

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

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 Counsel Scott Broyles.

Members of the public were present.

MINUTES OF MEETING AND VOUCHER APPROVAL:

MOTION by Commissioner Judy Ridge and seconded by Commissioner Don Nuxoll to approve the consent agenda giving approval of the minutes of the December 28, 2010 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1703 and #1704 and vouchers #1886EFT through #1891EFT in the amount of \$27,988.81 and Blanket Transaction Voucher Approval Document covering vouchers #28679 through #28729, and Electronic Transaction Vouchers #10122901, #11010401, #11010402, #11010403, #11010501, #11010701, #11012801 and #11012802 in the amount of \$145,617.35. The question was called for on the motion. The motion passed 3-0.

ELECTION OF OFFICERS and REPRESENTATIVE ASSIGNMENTS

MOTION by Commissioner Judy Ridge and seconded by Commissioner Don Nuxoll to elect Commissioner Don Nuxoll as President, Commissioner Judy Ridge as Vice-President and Commissioner Gary Hicks as Secretary. The question was called for on the motion. The motion passed 3-0.

The meeting continued with newly elected President Don Nuxoll presiding.

Commissioners were designated representatives of the following organizations:

Washington Public Utilities District Association	Commissioner Hicks
WPUDA Alternate	Commissioner Ridge
Energy Northwest	Commissioner Ridge
Public Utility Risk Management System	Commissioner Nuxoll
WRIA 35 Watershed Planning Unit	Commissioner Nuxoll
Northwest Public Power Association	Open/All
American Public Power Association	Open/All
American Water Works Association	Open/All

OLD BUSINESS

Water Rights Change Application

The manager reported that after reviewing water rights quantity information provided by the Department of Ecology he contacted staff Dan Tolleson to discuss the numbers presented versus what we had discussed prior to the moratorium on the water right application processing. The manager stated that the number presented by Mr. Tolleson was 10,204 acre feet per year. He stated that one acre foot is equal to 325,850 gallons of water. The manager stated that the Superseding Certificate for water right number G3-24918C on Well No. 7, which was completed after our initial meeting with Ecology when they challenged our water rights, shows in the "Provisions" section the total acre feet per year for the groundwater portion of our water rights is stated as 6,645 acre feet. He stated that if you combine this number with the total 5,227 acre feet per year for surface water rights presented in Mr. Tolleson's document the total quantity should be 11,872 acre feet per year. Mr. Tolleson is looking into the matter and will report back to the manager on his determination. The manager stated that the process is moving forward and he has received communication from Keith Stoffel stating such.

Health Insurance Plan Cost Savings

The manager stated that he reviewed the premiums paid on the PUD health insurance plan comparing current costs with past costs to calculate the net savings. He stated that the PUD was with the National Rural Electric Cooperative Association (NRECA) prior to 2000 when we switched to the Public Utility Risk Management System (PURMS). The manager reported that if we had stayed with NRECA our current premiums would be approximately \$462,000 per year. That estimate is based on a modest 10% increase in plan cost per year. The standard industry cost increase has been closer to between 15 and 20%. The manager stated that our 2010 PURMS premiums were approximately \$200,000. He stated that based on the costs between NRECA and PURMS the PUD has realized an approximate savings of \$1.40 million in insurance premiums since 2000.

NEW BUSINESS

Resolution 11-362 – Water Rates, Charges and Fees

The manager presented Resolution 11-362 which provides for the setting of water service rates, charges and fees. He stated that the Resolution is the result of rates discussions that took place in December. He stated that the Resolution leaves the Water Consumptive Rate at \$0.89 per unit (1 Unit = 748 gallons) and raises the Monthly Minimum Charge \$1.00 per month per service size per the Board decision made at the December 28, 2010 meeting. The manager stated that per the Board's direction he reviewed the costs associated with the Service Installation Charges and the Fire Hydrant Installation Charges. The manager stated that the cost of material, labor and equipment has remained

stable and he recommended leaving the Service Installation Charges and the Fire Hydrant Installation Charges at the 2010 levels. The Commission stated that the resolution is a good compromise to the rate structure that was put in place in October 2008. They stated that the increase in the Monthly Minimum Charge will provide stable revenue for the future while providing adequate funding to address water system infrastructure improvements. The manager stated that once the Water Revenue Bond debt is retired in December of this year, he does not foresee the need to increase the consumptive rate in the immediate future. He stated that service installation and fire hydrant installation costs will be reviewed regularly to ensure that the cost to install does not exceed the fee charged. The manager stated the resolution has an effective date of January 1, 2011.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Don Nuxoll approving Resolution 11-362 setting the Water Rates, Charges and Fees effective January 1, 2011. The question was called for on the motion. The motion passed 3-0.

Change the Tuesday January 25, 2011 Meeting Date to Monday January 24, 2011

The manager stated that due to a scheduling conflict he is requesting that the meeting scheduled for Tuesday, January 25, 2011 be changed to Monday, January 24, 2011 beginning at 5:30 pm.

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

MANAGER'S REPORT

City of Asotin – the manager reported that the crew has changed over two services to date with five more to change. He stated that he has spoken with counsel regarding the drafting of an intergovernmental agreement with the City of Asotin for the intertie and the use of PUD water when necessary.

GIS Mapping – the manager presented water and sewer Geographical Information System (GIS) maps generated by our GIS Coordinator Craig Riehle. The manager stated the water map now shows all of the subdivisions and water lines installed in the last ten years. He stated that there is still much to do as far as data entry and ensuring that the lines, services and other infrastructure is represented on the map in its exact location. He stated that system is ready to be utilized for hydraulic modeling in both the water and wastewater systems. He stated that Mr. Riehle will need to be trained on the operation of the programs which were included as part of the setup of the GIS system.

The manager stated that we continue to work with Murray Smith and Associates to complete the project. The maps for the City of Clarkston are nearly complete and will be installed on their computer system soon. The manager stated that Avista complete another flyover of the area in May of this year and the updated digitized maps should be arriving soon.

COMMISSIONER'S REPORT

Commissioner Ridge reported that she will be attending the Energy Northwest Board of Directors meetings Wednesday through Thursday, January 26-27th. She stated that her time as Board President will conclude at this meeting.

Commissioner Nuxoll stated that he will be attending a Drinking Source Water Protection Group meeting held at the PUD office on Thursday, January 13th.

ADJOURNMENT

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