

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
September 22, 2008

President Judy Ridge presiding, the Public Utility District No. 1 of Asotin County Meeting was called to order at 5:00 p.m. at the PUD Office at 1500 Scenic Way.

ROLL CALL: PRESENT Commissioners: Judy Ridge, Gary Hicks and Don Nuxoll.

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

Members of the public were present.

MINUTES OF MEETING AND VOUCHER APPROVAL:

MOTION by Commissioner Don Nuxoll and seconded by Commissioner Gary Hicks to approve the consent agenda giving approval of the minutes of the September 9, 2008 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1111EFT through #1125EFT in the amount of \$21,989.41 and Blanket Transaction Voucher Approval Document covering vouchers #26166 through #26208, and Electronic Transaction Voucher #2008091801, #2008091901, #2008092301, #2008092401 and #2008092901 in the amount of \$130,900.62. The question was called for on the motion. Passed 3-0

The General Manager spent a few minutes explaining the PUD'S history and function to the attending students.

OLD BUSINESS

Property Acquisition

The Manager reported that he approached the owner of the property above the PUD office. The owner has decided because of the instability of the economy to hold on to the property at this time.

NEW BUSINESS

Architect Services Agreement-Operations Shop Design

The General Manager stated that the construction of new vehicle storage building is close to completion. Installation of the garage door openers and electrical work remain.

The manager presented an Architect Services Agreement with Castellaw Kom Architects for the design of the proposed operations. A Scope of Work will be needed to determine the exact architect services cost of the building. The Scope of Work development will be paid on an hourly basis based upon rates established in the agreement. The manager stated that these hours will be limited as the architect works with staff to develop a preliminary design and scope. The first step will be to move everything from the old building and then take it down. The next step is to determine the footprint available and develop a Scope of Work. Once this process is complete an informed decision can be made on whether or not to proceed with construction.

MOTION by Gary Hicks, seconded by Don Nuxoll to approve the Architect Services Agreement with Castellaw Kom Architects for development of a Scope of Work and design for the new operations shop and to authorize the General Manager to execute the Agreement. The question was called for on the motion. Passed 3-0.

2009 Budget

The General Manager reported that revenue and installations are both down significantly from last year. Interest income is also down. Conversely material, fuel and other costs have risen. The Manager stated that the revenue shortfall and increased expenses will result in the 2008 budget finishing approximately \$320,000 over budget. The 2009 preliminary budget based on the 2008 experience shows a \$250,000.00 to \$290,000.00 short fall. Some projects will have to be put on hold like the on site chlorine generation at Well 5 and meter replacements. The Manager stated that the PUD could be as much as \$600,000.00 into reserves in this year and next year. The Manager stated that construction, capital items and staffing will be reviewed for reduction in order to present a balanced budget. He stated that the economic downturn would likely last several years and that decisions made now will affect future budgets. The Manager stated that he should have the preliminary 2009 budget available for Board review by next week.

Set Date and Time for 2009 Budget Hearing

The Manager stated that the 2009 Budget Hearing is scheduled for the first Monday in October. The date is October 6, 2008 at 5:30 p.m. The manager will advertise the meeting in the local newspaper and post the announcement on the front door of the PUD office.

MOTION by Gary Hicks, seconded by Don Nuxoll to set the date for the 2009 Budget Hearing for Monday, October 6, 2008 beginning at 5:30 pm. The question was called for on the motion. Passed 3-0.

MANAGER'S REPORT

Residential Exchange Payment – the Residential Exchange payment from the Bonneville Power Administration will be provided in October. The PUD's portion of the payment is approximately \$21,000.

Quail Ridge Golf Course – the Manager has spoken to the owners of Quail Ridge Golf Course about using BPA conservation renewable credit dollars to develop an energy conservation project. They seemed open and receptive to any positive suggestions.

Nuclear Energy Institute – Through our membership with Energy Northwest the PUD has received a free membership to the Nuclear Energy Institute.

Well 7 ClorTec System – there are still some minor unresolved issues with the chlorine delivery system at Well 7. However the system is fully operational.

Well 6 Motor Repair – the rotor for the Well 6 motor has been repaired for the fourth time. The motor will be reassembled by H&N Electric in Pasco and will be returned after proper testing for installation at the well.

Well 7 Motor Starter Review – CH2M Hill has provided a draft technical memo on their onsite investigation of the Well 7 motor starter and its operation with the new standby generator. The CH2M Hill engineer was able to resolve the issue quite easily saving the PUD the cost of a new motor starter. A final report will be provided upon review and comment by staff.

City of Asotin – the Department of Ecology sent the City of Asotin a recommendation for a moratorium on new growth because they have nearly reached the limit of water use permitted by their water rights. The letter is not an order and gives them time to resolve the issue either through conservation or other methods. The manager contacted Ecology on behalf of the City and will continue to work with Ecology to process a change application that would allow the City to use our water rights. Scott Broyles remarked that Asotin planned to raise their water rates soon which will help conserve some water.

PUD Newsletter – the "Pipeline" newsletter went out with the billing statements today. Factual information regarding the sewer authority ballot proposition is in the issue as well as an article on the new standby generator and on line billing and payments.

Vineland Cemetery – twenty-seven hundred feet of 4" PVC water line has been installed at Vineland Cemetery. Vineland has hit one roadblock-the fundraising is not going well. They have only raised about \$12,000 so far. The PUD'S portion of the project is done.

COMMISSIONER'S REPORT:

Commissioner Hicks reported that he attended the Washington PUD Association meetings in Port Angeles on September 17-19, 2008. He stated that November ballot campaigns for electric authority for Skagit and Jefferson Public Utility District's and the campaign to form a PUD on Whidbey Island are progressing. Those opposing electrical authority and formation of the Whidbey Island PUD are spending thousands of dollars.

Commissioner Hicks stated that he would be attending the Washington PUD Association Water Workshop September 23-25, 2008 in Vancouver Washington.

Commissioner Nuxoll stated that he attended a Watershed Planning meeting in Pomeroy. It was a very productive meeting. The Phase 4 Detailed Implementation Plan was reviewed and adopted. There will be a new contract for grant funding coming for Phase 4 next year. Funding from the Snake River Salmon Recovery Board is also available.

Commissioner Ridge reported that Port Angeles and Clark County will be joining Energy Northwest. The ENW staff are working with Lewis County PUD to encourage them to rejoin.

ADJOURNMENT

There being no further business the meeting was adjourned at 6:00 pm.