

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
August 14, 2012

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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 and Treasurer Bob Sischo.

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 July 24, 2012 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1757 and #1758 and vouchers #2445EFT through #2460EFT in the amount of \$31,534.19 and Blanket Transaction Voucher Approval Document covering vouchers #30498 through #30556, and Electronic Transaction Vouchers #686, #12080201, #12080202, #12080601, #12082401, #12082701 and #12082801 in the amount of \$395,615.90. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

Northwest River Partners Clean Hydro Campaign Contribution

The manager stated that Northwest River Partners (NWRP) recently asked members, nonmember utilities and interest groups to support their Clean Hydro campaign to raise awareness of hydropower as a clean renewable resource and the region's premier energy source. Counsel Scott Broyles had concerns regarding the wording of the request as a "campaign contribution". He had previously stated that the wording had the tone of a political campaign and felt that a "dues assessment" would be more appropriate. The manager contacted NWRP regarding the wording of the funding request and their response to the question raised was that no one else has expressed a concern with the terminology. NWRP stated there is no requirement to be a NWRP member to contribute to the campaign, so it is not a dues assessment. NWRP went on to state that their counsel researched the issue of concerns regarding political advocacy and found that because the campaign is educational in tone and nature, and not advocacy, calling it a campaign contribution is acceptable. The manager stated that counsel was provided a copy of the NWRP response. Counsel stated to the manager that even though the campaign is educational in nature he still had concerns with how the request for funding was presented.

The Commissioners stated that although they support the NWRP Clean Hydro campaign to raise awareness of hydropower as a clean renewable resource they would politely decline the funding request.

Port of Wilma Water and Sanitary Sewer Systems Transfer Agreement

The manager reported on the afternoon of July 24th, after our last board meeting, he received a phone call from Port of Whitman County Executive Director Joe Poire. The purpose of the call from Mr. Poire was to state that the Port's Board of Commissioners would be considering and approving the Port of Wilma Water and Wastewater System Transfer Agreements at their meeting to be held on Thursday, August 3, 2012. The manager reported that on August 8th he received a letter from the Port stating the Agreements had been approved by the Port Board of Commissioners and signed by Mr. Poire and Port Counsel Bruce Ensley. The manager stated that he examined the Agreements to be certain nothing was changed and reported that they were executed exactly as the PUD Board had directed and as he had finalized and delivered to the Port.

NEW BUSINESS

Resolution 12-389 – Port of Wilma Water System Transfer Agreement and Resolution 12-390 – Port of Wilma Sewer System Transfer Agreement

The manager presented Resolution 12-389 which provides approval of the Port of Wilma and PUD Water System Transfer Agreement and the Resolution 12-390 which provides approval of the Port of Wilma and PUD Sewer System Transfer Agreement. The manager stated that if the Board approves the Resolutions work would begin as soon as possible to replace meters on the water system and bring the sewer system up to satisfactory operating condition as provided for in Section 5 of each Agreement. He stated that the Port will be paying for all improvements. Once improvements are complete the manager will notify the Port in a letter and the title and ownership transfer for each system will occur.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge adopting Resolution 12-389 and Resolution 12-390 approving the Port of Wilma Water and Sewer Systems Transfer Agreements between the PUD and the Port of Whitman County and authorizing the General Manager to execute the Agreements. The question was called for on the motion. The motion passed 3-0.

Critchfield Road Property and Building Bid Results

The manager stated that at the last meeting the Board approved Resolution 12-388 providing for the surplus of the property and building on Critchfield Road known as the Critchfield Road Booster Station. He reported that he advertised the property and building seeking bids with a minimum bid of \$47,000.00. The deadline for submitting a

bid was Monday August 13th at 4:00 pm. The manager reported that he did not receive any bids on the property and shop building. He stated that four individuals showed interest in the property but each felt the appraised amount was too high. Each stated to the manager that they would be willing to make an offer on the property and building. The manager stated that the next step would be to advertise the property for sale again and accept offers. The Commissioners directed the manager to advertise the property for sale and accept offers. Commissioner Hicks stated that offers would be subject to acceptance or rejection by the Board.

Write-Off of Bad Debt for the Year 2008

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 2008 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 2008 there were 71 accounts sent to collections that remain uncollected. The uncollected bad debt amount is \$5,170.88. This amount represents .0017 percent of our \$2.971 million in metered sales for the year 2008.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Gary Hicks to approve the write off of 2008 uncollected bad debt. The question was called for on the motion. The motion passed 3-0.

Change the Tuesday August 28, 2012 meeting to Wednesday, August 29, 2012

The manager stated that due to commissioner travel he is requesting that the meeting scheduled for Tuesday, August 28, 2012 be changed to Wednesday, August 29, 2012 to begin at 5:30 pm.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge to change the next regular meeting from Tuesday, August 28, 2012 at 5:30 pm to Wednesday, August 29, 2012 to begin at 5:30 pm. The question was called for on the motion. The motion passed 3-0.

MANAGER'S REPORT

Construction Update – the manager reported contractor M.L. Albright & Sons (Albright) has been installing main on Adams Street, 5th Street, 4th Street, Libby and 3rd Street and is set to complete main line tie-ins, hydrant installation and services tie-ins to the new main within the next two weeks. This project area will be complete before school begins the last week of August. Albright will move back to the Beachview Boulevard area to complete the second phase of that project.

COMMISSIONER'S REPORT

Commissioner Ridge attended the Energy Northwest (ENW) meetings on July 24 through 26th in Richland, Washington. She reported that Jim Oakley, Member Services Representative, will be leaving ENW due to reorganization of his position. Whatcom PUD has decided to terminate their membership with ENW. Whatcom stated that they are leaving because they feel they are not getting what they need and decided to focus on water issues and their membership with the PUD association. Two more utilities are currently considering their membership in ENW.

Commissioner Ridge reported that there was discussion regarding both the Executive Board and Full Board working together to keep each other informed. She stated that the Energy Business Services was audited again and received a poor evaluation. As a result two staff members were relieved of their position and existing staff was assigned to lead this venture. Members of the ENW management team were in New York to secure a good bond rating and funding in the amount of \$750 million for the purchase of fuel for the Columbia Generating Station nuclear power plant.

ADJOURNMENT

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