

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
April 22, 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 April 9, 2013 Regular Meeting and payment of the Transaction Vouchers covering vouchers #2710EFT through #2724EFT in the amount of \$25,863.11 and Blanket Transaction Voucher Approval Document covering vouchers #31330 through #31358, and Electronic Transaction Vouchers #13041902, #13041903 #13042201 and #13042901 in the amount of \$68,340.65. 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 stated he is still awaiting receipt of the water usage data he requested from the Port for the years 2006, 2007 and 2008. He stated that he spoke with Debbie Snell, Properties and Development Manager for the Port of Whitman County, regarding the need for the water use information and the current status of the process to move water rights from the Port to the PUD as part of the ownership transfer. The manager stated that he is hopeful that the information will be received soon.

The manager reported that he received an email from the Port of Whitman County Executive Director Joe Poire on Friday April 12th regarding the letter he sent regarding the Commission's position of not owning or operating an rehabilitated experimental sewage septic drain field system that would not meet PUD standards. In his email Mr. Poire stated that he was in receipt of the letter and that he spoke with staff at the Whitman County Health Department regarding the options the Port has. He went on to state that the goal of the Port is to have the PUD take over the system so they have decided to construct the new drain field on the newly tested land.

Mr. Poire stated that he will have their engineering firm work on the design and bid process of the new septic system if this is agreeable to the PUD. The manager stated that his response to Mr. Poire was that this direction is agreeable to the PUD and the Commissioners and that the PUD believes that a new septic system will be a better solution in the long run. The manager went on to state to Mr. Poire that the two of the three lift stations are still in need of rehabilitation. Mr. Poire gave his permission to proceed with their rehabilitation. The manager stated that the lift stations will cost approximately \$20,000 each to repair and they will be rehabilitated to the exact specifications that our system utilizes.

NEW BUSINESS

Valley View Drive Sewer Extension Project – Additional Costs

The manager presented a breakdown of the additional labor, material and equipment for the rock outcroppings that contractor West Tech Industries encountered during the Valley View Drive sewer extension project. He stated that PUD staff dug three test holes 7 to 8 feet deep on the property between Scenic Way and Valley View Drive prior to construction and did not hit rock. However, approximately 70 to 80 feet into the laying of the sewer main West Tech hit basalt rock outcropping which resulted in the renting of a hammer trackhoe to get through the rock. Eventually a new manhole had to be placed, the gradient changed and the pipe had to be removed and replaced at the new grade. The manager stated that in addition to this change West Tech hit rock again at two other locations on the project creating the need for additional labor, material and equipment.

The manager stated that the work was authorized and completed late last year but we did not receive the invoice for the work until early this month. The initial invoice was for nearly \$50,000 at which time the manager requested a detailed breakdown of the expense incurred. After receiving the detail the manager and staff met with West Tech stating that the extra expense detailed on the invoice was not in line with the extra work performed due to the rock issues. The manager stated that the amount presented, \$31,381.45, are the reasonable costs incurred for the extra work performed.

Discussion ensued regarding the occurrence of rock on a project and whether the PUD should be responsible for the additional cost. The manager stated that the bid proposal provided for non-inclusion clause stating that underground substrate occurred and obstructed construction that extra costs associated with the work would be paid by the PUD. The manager stated that the rock also resulted in a change in the scope of work meaning the PUD was responsible to pay the contractor the extra costs directly associated with the change.

The manager stated that moving forward and from lessons learned on both sewer extension projects we result in the utilization of the per unit pricing bid process that was utilized with M.L. Albright and Sons on the 2012 Water CIP Project. The manager stated

that this process provides for rock excavation through definition, with a line item unit price and measurement and payment procedures. This direction will alleviate any future concerns about rock occurring during construction.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Don Nuxoll to accept the extra construction costs as an addendum to the Contractor Agreement with West Tech Industries and approve payment of the additional labor, material and equipment costs in the amount of \$31,381.45. The question was called for on the motion. The motion passed 3-0.

MANAGER'S REPORT

Annual Audit – the manager reported that the State Auditor continues to work on the 2012 audit. He stated that the on-site portion of the audit should conclude this week.

Scenic Way and 2nd Avenue Sewer Project – the manager reported that a customer who recently purchased property on 2nd Avenue off of Valley View Drive has requested connection to the sewer system. The connection point would be on the sewer main on Scenic Way. The manager stated that his request has presented an opportunity to extend sewer up to 2nd Avenue for the eventual expansion of sewer to the intersection of Valley View Drive, 2nd Avenue and in the east end of the Valley View Drive area providing for 40 to 50 potential connections in the future. The project is in the design phase. The manager stated that this will be an opportunity to utilize our contract documents on this small works project.

Cascade Street Sewer Project – the manager reported that he received word from Asotin County that they will be chip sealing the 8th Avenue, 25th Street and Cascade Street areas in late July or early August. Due to the late notification of this work we will be unable to develop and construct the sewer expansion on 8th Avenue and Cascade Street this year. The manager stated that they will construct smaller sewer extensions in the area prior to the chip seal by the County.

Operations and Projects Update – the manager stated that operations staff continues to work on the replacement of water service laterals located on 12th Street between Chestnut Street and Highland Avenue in preparation of the City of Clarkston paving project this summer. The manager stated that the Cherry Street PRV has been built and is ready for installation when the operations crew finishes work on 12th Street and begins construction of the intertie on Cherry Street and Clemans Road.

COMMISSIONER'S REPORT

Commissioner Hicks stated that he attended the Washington PUD Association meetings in Olympia on April 17-19. Curt Knapp, Pend Oreille PUD Commissioner was elected president of WPUDA along with three other officers. He stated the meetings were well run by the Executive Director George Caan and that the slate of officers elected will do a good job for the Association. He reported that an excellent presentation was given by Energy Northwest regarding the benefits of the Columbia Generating Station nuclear power plant to refute environmental activists who want the plant shuttered. If the plant is shuttered the costs for power in the Northwest would increase dramatically.

Commissioner Ridge stated that she will be attending Energy Northwest meetings in Richland on April 23-25. She stated that board member Sid Morrison is up for reelection and will likely retain his seat.

ADJOURNMENT

There being no further business the meeting was adjourned at 6:10 p.m.