

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
November 26, 2013

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President Judy Ridge 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: Judy Ridge, Gary Hicks and Don Nuxoll.

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 Gary Hicks and seconded by Commissioner Don Nuxoll to approve the consent agenda approving the minutes of the November 12, 2013 Regular Meeting and payment of the Transaction Vouchers covering voucher #1793 and vouchers #2927EFT through #2941EFT in the amount of \$33,315.85 and Blanket Transaction Voucher Approval Document covering vouchers #31999 through #32041, and Electronic Transaction Vouchers #13110403, #13112001, #13112101, #13112501 and #31100402 in the amount of \$82,348.01. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

Port of Wilma Progress Report for Water System Transfer and Sewer System Upgrades

The manager presented the Board with copies of the Port of Wilma water line easement reassignment documents that he received from the US Army Corp of Engineers (Corp). He stated that copies of the document were forwarded to Counsel for his review and inclusion in the documents being prepared for the transfer of ownership of the Port of Wilma Water System to the PUD. The manager also presented the Board with a draft Bill of Sale and Easement document for use as part of the water system transfer. Counsel sent these documents to the Port of Whitman County's attorney, Bruce Ensley for review. The manager stated that the Port Board of Commissioners will meet on Monday December 9th to consider the documents provided by the Corp and the PUD. He stated that these documents will be considered under New Business.

The manager reported that he has not heard anything new regarding the proposed septic system. He stated that he contacted the Port several weeks ago for information but has not received a response.

NEW BUSINESS

US Army Corp of Engineers – Port of Wilma Waterline Easement Reassignment

The manager presented a copy of a letter from the US Army Corp of Engineers (Corp) to the Port of Whitman County regarding the reassignment of the Corp waterline easement in the Port of Wilma from to the PUD along with documents necessary to effect the reassignment of the easement. He stated that an official will need to be designated for the PUD to sign the documents and execute the easement reassignment. The Port has received these documents and will be taking them to their Board of Commissioners for review and document execution approval on Monday, December 9th. Counsel has reviewed the documents and is incorporating the easement reassignment into the water system transfer closing documents. Counsel requested that as part of the motion regarding the easement reassignment that the Board approved the closing and transfer documents and authorizes the General Manager to execute these documents.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Don Nuxoll to approve the US Army Corp of Engineers, Port of Wilma Waterline Easement Reassignment, the Bill of Sale and other Port of Wilma Water System Transfer documents and authorize the General Manager to execute the documents. The question was called for on the motion. The motion passed 3-0.

Well No. 1 Onsite Chlorine Generator System Quote Award

The manager presented quotes he received for an onsite sodium hypochlorite (chlorine) generating system for Well No. 1 utilizing the Material, Equipment and Vehicle Vendor Roster process. He stated that the current system at Well No. 1 is in disrepair and needs to be replaced. In addition the chlorinator needs to be upsized so more chlorine can be produced daily without overtaxing the system.

The manager stated that he became aware of a chlorine generating system equivalent to our ClorTec systems we currently use and felt it necessary to request quotes from both manufacturers of these systems. The manager sent quote requests to two (2) vendors and both vendors provided quotes. A quote was received from Severn Trent for a ClorTec system in the amount of \$109,402.75 and one from Pump Tech, Inc. for a MicrOclor system in the amount of \$75,245.78. Sales tax is included in the total price and quotes include installation and training. The sales tax rate was discussed. The manager stated that he recommends awarding the quote to Pump Tech Inc. for the MicrOclor Onsite Chlorine Generating System for Well No. 1 from in the amount of \$75,246.78.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Don Nuxoll to award the quote for the Well No. 1 Onsite Sodium Hypochlorite Generating System to Pump Tech Inc. in the amount of \$69,997.00 plus applicable sales tax. The question was called for on the motion. The motion passed 3-0.

Consulting Services Agreement – Heights Reservoir Interior Recoating

The manager presented a Consultant Agreement between Custom Coating Consultants and the PUD along with Exhibit A – Scope of Work for consulting and inspection services related to the Clarkston Heights Reservoirs Interior Recoating Project. He stated that as the Board was aware one of the major projects that will be completed in 2014 is the recoating of the interior of the 1 million gallon (mg) and 2 mg Clarkston Heights Reservoirs. The need for this project arose after the reservoirs were inspected and cleaned earlier this year. The company inspecting the reservoirs noted that the interior coating is deteriorating and flaking off prompting the recommendation to recoat the interior before any decay would occur in these welded steel reservoirs. The 1 mg reservoir was built in 1959 and the 2 mg reservoir was built in 1975. The cost of the interior recoating project is estimated at \$300,000. This project will go out to bid in December with the project occurring in 2014.

The manager stated that the first step in the project process is to hire an independent consultant that is certified in paint coating that has experience in the interior coating of potable water reservoirs. He emphasized that it is extremely critical that we do this project right the first time. The coating job needs to last a long time and in order to do so we need to hire a reputable contractor but we also need to hire an independent firm who can inspect the work of the contractor on a regular basis to ensure the current coating is removed properly and the new coating is applied per specifications.

The manager stated that in search of an experienced consultant he contacted Murray, Smith and Associates (MSA) and Custom Coating Consultants (CCC) who was recommended by another water utility. MSA and CCC provided qualifications and estimates for consulting and inspection services. Based upon the scope of services provided, it became clear that CCC was the best value for the PUD. The estimated cost of services was nearly the same between both firms but CCC staff have a higher certification than the individual that MSA would provide and CCC can be on the job site during the project 100% of the time whereas MSA could only provide inspection services related to the project 20% to 40% of the time. Based on this information the manager recommended hiring Custom Coating Consultants to provide consulting and inspection services for the Clarkston Heights Reservoirs Interior Coating Project.

The manager stated that under the Agreement CCC would review specifications for bidding the project, provide services during the bidding and provide consulting and inspections services during the project. Counsel has reviewed and approved of the Agreement.

MOTION by Commissioner Don Nuxoll and seconded by Commissioner Gary Hicks to approve the Consultant Agreement between Custom Coating Consultants and the PUD and authorized the General Manager to execute the Agreement. The question was called for on the motion. The motion passed 3-0.

MANAGER'S REPORT

Water Right Purchase Request – the manager reported that as directed by the Board, he spoke with Dan Tolleson from the Washington State Department of Ecology. He stated that former Ecology Water Master Bill Neve contacted him regarding the purchase of 500 acre feet of water rights for use by a non-traditional pulp mill that is locating near Lyons Ferry. At the last meeting the Board stated that they would not sell any of the PUD water rights but would be interested in leasing them.

Mr. Tolleson stated that based on the water right's location and use in Lyons Ferry that our water rights located in Asotin County would be difficult to transfer to another county and location. The manager contacted Mr. Neve about the discussion with Ecology. Mr. Neve stated that he spoke with Mr. Tolleson's supervisor Keith Stoffel about the transfer and Mr. Stoffel stated that he is willing to work with Mr. Neve and the PUD to transfer water rights from the Port of Wilma system to the business at Lyons Ferry. Mr. Stoffel stated that he did not want the PUD to use its certified groundwater rights for use at this site because he did not want the PUD to backfill the water used with inchoate or unused water rights. The manager stated that Mr. Neve is still pursuing the water right lease and will be in contact with us.

Landscaping Project – the manager reported that the landscaping project has been completed. A few additional items were added and addressed during the project such as irrigation line, valve replacement and trees in the back of the building. The manager stated that the project meets our commitment under the State mandated Water Use Efficiency plan adopted by the Board to provide for Xeriscape or low water use plants and a drip irrigation system. He stated that landscaping on the south side of the building will be addressed next year.

Operations/WWTP – the manager reported that the operations staff are spending their time flushing sewer main lines and exercising water system valves. The City of Clarkston is providing flushing services. The City staff schedule is busy due to the fact that training on the startup of the upgraded Wastewater Treatment Plant (WWTP) will begin soon. The manager stated that WWTP upgrades are scheduled to be completed between March and May of 2014.

2nd Avenue Sewer Connection – the manager reported that a customer on 2nd Avenue has connected to the new sewer line from Scenic Way to 2nd Avenue constructed by PUD this fall. The manager stated that this is the second customer to connect to the line.

COMMISSIONER'S REPORT

Commissioner Ridge and Commissioner Hicks will be attending the Washington PUD Association Annual Meeting in Spokane, Washington on December 4-6, 2013. Manager Tim Simpson and Treasurer Bob Sischo will also be in attendance.

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ADJOURNMENT

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