that due to commissioner travel to meetings he is requesting that the meeting scheduled for Tuesday, October 25, 2011 be changed to Tuesday, October 24, 2011 beginning at 5:30 pm.

**MOTION** by Commissioner Judy Ridge and seconded by Commissioner Gary Hicks to change the Board of Commissioner meeting date from October 25, 2011 be changed to Tuesday, October 24, 2011 beginning at 5:30 pm. The question was called for on the motion. The motion passed 3-0.

#### MANAGER'S REPORT

Morrison Street Project – the manager reported that the water main replacement project on Morrison Street between Bridge and Fair Streets has been completed and customer services updated and changed over to the new 6" PVC line. The line replaces 4" and 2" steel lines. He stated that this is the third main replacement project completed this year.

Emergency Table Top Planning Exercise – the manager reported that Treasurer Bob Sischo attended a Table-Top Emergency Planning Exercise last week. The treasurer reported that the exercise involved the failure of the Oxbow Dam on the Snake River and the water inundation that would take place in the Lewiston-Clarkston-Asotin Valley. He stated that if this earthen dam fails the valley would have approximately 8 hours to evacuate and prepare for the water. He stated that the group also looked at the failure of the Brownlee Dam further upstream and the catastrophe the failure of this dam would cause. He stated the area would have approximately 6 hours to evacuate the lower lying areas and prepare for the emergency. He stated that the water level from this dam would reach 65 feet above flood stage. The treasurer stated that further exercises would take place and a map showing the water inundation areas would be provided. For our purpose, the PUD would need to valve-off those areas affected by the water inundation and the debris field that would cause customer and water system problems. In an emergency the manager stated that water would flow from the Heights from Well No. 7 where our backup generator is located.

Treasurer's Report – the manager presented a Treasurer's Report for the period ended August 31, 2011. The manager stated that the report shows our total fund balance of both restricted and unrestricted funds. He stated that combined there is \$2.8 million in reserve for payment of debt, equipment replacement and general operation. He stated that we have an adequate reserve to deal with water system needs.

#### COMMISSIONER'S REPORT

Commissioner Hicks attended the Washington PUD Association Water Workshop in Leavenworth on September 28-30, 2011. He stated that the workshop was very good. He reported that at the commissioner's round table he brought up the issue of PUD membership and who is in charge of the Association. He stated that the PUD Association is a Commissioner driven organization and is not directed by the managers of PUDs. It is his belief that managers of larger utilities are the ones responsible for their PUD's leaving the Association and not the commission. He reported that a conference call would occur later this month to discuss the Association's updated Strategic Plan.

Commissioner Ridge attended the Washington PUD Association Water Workshop in Leavenworth on September 28-30, 2011. She reported that the topics presented in each session were very good. She stated that she attended a backflow device session about how Clark Public Utilities addresses backflow prevention. Discussion ensued regarding our backflow program, Department of Health regulations and oversight, local jurisdictional regulations and oversight and the emphasis on ensuring high hazard sights, such as, the hospital, sewer treatment plant and others are in compliance and that backflow prevention devices are tested regularly.

Commissioner Nuxoll attended a PURMS Executive Committee with Treasurer Bob Sischo on Thursday, September 29<sup>th</sup> in Burien Washington. He reported that November 10<sup>th</sup> has been designated the meeting when all of the Self Insurance Fund Agreement Amendments would be adopted. The manager reported that several of the amendments have been emailed and several more are pending. He stated that once they arrive a packet of the amendments would be provided to the Board for review prior to the October 24<sup>th</sup> meeting. He stated that approval of the amendments by our board would need to take place no later than the Tuesday, November 8, 2011 meeting in order for Commissioner Nuxoll to vote at the PURMS meeting on November 10<sup>th</sup>.

#### ADJOURNMENT

There being no further business the meeting was adjourned at 6:30 pm.