

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
April 10, 2017

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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.

PUD Staff: General 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 March 28, 2017 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1896 through #1898 and vouchers #4273EFT through #4289EFT in the amount of \$37,459.79 and Blanket Transaction Voucher Approval Document covering vouchers #36890 through #36948 and Electronic Transaction Vouchers #17040401, #17040501, #17040502, #17040701, #17040702 and #17042101 in the amount of \$163,176.78. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

Tyler Technologies Enterprise Resource Planning (ERP) Software and Services

The manager stated that at the Board meeting on February 28th he reported that a Request for Proposal for Enterprise Resource Planning (ERP) Software and Services was advertised January 9, 2017 with a February 28th deadline for submittal. At the deadline, Tyler Technologies provided the only submittal. Their submittal was reviewed by himself and the Director of Finance and Administration, Bob Sischo and found satisfactory but questions remained about the need for certain modules and the cost of conversion.

The manager reported that on March 29th, staff met onsite with representatives from Tyler Technologies for a Munis software ERP presentation. From that meeting the modules needed were narrowed down as well as solidifying a cost for software, services and conversion. We have opted to have Tyler host our data increasing our annual fees to Tyler slightly but reducing the cost of the conversion and onsite hardware and technical support fees for that hardware. The total cost of the upgrade and conversion is \$188,000.

The manager stated that a standard form contract was presented by Tyler and reviewed by ourselves and our General Counsel with requests for changes made under cyber security and data protection. The manager stated that he is ready to present the contract under New Business for Board approval.

NEW BUSINESS

Resolution 17-436 – Surplus 1999 Caterpillar 416C Backhoe

The manager presented Resolution 17-436 which provides for the surplus and sale of the 1999 Caterpillar (CAT) 416C Backhoe. He stated that 2017 Budget provided for the purchase of a new backhoe. The bid for a new 2017 Caterpillar backhoe from Western States Equipment (Western) was approved by the Board in November 2016 and the new backhoe was ordered. The 2017 backhoe is scheduled for delivery to the PUD the week of April 17th allowing for the surplus of the 1999 CAT.

The manager stated that before the new backhoe bid was approved, Western offered \$14,000 towards the trade-in of the 1999 CAT. At the time of the acceptance of the bid, the Board chose to forgo the trade-in because they felt that the value of the 1999 backhoe was higher than what was being offered. The manager stated that the Boards decision was justified because his research shows that the sale prices of a 1999 CAT Backhoe with the same accessories and low hours that we have on the CAT, at 6,560, range from \$22,000 to \$28,000 dependent upon their condition.

The manager stated that our backhoe has been well-maintained and is in good condition. With that in my mind and based on the average sales research conducted, he recommended setting the minimum bid for the 1999 CAT at \$22,000. He stated there are already three (3) parties who have expressed an interest in the backhoe.

MOTION by Commissioner Greg McCall and seconded by Commissioner Judy Ridge to approved Resolution 17-436 authorizing the surplus and sale of the 1999 Caterpillar 416C Backhoe setting the minimum bid at \$22,000.00. The question was called for on the motion. The motion passed 3-0.

Tyler Technologies Software Service Agreement and Conversion

The manager requested approval of the Tyler Technologies Software Service Agreement as discussed under old business. He stated that the Tyler staff contacted stated he did not see any issues with our additions and amendments but their attorney would need to review the requested changes and additions. The manager stated that the final contract should be available soon and that he wanted to get approval and authorization to execute now so when it is available we can sign it and get in line for conversion as soon as we are able. He stated that he would not execute the Agreement unless requested changes were included in the contract.

The Commissioners stated that they would like to review the Agreement and additions and amendments made by our general counsel and they want Tyler's acceptance of the changes before considering the Agreement for approval.

MOTION by Commissioner Greg McCall and seconded by Commissioner Judy Ridge to table approval of the Software Service Agreement with Tyler Technologies until the next regular meeting. The question was called for on the motion. The motion passed 3-0.

General Legal Counsel

The manager stated that in November of 2016 the Board approved a Legal Services Engagement letter with Foster Pepper bringing attorney Joe Brogan onboard as the PUD Interim Legal Counsel. This decision was made to ensure the continuance of legal counsel upon Scott Broyles' departure at the end of December 2016. The interim general legal counsel services were effective beginning January 1, 2017.

The manager stated that the purpose of the interim agreement was to provide the Board with time to decide in early 2017 how to proceed with legal counsel, whether with a local attorney or with Foster Pepper. The manager stated that he believed the decision is a fairly easy one because his experience with Foster Pepper and Mr. Brogan has been outstanding.

The manager stated that every legal question and issue raised has been handled promptly and professionally. He stated that the PUD is receiving excellent legal counsel on the variety issues raised. The manager recommended removing the "Interim" General Counsel tag from Foster Pepper and Mr. Brogan and requesting that Foster Pepper and Mr. Brogan become our regular General Legal Counsel.

The Commissioners agreed with the recommendation but expressed concerns about the hourly cost of Joe Brogan's and Foster Pepper's services. The Board directed the manager to request a formal engagement letter for legal services from Foster Pepper for their consideration at the next regular meeting.

Set Board Work Session for Monday, April 24th

The manager requested a Board Work Session prior to the next regular meeting on April 24, 2017 due to the fact that we were unable to get through all of the agenda items from today's Work Session.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Greg McCall to approve a Board Work Session for Monday, April 24, 2017 beginning at 4:00 pm. The question was called for on the motion. The motion passed 3-0.

Change the Tuesday, April 25th Commission Meeting Date to Monday, April 24th

The manager requested changing the next Commission meeting date from Tuesday, April 25, 2017 to Monday, April 24, 2017 due to commissioner travel to meetings.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Greg McCall to approve changing the Tuesday, April 25, 2017 meeting to Monday, April 24, 2017 at 5:30 pm. The question was called for on the motion. The motion passed 3-0.

MANAGER'S REPORT

Capital Improvement Projects – the manager reported that work on our 2017 Capital Improvement Projects (CIP) will begin in two weeks. The Operations Crew will begin replacement of 3,000 feet of steel water main with 8-inch C900 PVC on 8th Street starting at Fair Street moving south to Diagonal Street.

Bridge Street Service Replacements – the manager stated that 5 of the 8 water service lines, that needed to be replaced on Bridge Street in advance of the State Department of Transportation road grinding and asphalt overlay this summer, have been completed. The remaining three (3) services will be bored the week of April 24th.

Fleshman Way/ Highway 129 Interchange – the manager reported that a pre-construction meeting for the Fleshman Way/Highway 129 Interchange project at Southway Bridge was held by the County on Tuesday, April 4th. Equipment will be moved in starting April 11th with work on the project beginning the week of April 17th. The manager stated that the highway is scheduled to be shut the day after the Memorial holiday.

COMMISSIONER'S REPORT

Commissioner Ridge and Commissioner McCall stated that they will be attending the Washington PUD Association meetings in Olympia, Washington on April 12-14.

ADJOURNMENT

There being no further business the meeting was adjourned at 6:05 p.m.