

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
June 26, 2012

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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 Gary Hicks.

PUD Staff: General Manager Tim Simpson, Treasurer Bob
Sischo and Counsel Scott Broyles.

MINUTES OF MEETING AND VOUCHER APPROVAL:

MOTION by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge to approve the consent agenda approving the minutes of the June 5, 2012 Regular Meeting and payment of the Transaction Vouchers covering vouchers #2399EFT through #2413EFT in the amount of \$25,914.98 and Blanket Transaction Voucher Approval Document covering vouchers #30341 through #30401, and Electronic Transaction Vouchers #12062001, #12062101, #12062501 and #12062801 in the amount of \$282,518.92. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

Port of Wilma Water and Sanitary Sewer Systems Transfer Agreement

The manager reported that he received amended Port of Wilma Water and Sewer System Transfer Agreements from Port of Whitman County Executive Director, Joe Poire. The Port's Commissioners met on Thursday, June 7th to discuss the agreements. The manager reported that proposed changes made to the Sewer System Transfer Agreement were nominal but changes made to the Water System Transfer Agreement were significant. He stated that in Section 4 (c) the Port inserted language that dictates how rates will be set for current Port customers. In addition the Port rewrote Section 5 stating that water meters will be changed out per PUD Commissioner's request but will not be paid for until November 1, 2013.

The Board stated that the nominal changes to Sewer System Transfer Agreement were acceptable but the changes made to the Water System Transfer Agreement were not acceptable. The Board directed the manager to restore language in the Water System Transfer Agreement and send both Agreements to Mr. Poire with the statement that the Agreements have been finalized and no other changes would be accepted unless they were minor in nature. The manager also reported that he received a phone call from the Department of Health stating that they would proceed with the violation against the Port for not having a certified water system operator on record.

City of Clarkston Wastewater Treatment Plant Upgrade Bid Process

The manager reported that previously the Clarkston City Council decided to rebid the upgrades to the Wastewater Treatment Plant but did not give Public Works Director Jim Martin direction whether the project can be rebid before funding was secured. The manager stated that he received word from Mr. Martin that he has been directed to proceed with the rebid of the project with additional funding to be secured later if needed. The manager stated that he is not sure what level of interest the City will receive with rebidding the project especially with no changes to the plan. He stated that the city will be opening bids in July.

NEW BUSINESS

2011 Financial and Accountability Audit Report

The manager reported that he, Commissioner Nuxoll and Treasurer Bob Sischo attended an Audit Exit Conference on Thursday, June 20th with State Auditors Kent Zirker and Lisa Noland. Ms. Noland completed the audit after Jason Croyle, who performed a majority of the audit, left the Auditor's Office on May 31st for a new position. He stated that at the Exit Conference the Financial and Accountability audits performed by the State Auditor's Office for our Fiscal Year 2011 Audit were discussed.

The manager reported that there no findings or management letter items including no exit recommendations. The manager stated that this is our 25th consecutive clean audit and the first time in our operational history that an audit ended with no recommendations. The Commissioners congratulated the Treasurer and Manager on the excellent audit. The Commission directed the manager to make results of the 2011 Audit public.

Sewer System Expansion Bid Award – 26th Street and 8th Avenue

The manager presented a Sewer System expansion project. He stated that utilizing the Small Works Roster he solicited and received quotes for expanding the PUD sewer system from the intersection of 8th Avenue, Reservoir Road and Critchfield Road west to 26th Street going south to the end of the cul-de-sac. He stated that the project began with interest received from several customers in the area who would like to connect to our sewer. He said that due to our recent positive experience with the installation of pressurized (forced) mains and grinder pumps and the cost effective nature of installing these types of systems, he approached the request for quotes with three (3) options for sewer main construction.

The manager stated that Option 1 – Gravity to Gravity, provides for a 3 foot deep - 6 inch gravity line on 26th Street tied into an 8 inch gravity line that starts out at 3 foot deep at the intersection of 26th Street and 8th Avenue then dropping approximately 1.5 to 2 feet

every 350 feet going east on 8th Avenue until it reaches the depth of the line at the intersection of 9 feet. Option 2 – Forced to Gravity, utilizes the same sized gravity line on 8th Avenue but uses a 2 inch High Density Poly Ethylene (HDPE) line on 26th Street which would follow the grade of the road providing some gravity as it ties into the 8th Avenue line. Option 3 – Forced to Forced, provides for the same 2 inch HDPE line on 26th Street which would follow the grade of the road providing some gravity as it ties into a 4 inch gravity line on 8th Avenue.

The manager reported that he discussed these options with PUD engineers at Murray, Smith and Associates (MSA) and their recommendation was Option 3 – Gravity to Gravity. MSA felt that over time a gravity line would be easier to maintain. The manager stated that he agrees that 8th Avenue needs to be a gravity line due to the fact that there are more potential connections to this main line from other streets such as Rainer, 25th, and Cascade but 26th Street does not need to be gravity. The manager stated that he is recommending Option 2 since the connections to this line would be from pressurized grinder pumps systems a 2 inch HDPE line would be adequate. He stated additionally that the streets listed would also be pressurized lines tying into the main gravity trunk line on 8th Avenue. For the customer, a grinder pump system is less expensive than installing gravity lines and easier to maintain than STEP Systems. The manager reported that two contractors, Curry Construction and WestTech, provided quotes on the 3 options. Results of the quotes are listed below:

	Option 1		Option 2		Option 3	
	All Gravity		Forced to Gravity		Forced-Forced	
Contractor	6" to 8"	Cost/Ft	2" to 8"	Cost/Ft	2" to 4"	Cost/Ft
CURRY	\$117,175	\$55.80	\$90,300	\$43.00	\$44,075	\$20.99
WESTTECH	\$151,330	\$72.06	\$119,650	\$56.98	\$76,246	\$36.31

The manager stated that installing a shallower gravity sewer line saves the PUD significant amounts of money versus installing a standard 10 to 15 foot deep sewer but accomplishes our intentions of expanding sewer and connecting customers at a reasonable cost. He stated that the initial potential connections to these sewer lines is 25 homes but the line on 8th Avenue sets us up for a potential 100-120 plus connections in the future as we expand on to the streets listed and as vacant land is developed. On top of the connection fee, the manager stated that customers that connect will participate in the cost of the line construction. The Board stated that if gravity lines are the best solution, are the easiest for the PUD to maintain and the cost of Option 1 is only approximately \$30,000 more than Option 2 they would prefer that gravity lines be installed.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Gary Hicks approving the bid from Curry Construction, Inc. for Option 1, an all gravity sewer extension, in the amount of \$117,175.00. The question was called for on the motion. The motion passed 3-0.

Critchfield Road Booster Station Appraisal

The manager reported that for a number of years we have kept intact the property and building at the Critchfield Road Booster Station until our surface water rights issues with the Washington State Department of Ecology were resolved. The booster station is tied to the Snake River Pump Station at the bottom of Critchfield Road. He stated that now that the water rights have been resolved and surface water rights have been relinquished we are now free to divest ourselves of the assets that were tied to these water rights. Operations staff has determined that the property and building at the Critchfield Road Booster Station are no longer needed as part of our operations and the manager stated that this property has been surveyed. The survey results show that the property is approximately .50 acres. He stated that the next step in this process is to have the property appraised prior to declaring it surplus and putting out for bid.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge approving the appraisal of the Critchfield Road booster Station building and property. The question was called for on the motion. The motion passed 3-0.

Resolution 12-386 – Sole Source Purchase of Used Dump Truck

The manager presented Resolution 12-386 which provides for the Sole Source purchase of a Used Dump Truck. The manager reported that Operations Foreman Joe Louis has been searching for a used dump truck for use in our water and wastewater operations. The manager stated that our 1978 mixed body and bed Flatbed Dump Truck was parked after safety concerns about the vehicle were raised by a Labor and Industry field inspector. Concerns about the potential liability and safety in the use of this older vehicle have increased as the years go by even prior to the concerns raised by the inspector. The manager stated that he instructed staff to park the vehicle and not use it in operations and initiated the search for a good used dump truck that will meet our needs.

The manager reported that after receiving several quotes a used 5-yard dump truck that meets our needs was located by United Rentals. The dump truck is a 2005 Ford F650 with a 5.9 diesel engine with 27,825 miles on it. The vehicle has primarily been used by construction companies. Joe Louis inspected the vehicle to ensure there were no defects or mechanical issues and attests that it is in good working condition. The base asking price for the vehicle is \$30,500.00. With sales tax the total cost of the vehicle will be \$32,787.50. A 1-year warranty on the vehicle can be purchased for \$1,906.25 plus tax. Purchase of the vehicle will be paid for using our Equipment Replacement Fund. The Board decided against a purchasing a warranty on the vehicle.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Gary Hicks approving Resolution 12-386 authorizing the purchase of a used 2005 Ford F650 Dump Truck in the amount of \$32,787.50. The question was called for on the motion. The motion passed 3-0.

Resolution 12-387 – Surplus 1978 Ford F600 Flatbed Dump Truck

The manager presented Resolution 12-387 which provides for the surplus of the 1978 Ford F600 Flatbed Dump Truck. He stated that due to the purchase of a newer used dump truck and because the 1978 Dump Truck has reached the end of its useful life he is requesting that the 1978 Ford be made surplus and that he be allowed to sell the vehicle.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge approving Resolution 12-387 authorizing the surplus and sale of the 1978 Ford F600 Flatbed Dump Truck. The question was called for on the motion. The motion passed 3-0.

MANAGER’S REPORT

Tree Replacement – the manager reported that the tree on PUD property that was uprooted due to a vehicle accident will be replaced by the insurance company. The cost of the crimson maple tree and planting of the tree is \$520.00.

Sewer Project Update – the manager reported that the sewer main at the intersection of 6th Avenue is being extended south on 22nd Street to accommodate connection by Sonrise Baptist Church and allow for future extension on 22nd Street. Sonrise hired the contractor. In addition the sewer main is being extended approximately 60 feet on Reservoir Road to prepare for future expansion. It was prudent and cost effective that while the contractor had the intersection tore up that we extend the sewer for future use.

2012 Water CIP Update – the manager reported that contractor M.L. Albright & Sons (Albright) started the 2012 Water Capital Improvement Projects (CIP) on Tuesday June 12th beginning with the line on 7th Avenue and Highline Drive. Albright has until October 12, 2012 to complete all phases of the 2012 Water CIP. The manager reported that the City of Clarkston has approved paying for approximately \$50,000 of new fire hydrant placements which they requested and is part of the projects in the City.

Payoff of 1992 PWTF Loan – the manager reported that the payment vouchers included the final payment on the 1992 Public Works Trust Fund Loan used to pay for improvements to the water system shortly after the PUD took over operations of the system. He stated that since December of last year we have retired the Water Revenue Bond and three (3) capital improvement loans.

Wastewater System Plan Update – the manager reported that he met with Murray, Smith and Associates (MSA) to kick-off the update of our Wastewater System Plan. He stated that the Plan was last updated in 2005 when the County owned the system. The manager stated that the update will include identifying areas for sewer expansion and a financial analysis of our system with an eye towards the City of Clarkston Wastewater Treatment Plant Upgrade and how the debt service on the WWTP will affect our operational cost and rates.

COMMISSIONER'S REPORT

Commissioner Hicks did not attend the American Water Works Association 2012 Conference in Dallas, Texas on June 10th through June 14th.

Commissioner Nuxoll attended the Public Utility Risk Management System semi-annual meeting in Burien, Washington on June 6th through June 7th with Treasurer Bob Sischo. He reported that the PURMS Board finally voted in the resolution that amended the Self Insurance Agreement that they have been working on the past several years. He reported that property and liability assessments will be coming soon.

He stated that the Board approved a contract with Agility Recovery for emergency response if a PUD has a major catastrophe. He stated that in an emergency this company will come in, setup an office and get a PUD operational. He said that they can serve up to four (4) PUDs at one time. The cost of this service is \$1,500 per month for all members of PURMS with our utility paying \$300 per year. Commissioner Nuxoll reported that administrative costs for the PURMS health insurance plans were only 3%. Treasurer Bob Sischo reported that Aegis will be onsite in October to perform a property audit.

ADJOURNMENT

There being no further business the meeting was adjourned at 6:45 p.m.