

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
March 24, 2008

Vice-President Gary Hicks 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: Gary Hicks, Don Nuxoll and Judy Ridge.

PUD Staff: General Manager Tim Simpson, Treasurer Bob Sischo and Board Secretary Roberta Tilden.

MINUTES OF MEETING AND VOUCHER APPROVAL:

MOTION by Commissioner Gary Hicks seconded by Commissioner Don Nuxoll to approve the consent agenda giving approval of the minutes of the March 11, 2008 Regular Meeting and payment of the Transaction Vouchers covering vouchers 925EFT through 939EFT in the amount of \$21,839.22 and Blanket Transaction Voucher Approval Document covering vouchers #25599 through #25636, and Electronic Transaction Voucher #20080318, #20080320, and #2008032601 in the amount of \$60,697.98. The question was called for on the motion. Passed 3-0

OLD BUSINESS

Standby Generator Project Update

The General Manager reported that the day after the last Board meeting the standby generator was repaired and was operating properly. Tomorrow, March 25, 2008 is the date for the official start up. Zenith, who provided the transfer switch, Energy Northwest representatives and the electrical contractors will be on site to participate in the startup.

Operations Shop

The general manager reported that, as directed by the Board, the staff measured the site of the proposed vehicle storage building. The site size is 70 x 36 or a 2,520 square foot building. The manager spoke to a County building official regarding building set back zoning restrictions. The property is zoned public-semi public. Buildings that are 1,800 square feet or larger require a conditional use permit.

Because the main shop building will be approximately 4,000 square feet and the vehicle storage building will be approximately 2,520 square feet, the PUD will submit a conditional use permit for both buildings at the same time. In addition the County stated that if the building is closer than 10 feet to the fence that surrounds the property two layers of 5/8" sheet rock will have to be installed on the building wall adjacent to the fence for fire prevention. A fire hydrant will have to be put in also.

The manager stated that the vehicle storage building will be constructed first. Because this building is estimated to cost less than \$200,000 we can use the Small Works Roster process to solicit and receive bids. The building construction material will be pole barn style. The manager requested permission to proceed with the Small Works Roster process on the vehicle storage building and permission to solicit a Request for Proposal for design of the main operations shop. The commissioners stated that they would like to see the vehicle storage building constructed before we proceed on the operations shop. The manager stated that prior to the soliciting of bids a site evaluation will be performed by staff.

MOTION by Gary Hicks, seconded by Don Nuxoll authorizing the General Manager to solicit bids for the construction of the Vehicle Storage Building using the District's Small Works Roster. The question was called for on the motion. Passed 3-0.

City of Asotin Water Rights-Ownership Proposal

The manager stated that at the last meeting City of Asotin Mayor Jim Miller requested the PUD to evaluate ownership of the City's water system. The manager requested direction on how to proceed. The difference in water rates between the PUD and the City of Asotin were not as high as thought. In some instances of low water use the PUD rates are lower. The Commissioners were interested in finding out how many large water users were in the City of Asotin. The manager mentioned the school, the parks and a trailer park.

The consensus is that this proposal should go before the voters. Annexation into the PUD service boundaries would require a petition(s) signed by ten percent of the voters to make it on the election ballot. Asotin has approximately five hundred customers serving a population base of approximately 1,100 people. Ownership by the PUD would include receipt of the city's water rights and assumption of the City's debt on their water system. Both entities need to list the advantages and disadvantages and then let the people decide. Commissioner Ridge mentioned that the PUD needs to know the city's actual water revenue. The manager stated that he would request from the City their financial statements, debt service documents and a list showing water use by each customer the City serves.

NEW BUSINESS

Resolution 08-330 Sole Source Chlorination System Upgrade

The manager presented Resolution 08-330, which waives the bidding requirements allowing for the Sole Source purchase of ClorTec On-site Sodium Hypochlorite Generation System equipment and components from Whitney Supply Company, an authorized ClorTec Systems dealer. The manager stated that the 2008 budget provides for \$150,000 toward the upgrade of our Well No. 7 chlorination system from a 36 pound per day system to a 75 pound per day. Based upon our current dosage rates, Well 7 has not been able to keep up with system demand during the peak water usage months. The upgrade will allow us to optimize the use of our system.

Included in the \$150,000 budget number was a building addition for Well No. 5. The original plan was to take the current system from Well 7 and move all components to Well 5. The revised plan is to upgrade the existing system at Well 7. This will allow us to utilize some of the existing components. The components that we replace will then be stored for use as replacement parts for our other on-site chlorine generation systems. The building addition to Well 5 will not be completed this year and may become a budget item for 2009. In addition to the equipment upgrade and installation, the 75 pound per day unit uses more power and will require 277/480 volt 3-phase power instead of the existing 120/208 volt 1-phase power. This change in voltage requires Avista to provide an electrical extension from our current 2,400 volt transformer into a new pad-mounted transformer. A local electrical company will provide necessary wiring, panels and electrical equipment to connect the upgraded chlorination unit. The total estimated cost of the project is \$110,000.

MOTION by Gary Hicks, seconded by Don Nuxoll waiving the bidding requirements allowing for the sole source purchase of the ClorTec On-site Sodium Hypochlorite Generation System equipment from Whitney Supply Company. The question was called for on the motion. Passed 3-0.

MANAGER'S REPORT

Washington PUD Association Survey – the General Manager and the Commissioners reviewed the WUPDA member survey answering some of the question being asked. The Commission directed the manger to finish the rest of the survey and send it to the Association.

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Billing Outsourcing and New Billing Statements – the first cycle of new outsourced production of the billing statements was processed and sent to customers. The feedback thus far has been very positive.

Spring Break – the General Manager will be out of the office from March 31 to April 4. He will be attending a Public Works Board meeting on Tuesday April 1st in Seattle.

COMMISSIONER'S REPORT:

Commissioner Hicks attended the Washington PUD Association meetings on March 19-20, 2008 in Olympia. He reported that Puget Sound Energy (PSE) has threatened Jefferson County PUD with a lawsuit if they proceed with talks of acquiring PSE's electrical system. The State Auditor has selected Chelan, Douglas and Grant County PUD's as the first PUD's to receive the voter and stated mandated performance audits. Other PUD's including Asotin will likely participate in a similar audit.

Commissioner Ridge will be attending an Energy Northwest New Nuclear Committee meeting on April 2, 2008.

ADJOURNMENT

There being no further business the meeting was adjourned at 6:22 pm.