

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
January 23, 2012

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 approving the minutes of the January 10, 2012 Regular Meeting and payment of the Transaction Vouchers covering vouchers #2249EFT through #2262EFT in the amount of \$23,596.75 and Blanket Transaction Voucher Approval Document covering vouchers #29862 through #29882, and Electronic Transaction Vouchers #12010501, #12010601, #12012002 and #12012003 in the amount of \$47,228.85. The question was called for on the motion. The motion passed 3-0.

ENERGY NORTHWEST REPORT

Energy Northwest (ENW) Representative Jim Oakley updated the Board on ENW activities. Mr. Oakley stated that prior to the refueling outage last year the Columbia Generating Station (CGS) ran a record 505 days. He stated that even though the CGS refueling outage lasted longer than anticipated ENW was able to take care of 9 of the top 10 issues that affected operation of the plant. He stated that with all the repairs along with replacement of the condenser units the plant energy output increased 22 megawatts which is equivalent to \$6 million more in revenue annually. Mr. Oakley stated that since restarting the plant in September of last year CGS went offline in November to repair a vibration in the turbine and again in December to adjust the control rods which he stated was normal after refueling. He stated that CGS will be offline again in February for maintenance. The license on CGS is set to expire in 2023 and ENW is working on an extension to 2043. Mr. Oakley stated that spent nuclear rods were still being stored at ENW due to the delay in opening the Yucca Mountain for a depository site. He stated that ENW has participated in two lawsuits to recoup money used to fund the development of Yucca Mountain.

Mr. Oakley stated that the Bonneville Power Administration (BPA) fined ENW for economic dispatch on their Packwood hydro project and Nine Canyon wind project for not shutting down their systems when the run of the river was high and BPA asked them to curtail. ENW challenged the fine and BPA has temporarily rescinded it until investigation has been conducted. Mr. Oakley stated that an older original turbine at Nine Canyon failed and was repaired by Siemens. He stated that only a few more of the original 1.2 megawatt turbines remain to be repaired. The Radar Ridge project was discontinued primarily due to issues with the State Department of Fish and Wildlife and due to the fact that the wind power market has fallen off.

OLD BUSINESS

Amending Commissioner Redistricting Decision – Resolution 11-375

The manager presented Resolution 11-375. The manager stated that this Resolution, initially adopted in December, is being amended to reflect the Commission's desire to change the Commissioner Districts, on the advice of counsel, into as equal a population base as possible with a less than a 1% deviation. The manager stated that the legal descriptions of each Commissioner District have been completed since the last meeting and are incorporated into the Resolution. He stated that the total population of 19,264 in the PUD service territory was divided as follows: 6,432 for District 1 – Judy, 6,422 for District 2 – Don and 6,410 for District 3 – Gary.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Gary Hicks to approve the amended Resolution 11-375 setting the Commissioner District boundaries based upon the 2010 decennial census. The question was called for on the motion. The motion passed 3-0.

NEW BUSINESS

Resolution 12-381 – Surplus 1999 Ford F250

The manager presented Resolution 12-381 which provides for the surplus of the 1999 Ford F250 XL, Vehicle Identification No. 1FTRF27W2XNC32205. The manager stated that as a part of the vehicle quote process for the purchase of a new Serviceman's truck he offered the 1999 Ford F250 XL truck as a trade-in. The manager stated that the 1999 Ford is currently being used by our GIS Coordinator and other staff. He stated that the 2005 Ford F150 will remain in the fleet and be used by our mapping and operations staff. A value for the vehicle of no less than one thousand dollars (\$1,000.00) was set as part of the authorization for approving the surplus and sale of the vehicle.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge to approve Resolution 12-381 allowing for the surplus of the 1999 Ford F250 XL and authorizing the General Manager to sell the vehicle for no less than one thousand dollars (\$1,000.00). The question was called for on the motion. The motion passed 3-0.

2012 Serviceman Truck Quotes

The manager presented quotes for a 2012 Serviceman's Vehicle he received from two of the dealers he contacted. The manager stated that he requested quotes on a full-size ½ ton two-wheel drive extra-cab truck utilizing the Material, Equipment and Vehicle Vendor Roster process which allows for the receipt of quotes and purchases from those quotes between the amount of \$15,000 and \$60,000. He stated that the current Serviceman's vehicle, a 2005 Ford F150, was scheduled for replacement in 2011. The manager stated that replacement of this vehicle is budgeted for 2012 and \$22,500 has been designated in the Equipment Replacement Fund for its replacement. He stated that as a part of the vehicle quote process he offered the 1999 Ford F250 XL truck as a trade on the new truck.

The manager stated that Joe Hall Ford submitted a quote for a net price with trade-in of \$19,253.85 and Kendall Chevrolet submitted a quote with a net price of \$19,590.49. Based on the quotes received the manager recommended purchasing the 2012 ½ Ton 2-Wheel Drive, Extra-Cab Truck from Joe Hall Ford in the amount of \$19,253.85.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Gary Hicks to approve the purchase of a 2012 ½ Ton 2-Wheel Drive, Extra-Cab Truck from Joe Hall Ford in the amount of \$19,253.85 with the trade-in of the 1999 Ford F250. The question was called for on the motion. The motion passed 3-0.

Resolution 12-382 – General Manager's Annual Salary

Per the Commission's request the manager presented Resolution 12-382 which provides for the setting of the General Manager's annual salary.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Gary Hicks to approve Resolution 12-382 setting the General Manager's annual salary effective January 1, 2012. The question was called for on the motion. The motion passed 3-0.

MANAGER'S REPORT

Customer Service Representative Position – the manager reported that an advertisement has been placed for a part-time Customer Service Representative Position. He stated that pending retirements and office coverage during vacation and sick leave is driving the need to seek an additional staff member for the front office. He stated that the position is budgeted for 2012 and will work into full-time when necessary.

Quail Ridge Golf Course Service – the manager reported that he is working with the Quail Ridge Golf Course regarding water and electric service. He stated that the Quail Ridge is looking into the cost effectiveness of not utilizing their well and our electricity to the well in favor of using our water to irrigate the golf course. The manager stated that he is calculating the cost of both services and will be presenting a recommendation to them on the most cost effective solution.

2012 Capital Improvement Projects – the manager reported to the Board that several areas have been identified for water main replacement in 2012. Those areas include; 7th Avenue, Highland Avenue going east from 13th to 5th Street, 5th Street going east to 3rd Street, Park View Court continuing into Swallows Nest Park, and Beachview Blvd. He stated that maps continue to be developed along with the bid packet which is planned to be ready by March 1st.

Employee Appreciation Luncheon/Open House – the manager reminded the Board about the employee appreciation lunch on Tuesday, January 31st and an Open House celebrating our bond retirement following the luncheon from 1:30 to 3:30 pm.

COMMISSIONER'S REPORT

Commissioner Ridge attended the Washington PUD Association meetings on January 11 through January 13, 2012 in Olympia Washington. She stated the Public Disclosure Commission (PDC) is suing former Executive Director Steve Johnson and the Association regarding their contributions to the attempted formation of the Whidbey Island PUD. Commissioner Ridge stated that the PDC's position is that contributions were not properly reported. She stated that Thurston PUD is the preliminary stages of reviewing a possible vote by the public allowing them to enter the electrical business and provide operation of the electrical system in Thurston County. She stated that Jefferson is near completion of their process on acquiring the electrical system from Puget Sound Energy and will begin operation of the electrical system soon.

Commissioner Ridge stated that PUD membership has been a topic of intense discussion at the Association Board meetings. She stated that Clark Public Utilities will be asked to make a decision about membership and if they choose to not be a member of the PUD Association then their staff member who represents the Association on the Public Works Board will be asked to step down and a person from a member utility will be appointed.

Commissioner Ridge stated that the next meeting of the PUD Association on February 10th will to continue work on the Association's reformation and to review the effectiveness of all committees. The meetings being held are for Commissioner's only.

Commissioner Ridge will be attending Energy Northwest meetings in Richland on January 24 through 26th.

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ADJOURNMENT

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