

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
September 11, 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 and Counsel
Scott Broyles.

Members of the public were present.

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 August 29, 2012 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1757 and #1758 and vouchers #2476EFT through #2491EFT in the amount of \$31,502.30 and Blanket Transaction Voucher Approval Document covering vouchers #30611 through #30669, and Electronic Transaction Vouchers #12090302, #12090401, #12090501, #12090701 and #12092101 in the amount of \$166,813.10. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

Port of Wilma Water and Sanitary Sewer Systems Transfer

The manager reported that the quote received, in the amount of \$62,140.00 for water service meters that match our current meters, was approved by the Port for purchase. He stated that the City of Clarkston treatment plant operators were contacted and asked to flush the Port's line but they are not available until November. The manager stated that staff contacted the City of Lewiston's sewer crew to ask them to perform the flushing and video of the line. The City completed flushing of our system last year while Clarkston was awaiting the arrival of their new flusher truck. He stated that they are planning for the second week of October to flush and video the Port of Wilma sewer system. The manager reported that he was contacted yesterday by a potential tenant for the Port requesting fees associated with water and sewer connections.

Port of Clarkston – PUD Rural Economic Development Loan Applicant

The manager stated that at the last meeting Wanda Keefer, Manager for the Port of Clarkston presented a request for the PUD to become an applicant for a United States

Department of Agriculture (USDA) Rural Economic Development Loan and/or Grant Programs. The Port is not an eligible applicant but the PUD is because it is a utility. The purpose of the PUD applying for a loan and/or grant is to provide funding for the Port to construct a building for a high-tech company that is looking to locate on Port property near the Snake River. If successful as an applicant, the PUD would set up a revolving fund and would loan the money to entities such as the Port or private companies. At the meeting the Commission directed counsel to look into the matter and seek legal guidance as to whether PUDs can create and administer revolving loan funds. Counsel stated that he spoke with an attorney at Foster Pepper and was directed to contact bond counsel in Spokane. Counsel stated that he has not contacted this individual and had no further information to share with the Board.

Water Rights Usage Request

The manager reported that he and the individual interested in using our water rights met via conference call with Washington State Department of Ecology staff Dan Tolleson on Monday September 10 to discuss the steps necessary to provide for the use of these rights. The manager presented a letter of request to use our water rights and a map showing the area of intended use which is approximately 4 to 5 miles south of the city of Asotin off of Highway 129 in the Anatone area. The manager reported that a test well has already been drilled 740 feet below ground level and the intention of the individual is to drill it deeper. It will need to be drilled another 900 to 1,000 feet to hit the primary aquifer and be below the elevation of the river. The request is to use up to 2,400 acre feet for a commercial operation.

The manager stated that the first step in the process was to amend the Department of Health (DOH) approved PUD Water System Plan (WSP) to include the proposed area of use. We will be seeking to amend the WSP because of the acceptance of ownership of the Port of Wilma Water System and the need to add the Port to our service area. The manager stated that we can add both areas with the same amendment. He stated that the next step after approval of the WSP amendment would be to develop an agreement between the individual and the PUD for use of our water rights. Once that is complete a water right change application would be completed and submitted to the Department of Ecology adding the proposed well as a point-of-diversion from our wells. The manager stated that at this point there is always the chance that the application could be challenged. If it is challenged then we can just pull the application. The manager stated that if amending the WSP to include the proposed area is an issue we have the option of using our Satellite System Management authority if needed. He said the only problem is that it is ownership only and we would need to get the designation changed to management and ownership.

After discussion of the request and the necessary steps needed to allow for the use of our water rights, the Board of Commissioners approved of the first step in the process which provides for the amending of our WSP to add the proposed area into our service territory.

NEW BUSINESS

Critchfield Road Property and Building Purchase Offers

The manager stated that at the last meeting he presented the Commission with four offers for the old Critchfield Road Booster Station which ranged from \$17,100.00 to \$22,000.00. The Board chose to reject all offers with the thought that they would like to receive at least 75% of the \$47,000.00 appraised value. He reported that on August 30th he notified those who made offers that all offers were rejected but stated that the property was still for sale and the PUD would accept reasonable offers. One of those who originally submitted an offer provided another offer in the amount of \$31,156.00 on Friday, August 31st. His original offer was \$19,150.00. The manager stated that this new offer is approximately 66% of the appraised value.

The manager reported that on Thursday September 6th he received another offer in the amount of \$35,000.00 which is approximately 75% of the appraised value. This offer was also from one of the original four who submitted offers before the last Board meeting His original offer was \$17,100.00. His request with the offer was that he be allowed to pay 50% now and the remainder next year. The Board stated that if they accept the higher offer they could not allow for payments because it was not offered to anyone else submitting offers. The Board stated that they would be acceptable of the \$35,000.000 offer but it would be a cash sale with the total amount due at closing.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge to accept the offer in the amount of \$35,000.00 submitted by Glenn Scharnhorst for the property and building located at “2122” Critchfield Road known to the PUD as the Critchfield Road Booster Station with full payment made at the closing of the sale. The question was called for on the motion. The motion passed 3-0.

Award Bid – Valley View Drive Sewer Line Extension Project

The manager reported that utilizing the Small Works Roster he solicited and received quotes for expanding our sewer system from the sewer line on Scenic Way south and up the hill to the intersection of Valley View Drive and 20th Street then going west stopping approximately 100 feet short of Appleside Boulevard. He stated that this line will also be run through property from Valley View Drive south to Andreasen Drive. This project began with interest received from a water customer on Valley View Drive whose rental trailer’s septic system has failed. This individual would also like to connect her other three properties to the line.

The manager stated that the line is designed to be a gravity flow line approximately 5 to 6 feet deep. The manager has verbally been granted an easement for installation of the sewer line through the property at 2020 Valley View Drive. The line will be connected to the 8 inch sewer just on the shoulder of Scenic Way and will be run south up to the

intersection of Valley View Drive and 20th Street. Additionally he stated that the PUD has been granted a verbal easement through the failed septic system customer's property and will run the line between 2041 Valley View Drive and 2029 Valley View Drive, the property where the failure occurred. The line has been designed in such a way that the PUD can expand the sewer system east on Valley View Drive, south on 20th Street to 2nd Street and connect customers on Andreasen Drive. The manager stated that the new sewer line should serve an estimated 40 to 50 new connections.

Quotes were submitted on the project by contractors Curry Construction in the amount of \$103,489.00 and West Tech Industries in the amount of \$73,016.00. Both bids are presented before sales tax. A third contractor contacted did not provide a quote on the project. Results are shown below. The manger recommended awarding the bid to West Tech Industries.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge to award the bid for the Valley View Drive Sewer Line Extension Project to West Tech Industries in the amount \$73,016.00 plus Washington State Sales Tax. The question was called for on the motion. The motion passed 3-0.

Clarkston DECA Survey Billing Insert Request

The manager reported that students from the Clarkston School District DECA program are requesting to insert an Asotin County Aquatics Center marketing survey in with the PUD billing statements. He stated that he spoke with their advisor Lynn Carey about the purpose of the survey. She stated that it is non-political; it is an avenue to help Asotin County better market the Center and provides a project for the DECA students that they can present at regional, state and national competitions.

Several DECA students were present and reported that they do not have a survey to share with the Commissioners but should have a draft by the end of this week or early next week. They will also be placing a link to a survey program if people choose to complete the survey online. The manager stated that any surveys collected can be picked up weekly by students. He stated that if DECA provides the surveys it would cost \$0.01 per survey to insert. If our bill printing and mailing company prints the survey then it is \$0.05 to print and insert. The Commissioners gave their consensus to allow for the insert of the surveys with PUD billing statements. The Board requested that they be given the opportunity to review the survey prior to insertion.

MANAGER'S REPORT

Construction Update – the manager reported contractor M.L. Albright & Sons (Albright) will complete the second and final phase of installation of the water line Beachview Boulevard this week. They will move back to 3rd Street installing line to 6th Street and

Highland Avenue The PUD crew has completed installation of approximately 600 feet of 6 inch PVC water line replacing an old, leaky 4 inch steel water main on the east end of Valley View Drive. Water services are now being tied over to the new line.

Sewer Main Extension – the manager reported that he was contacted about another septic system failure. He stated that this one is located on 25th Street. He and staff are working with the homeowner to extend the sewer line from intersection of 6th Avenue and 25th Street south approximately 300 feet. The manager showed the Board a map of the proposed sewer main extension. He stated that the line can be extended the rest of the way south on 25th Street to 8th Avenue next year. The manager stated that he will be using the Small Works Roster to receive quotes on construction of the sewer extension.

Energy Northwest Member Forum – the manager reported that the 15th Annual Energy Northwest Member Forum will be held October 25-26, 2012 in Richland Washington.

Wastewater Treatment Plant Construction – the manager reported that the notice to proceed on the upgrade of the Clarkston Wastewater Treatment Plant has been given the contractor Williams Brothers. He stated that work on the Plant upgrade will begin on September 17, 2012 and is scheduled to conclude 18 months later on March 31, 2014.

COMMISSIONER'S REPORT

Commissioner Hicks stated that he will be attending the Washington PUD Association Meetings in Ellensburg, Washington on September 19-21, 2012.

ADJOURNMENT

There being no further business the meeting was adjourned at 6:25 p.m.