

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
June 14, 2016

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

PUD Staff: General Manager Tim Simpson and Counsel
Scott Broyles.

MINUTES OF MEETING AND VOUCHER APPROVAL

MOTION by Commissioner Judy Ridge and seconded by Commissioner Don Nuxoll to approve the consent agenda approving the minutes of the May 24, 2016 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1866 and #1867 and vouchers #3928EFT through #3945EFT in the amount of \$37,276.04 and Blanket Transaction Voucher Approval Document covering vouchers #35802 through #35881, and Electronic Transaction Vouchers #16060201, #16060202, #16060301, #16060503, #16061601 and #16062401 in the amount of \$329,920.46. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

There were no items presented under Old Business.

NEW BUSINESS

Award Bids for Water Distribution Main Replacement Project

The manager presented bids that were requested from vendors on the Small Works and Vendor Rosters for material, traffic control and asphalt patching for our water distribution main replacement projects near Bi-Mart and Costco. The bid results for material was as follows: Ferguson Waterworks in the amount of \$81,264.17, HD Supply; \$83,480.48 and HD Fowler Company; \$86,264.51. For traffic control, bids were requested from two (2) contractors but only one response was received from Perfection Traffic Control in the amount of \$46,807.02. For asphalt patching, bids were requested from six (6) contractors but only one response was received from Herco, Inc. in the amount of \$90,258.35. Ferguson Waterworks is the lowest responsible bidder for material at \$81,264.17, Perfection Traffic Control is the lowest responsible bidder for traffic control at \$46,807.02 and Herco, Inc. is the lowest responsible bidder for asphalt patching at \$90,258.35. The manager recommended awarding the bids as presented and requested authorization to execute all agreements and contracts.

MOTION by Commissioner Don Nuxoll and seconded by Commissioner Judy Ridge to approve the bid for material to Ferguson Waterworks is the amount of \$81,264.17, the bid for traffic control to Perfection Traffic Control in the amount of \$46,807.02 and the bid for asphalt patching to Herco, Inc. in the amount \$90,258.35, all of whom are the lowest responsible bidders, and authorize the General Manager to execute all agreements and contracts. The question was called for on the motion. The motion passed 3-0.

Resolution 16-431 – Thanking Joe Louis for 40 Years of Service

The manager presented Resolution 16-431 which provides for an expression of gratitude to Joe Louis for his 40 years of service to water system customers; 29 of which were with the PUD. He stated that Joe will be retiring from the PUD on Thursday, June 30, 2016. An open house in his honor will be held from 2:00 to 4:00 pm on that day.

MOTION by Commissioner Don Nuxoll and seconded by Commissioner Judy Ridge to approve Resolution 16-431 thanking Joe Louis for his 40 years of service. The question was called for on the motion. The motion passed 3-0.

Snake River Pump Station Removal

The manager stated that the Snake River Pump Stations (SRPS), one located under Southway Bridge and the other located near the intersection of Highway 129 and Critchfield Road, have not been used for many years and were on standby supply after Washington Water Power removed the surface water reservoir and replaced it with a 4 million gallon potable water reservoir in the late 1970s and early 1980s.

The manager stated that now that we have moved surface water rights into ground water rights and have relinquished our remaining surface water rights, the pump stations are no longer needed. He stated that he would like to begin the process of removing the pump stations equipment, structures and intakes. The pump stations are on US Army Corp property and there is an easement allowing the pump stations to exist where they are at. In speaking to the Corp about our desire to remove the pump stations they said they want to see a detailed demolition plan and report that specifies how the removal will take place. In addition a Corp real estate application will have to be completed along with development of a plan for removal. Permits from other state and/or federal agencies may be necessary in order to remove the structures and intakes.

The manager stated that the first step in the process would be to hire an engineering firm to assess the pump stations, develop a plan for removal, complete the application and submit it to the Corp. He said it could take several years to complete the process with the majority of the time being spent by the Corp to review and approve the plan. After discussion of the issue and potential cost of removal the Board stated that the SRPS will not be removed at this time.

Asotin County Ridgeview Stormwater Retention Pond Agreement

The manager and Counsel presented a draft Ridgeview Stormwater Retention Pond Agreement between the PUD and Asotin County. He stated that the County first approached the PUD in February of this year requesting our consideration of an easement on our Pomeroy Gulch property off of Ridgeview and 4th Avenue so the County could build a stormwater retention pond that would collect stormwater from the Ridgeview area. The Board was acceptable of the preliminary plans but stated that language needed to be developed for indemnity in case of catastrophic failure of the retention pond. In addition the Board stated that compensation should be provided to the PUD for use of our land. The County concurred with the items addressed and agreed to a one-time payment of \$5,000.00 for use of PUD land. In addition, the County stated that the access easement would include maintenance and general upkeep of the access road.

Counsel developed a draft agreement and it was presented to the County in May. The draft agreement provided for a lease rather than an easement for the retention pond, a ten year term and an annual payment of \$3,000.00. The County and their attorney responded stating that the key items within the draft agreement that they weren't able to agree to were a lease agreement rather than an easement, a termination window of ten years, and an annual assessment of \$3,000. They stated that initial proposal was for the County to purchase the easement for a one-time payment of \$5,000 and have the county maintain the shared access road and the Stormwater facility.

After discussion of the key items in the draft Agreement the Board directed the manager and counsel to keep the agreement as a lease of land, extend the term of the agreement to 25 years, allow for a one-time payment of \$5,000.00 and provide for a road access easement with the County providing weed spraying, grading, gravel and general maintenance of the access road.

MANAGER'S REPORT

Water Main Projects – The manager reported that the water main replacement project on 3rd and Diagonal Streets in front of Bi-Mart is going well. The construction staff is approximately 95% done with the installation of the main line. Water main installation will be completed this week, the line pressure tested and chlorinated and samples will be taken early next week. The manager stated that Washington State Department of Labor and Industry official inspector showed up on the job on Friday June 3rd to inspect the site. He contacted the manager later that day and stated that the crew passed inspection and were doing a great job with safety measures.

2015 Fiscal Year Audit – The manager reported that the 2015 Fiscal Year audit has been completed. There was an issue with the PERS notes where two different State Audit offices were recommending differing resolutions. That issue has been resolved and an exit conference will be scheduled soon. There were no issues with the audit except a couple of minor text errors in our Notes to the financial Statements.

COMMISSIONER'S REPORT

Commissioner Ridge attended Energy Northwest meetings in Seattle, Washington on May 25th. The ENW Board of Directors went into executive session and discussed a recently sent 4th anonymous employee letter regarding their concerns about management of Energy Northwest. The investigation report from the independent attorney was not presented at the meeting. She stated that the investigation will continue and she is certain more letters will be sent by the anonymous employees.

Commissioner Ridge attended Public Power Council meetings June 1-2 in Portland, Oregon. The focus of the meeting was a forum on the recent denial of the biological opinion and fish issues. She stated that in spite of the judge's decision and all of the issues surrounding the ruling, the fish are thriving and coming back in record numbers.

Commissioner Hicks attended the Public Utility Risk Management System (PURMS) semi-annual meeting Burien, Washington on June 7-8. He stated that cyber security was a primary topic. He stated that PURMS has been working on providing a cost for insurance against cyber-attacks. He reported that it has been a difficult year for PURMS and its member due to the high number of claims. He stated that a liability assessment will occur for each member before year-end in order to increase the liability pool.

Commissioner Hicks reported that in response to the Department of Natural Resources stance and lawsuit on tree trimming and the fire that destroyed many acres of land and property several years ago, he stated that federal and state legislation is being drafted to allow utilities to access property and trim trees that threaten power lines even if utilities do not have permission from land owners. This is being put forth because of the huge risk and liability utilities face for not trimming trees.

ADJOURNMENT

There being no further business the meeting was adjourned at 6:20 p.m.