

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
December 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, Treasurer Bob Sischo and Counsel Scott Broyles

Members of the public were present.

MINUTES OF MEETING AND VOUCHER APPROVAL:

MOTION by Commissioner Judy Ridge and seconded by Commissioner Gary Hicks to approve the consent agenda approving the minutes of the November 27, 2012 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1765 through #1769 and vouchers #2569EFT through #2584EFT in the amount of \$41,422.73 and Blanket Transaction Voucher Approval Document covering vouchers #30904 through #30966, and Electronic Transaction Vouchers #12120402, #12120501, #12120701 and #12122101 in the amount of \$187,378.86. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

Port of Wilma Progress Report for Water and Sewer System Upgrades

That manager reported that one of the large 8 inch meters has been installed. In performing the work staff discovered that the hydrant near the meter was not valved properly and that hydrant was not functional. A valve and a new meter were installed. PUD staff has moved to the next large meter near Well No. 1 and have discovered the same issues as the first. The manager stated that installation of this meter should conclude this week. Backflow prevention in order to protect the public water system was addressed with Bennett Lumber.

The manager reported that the city of Lewiston has completed the flushing of the sewer main videoing of the line to assess the pipe condition. City staff reported that the line was in good condition with the exception of one spot where an Avista power pole had penetrated the sewer main. The manager stated that this pole was set in the late 1970's after the sewer system had been installed. He stated that this shows that the sewer line has never been inspected since installation. Avista was contacted about relocating the

pole. Once that is completed the sewer main will be repaired. The manager reported that pumps from the far west end lift station have been removed and will be rehabilitated. The lift station was installed when that portion of the Port was developed but the pumps have never been used and have been sitting in water being exposed to the elements and falling in to disrepair. Once rehabilitated the pumps will sit on a shelf until that end of the Port develops and the lift station is needed. The other two lift stations pumps will need to be pulled and either replaced or rehabilitated. The control panels at these sites will also need to be brought up to code and repaired to operating condition.

The manager reported that he and Operations Foreman Joe Louis met with Environmental Health Specialists from the Whitman County Public Health Department to inspect the septic system and drain field at the Port. The manager stated that it was his first visit to the site and what he saw was not good. In speaking with the specialists upon their inspection of the system they stated that it is likely that the system would be considered a failure requiring a new drain field to be built elsewhere. Because of the size of the system the specialists stated that it is out of their jurisdiction and the issue will be given to the state Department of Ecology for inspection, review and direction.

The manager stated that based on the inspection of the septic system Friday there are two likely scenarios for the Port's sewer system. The first scenario is that a new drain field will need to be developed along with placement of a properly working septic system. The second scenario is that Ecology requires the rehabilitation and use of the lagoons. The manager stated that the 2nd scenario is more realistic. The Port chose not to rehabilitate the lagoon system in 2005 opting for the septic system and use of the drain field that has been in place since the late 1970's. The manager stated that the Port has been notified and he has requested that he be copied on all correspondence from Whitman county Public Health and Ecology.

NEW BUSINESS

Resolution 12-393 – Amending the 2012 Budget

The manager presented Resolution 12-393 which provides for the amending of the 2012 Budget. The manager stated that water and sewer system improvement projects undertaken this year we will exceed the 2012 Budget as originally approved in October 2011. State statute requires that a municipality amend its budget if it is deemed that certain revenues and expenditures will significantly exceed what was budgeted. The manager stated that when approving M.L. Albright's construction contract the Board decided to fund the entire \$1.465 million project this year using cash reserves to pay the amount over what was budgeted. The original construction budget was \$1.0 million. In addition, and in response to septic system failures, we have initiated sewer projects that will require the use of sewer fund reserves to complete certain projects. The manager presented the amended 2012 budget which showed revenues had been adjusted from

\$4.75 million to \$5.683 million, the majority of which is coming from cash reserves. Expenses have been adjusted from the original \$4.74 million to \$5.682 million, the majority of which has been designated for capital improvement projects.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge to approve Resolution 12-393 amending 2012 Budget as presented. The question was called for on the motion. The motion passed 3-0.

Resolution 12-394 – Amending the Sewer Service Rates Charges and Fees

The manager presented Resolution 12-394 which provides for the setting of Sewer Rates, Charges and Fees. A rate increase of 10% or \$3.05 per month for 2013 is being recommended due to the fact that the City of Clarkston has contracted to upgrade their Wastewater Treatment Plant (WWTP) in the amount of \$15.22 million. He stated that payment for the PUD portion of the loan on this upgrade will be through the operational agreement the PUD has with the City. Charges from the City are based upon PUD wastewater flow to the WWTP which is currently 33% to 35% of the entire wastewater flow being processed daily.

The manager stated that based on this information the PUD will be paying approximately 33% to 35% of the total cost of the WWTP upgrade project financing through our operational agreement which will increase our annual charges from the City an estimated \$294,000 per year by 2015. This increase requires a projected 20% increase in monthly sewer rates. He stated that rates will need to increase 10% on January 1, 2013 and will need to be increased again another 10% in 2014 to cover the additional operating costs for the WWTP. The current monthly sewer rate is \$30.45 and if approved, will increase to \$33.50 effective January 1, 2013. For qualifying seniors and disabled persons the monthly charge will increase from \$24.35 to \$27.40.

In addition to the changes to the monthly service rates, the manager recommended eliminating the monthly STEP System Fee of \$10.00, combining the Sewer Connection Fee and Sewer Plant Fee into one Sewer Connection Fee and eliminating the Front Footage Fee.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Gary Hicks to approve Resolution 12-394 adopting the Sewer Rates Charges and Fees effective January 1, 2013 repealing Resolution 12-377. The question was called for on the motion. The motion passed 3-0.

Real Estate Purchase and Sale Agreement – Critchfield Road Booster Station

The manager presented a Real Estate Purchase and Sale Agreement between the PUD and Robert Wissenbach for the sale of .50 +/- acres of property and a shop building located on Critchfield Road known to the PUD as the Critchfield Booster Station.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge to approve the Real Estate Purchase and Sale Agreement between the PUD and Robert Wissenbach for the sale of .50 +/- acres of property and a shop building commonly known to the PUD as the Critchfield Booster Station. The question was called for on the motion. The motion passed 3-0.

Resolution 12-395 – Relating to the Sale of Surplus Property

The manager presented Resolution 12-395 which identifies the steps taken to surplus the Critchfield Road Booster Station property and building, acceptance of the purchase offer, authorization of the manager to execute the Purchase and Sale Agreement and providing authorization for the manager to execute closing documents, including the statutory warranty deed on behalf of the PUD. The manager reported that title insurance commitment has been received from First American Title Company in Clarkston. The closing date for the property will set for later this month.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge to approve Resolution 12-395 authorizing the General Manager to execute the Real Estate Purchase and Sale Agreement and all closing documents related to the sale of the Critchfield Road Booster Station property and building. The question was called for on the motion. The motion passed 3-0.

Billing Statements Survey Insert Request

The manager presented a request for the insertion of a survey with PUD billing statements. He stated that the survey is for adults to complete and it is regarding the use of alcohol by youth in the community. The Community Coordinator for a coalition called Clarkston Empowering People & Impacting Choices (EPIC) is requesting that this community survey be mailed out with our monthly billing statements. The inserts will only go to those in our 2nd billing cycle of the month or predominantly city of Clarkston residents. The manager stated that the Community Coordinator is a contractor of the State of Washington and Clarkston EPIC is funded by prevention money they have been receiving from the state for years.

The Coordinator stated that the state is taking a new approach called the Prevention Redesign Initiative and focusing efforts in high need communities as identified by a Healthy Youth Survey. The coordinator stated that Clarkston's data shows that our underage drinking problem exceeds that of the state average by a significant amount. The Coordinator stated that the coalition is in the process of writing a strategic plan to address this problem in our community. They have data from the kids, but do not have data from the adults about the use of alcohol by youth. The coordinator stated that adult input will be very important as they decide how to proceed.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge to approve the insertion of the Community Survey with PUD billing statements. The question was called for on the motion. The motion passed 3-0.

Change the Tuesday December 25, 2012 meeting to Thursday, December 20, 2012

The manager stated that due to the next meeting falling on Christmas Day he is requesting that the meeting scheduled for Tuesday December 25, 2012 meeting to Thursday, December 20, 2012 to begin at 5:30 pm.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Gary Hicks to change the next regular meeting from Tuesday December 25, 2012 to Thursday, December 20, 2012 to begin at 5:30 pm. The question was called for on the motion. The motion passed 3-0.

MANAGER'S REPORT

Water Projects Update – the manager reported that contractor M.L. Albright & Sons (Albright) is near completion on the work Highland Avenue. Albright spent the last week and weekend changing services over to the new main and changing lines in the intersections into the new main. He stated that both the Tri-State Hospital and the dialysis center were changed over to the new line with no issues. Work at the intersection of 13th Street and Highland Avenue remains along with other minor items. The manager reported that paving of the road should be completed by Friday of this week. A punch list of items that need to be resolved will be provided to Albright by the end of the week.

Albright has also completed work on Riverside Drive. This project provided for extending the water main down Riverside Drive and tying it into the water main in Highway 129. The reason for this work was due to the abandonment of a leaking steel main on 20th Avenue that provided a redundant link to the main line on the highway. It was not feasible to replace this line in its current location.

Sewer Projects Update – the manager stated that the 25th – 26th Streets and 8th Avenue sewer project is behind schedule. The contractor has been on the job nearly two months but has only installed three manholes and approximately 800 feet of line. The good news is that we already have one customer tied into the line. The Valleyview Drive sewer system expansion project is moving along after experiencing a delay due to basalt rock. This issue resulted in the contractor having to go back downhill to the second manhole and reset the line at a higher grade and place a third manhole where the rock began. The thought was that the realignment of the grade of the sewer main would allow them to continue at a shallower depth above the basalt flow. Unfortunately after the manhole was set a digging continued another basalt shelf cropped up prompting more digging with the rock drill excavator. The contractor has made it to the top of the hill and a manhole has been set at the intersection of 20th Street and Valleyview Drive.

Community Assistance Fund – the manager stated that he received a call from a customer asking us to setup a fund where customers could donate money to help those less fortunate or those who are struggling to pay their PUD bills. The manager stated that he would research what other PUDs are doing and present a recommendation to the Board. He stated if a fund is approved, use of the fund to help others would be run through the Community Action Agency or another non-profit organization.

COMMISSIONER'S REPORT

Commissioner Ridge and Commissioner Hicks attended the Washington PUD Association Annual Meeting December 5-7 in Vancouver Washington. They both reported that the meetings went well. Commissioner Ridge reported that retiring Bonneville Power Administrator Steve Wright complimented the PUD Association on their work and Energy Northwest on the positive direction they are heading.

Commissioner Ridge will be attending Energy Northwest Board meetings on December 12-13 in Richland Washington.

ADJOURNMENT

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