

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
May 8, 2018

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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 Greg McCall.

Staff: Manager Tim Simpson and Treasurer Bob Sischo.

Members of the public were present.

MINUTES OF MEETING AND VOUCHER APPROVAL

MOTION by Commissioner Judy Ridge and seconded by Commissioner Greg McCall to approve the consent agenda approving the minutes of the April 23, 2018 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1939 – #1941 and Electronic Transaction Vouchers #4715EFT – #4731EFT in the amount of \$39,173.92 and Blanket Transaction Voucher Approval Documents covering Electronic Transaction Vouchers #37 – #40 and vouchers #38285 through #38360 in the amount of \$377,776.58. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

Water Rights Usage Request – Tscemicum Bottling Company

The manager presented a Draft Water Rights Usage Contract with Tscemicum Bottling Company. He stated that at the meeting on Tuesday, April 23, 2018, you met and spoke with Rick Keane, owner of Tscemicum Bottling Company, who was requesting your consideration of using PUD water rights for a well his company would plan to drill for the water bottling/beverage bottling plant. After discussion with Mr. Keane on the subject, you directed me to contact legal counsel regarding the water rights usage request.

The Board requested counsel review of the submittal of a water right change application, adding the proposed well as a point of diversion on our water rights, to ensure that it will not impair or jeopardize our current water rights. You also requested the development of a contract that provides for transfer of the well or control of the well to the PUD if the bottling company goes out of business. It was agreed to have Commissioner Nuxoll participate in a conference call with our legal counsel.

The manager stated on Thursday, April 26th that he, Commissioner Nuxoll and Craig Riehle, Director of Operations, participated in a conference call with legal counsel, Joe Brogan, to discuss the filing of a change application and development of a water right usage contract with Tscemicum Bottling Company. Mr. Brogan stated that he did not see any issue that would prevent the PUD from filing a change application. He stated that any application submitted is open for public review but the application can be pulled if an issue arises. We then discussed the content of a water right usage contract ensuring that language addressed control of the well if the Tscemicum went out of business.

Commissioner Nuxoll questioned the language regarding the PUD acquiring the well if Tsceminicum goes out of business. He stated that in the phone conversation with counsel, purchasing the well was not discussed. After discussion of the language, the Board concurred that they will not acquire the well but the language should state that the PUD will assume ownership of the well and its components if Tsceminicum goes out of business.

Commissioner McCall asked about the rates as why there was not a specific dollar amount shown as had been done in previous water rights usage contracts. The manager stated that it was determined that Tsceminicum will pay the same rate as our customers and the language ties it to our consumptive rate which will change as the Board adjusts the rate. This will prevent the revisiting and updating of the contract every time the rate changes. After further discussion that manager was directed to contact legal counsel and have him make the language changes requested.

NEW BUSINESS

Change the Tuesday, May 22, 2018 Commission Meeting to Monday, May 21, 2018

The manager requested changing the next Commission meeting date from Tuesday, May 22, 2018 to Monday, May 21, 2018 due to manager travel to a business meeting.

MOTION by Commissioner Greg McCall and seconded by Commissioner Judy Ridge to approve changing the meeting from Tuesday, May 22, 2018 to Monday, May 21, 2018 at 5:30 pm. The question was called for on the motion. The motion passed 3-0.

MANAGER'S REPORT

Operations Activity – The manager reported that the crew began installation of the new main on 6th Street starting at Bridge Street running to Poplar Street. As of today they had installed 360 feet of the 650 feet on this section of the project. The project also includes 325 feet of new water main installation on Poplar from 6th to 5th Street and then 925 feet on 5th Street from Bridge Street to Diagonal. In addition, 29 customer water service lines will be replaced from the new main to the meter.

COMMISSIONER'S REPORT

Commissioner Ridge attended the Energy Northwest (EN) Board meeting on April 24-26 in Richland, Washington. The election of Board of Directors and Executive Board members was the primary focus of the meetings. 5 board candidates and 1 nuclear expert were selected by vote to each serve four-year terms on the EN's 11-member Executive Board. The Board also approved the hiring of Chief Nuclear Officer, Brad Sawatzke, as CEO of EN. In addition, the senior leadership team has changed. Grover Hettel, previously VP for Operations, was appointed as Chief Nuclear Officer; Brent Ridge, VP of Corporate Services and Chief Financial and Risk Officer, will now oversee Energy Services & Development, including the agency's hydro, wind and solar operations; and Bob Schuetz, Plant General Manager, was selected as Vice President for Operations.

Meeting Minutes

May 8, 2018

Page 3

Commissioner Ridge attended the Public Power Council meetings on May 2-3 in Portland, Oregon. She reported that they discussed the recent passage of H.R. 3144 by the House of Representatives which provides for ending the “spill test” on Federal Columbia River Power System. PPC heard from the Bonneville power Administration regarding assets management and replacement, financial planning and rates development and other program updates. PPC discussed a draft letter supporting federal legislation regarding better management of sea lion predation of ESA listed salmon and steelhead.

Commissioner Ridge will be attending the Northwest Public Power Association (NWPPA) Annual Conference in Boise, Idaho May 21-23. At the conference Commissioner Gary Hicks will posthumously receive the NWPPA’s Paul J. Raver Award for community service. The award is given to individuals or organizations that have shown superior leadership in the betterment of cities, locales, states or regions. Due to the timing of the conference she will not be in attendance at the next regular Board meeting.

ADJOURNMENT

There being no further business the meeting was adjourned at 6:15 p.m.