

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
March 27, 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 and Gary Hicks. Judy Ridge joined by phone.

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 Judy Ridge to approve the consent agenda approving the minutes of the March 12, 2012 Regular Meeting and payment of the Transaction Vouchers covering voucher #1748 and vouchers #2307EFT through #2320EFT in the amount of \$25,983.77 and Blanket Transaction Voucher Approval Document covering vouchers #30043 through #30082, and Electronic Transaction Vouchers #12032001 and #12032101 in the amount of \$101,326.86. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

Port of Wilma Water and Sanitary Sewer Systems Transfer Agreement

The manager presented a Port of Wilma Water and Wastewater Systems Operating Condition and Financial Assessment report. The Assessment report details the operation staff's field assessment of the both the Port's water and wastewater systems and the manager's financial assessment of the revenue and expenses for both utilities.

The manager stated that staff is familiar with the water system and are aware that Well No. 1 is not operable and won't be until the well hole is re-drilled. It would not be necessary to get this well operable before assumption. The only deficiencies we noted that need to be fixed prior to assumption is that there are several inoperable meters that need to be replaced. He stated that the wastewater system is in much worse shape. Due to neglect and inattention the system in its current operational state will need some major work completed before assumption should be considered. In 2005 the Port abandoned the lagoon wastewater system in favor of a septic system. When staff went to the Port to assess the operational condition they noted that both lift stations were full of sludge and

the grinder pumps had not been operated for some time. An electrician was called to Lift Station No. 1 in order to get the pumps running. Lift Station No.2 was operated on manual but one of the pumps is burnt out or needs repair. Several manholes were buried and are not accessible and the sewer distribution lines need to be flushed and videoed to see if the line has been compromised in any way.

The manager stated that the wastewater system in its current state is adequate to take care of current customers. If a new tenant is located in the Port the system will need to be upgraded to handle additional wastewater discharge. If the PUD is the owner of the wastewater system and a new tenant locates in the Port and upgrading of the wastewater system is necessary then the Port and/or the new tenant would have to participate in the upgrade. The manager reported that consulting engineers Murray, Smith and Associates (MSA) conducted an assessment of the wastewater facilities and system. A letter from Craig Anderson, P.E. from MSA is attached to the Assessment report.

The manager reported that prior to assumption of ownership of the water and wastewater systems and at the Port's expense, the following items need to be resolved to the PUDs satisfaction: 1) Several water meters are not functioning properly and/or functioning at all and would either need to be repaired or replaced; 2) Lift Stations control panels will need to be checked, repaired or replaced for proper operation; 3) Lift Stations pumps will need to be removed repaired or replaced if needed; 4) Lift Stations probes and floats need to be checked for proper operation and repaired or replaced if necessary; 5) The wastewater system needs to be flushed and the septic tank needs to be pumped. 6) The distribution system needs to be videoed and any issues with the distribution lines would need to be resolved; 7) Four (4) buried manhole covers will need to be raised to ground level.

The manager reported that the financial assessment revealed that the current revenue stream for both systems is adequate to cover expenses. He stated that the expenses on the wastewater side would be higher if the system was being maintained properly. As a part of the financial review the manager calculated and recommended an industrial rate.

Commissioners stated that they were accepting of the assumption of ownership of the water system if the deficiencies are corrected but stated that they are not as inclined to assume ownership of the wastewater system due to its poor operating condition and future potential costs. The Board directed the manager to contact Joe Poire, Executive Director of the Port of Whitman County and state him that the PUD is willing to assume ownership of the water system if minor deficiencies noted are resolved at the Port's expense prior to execution of an ownership transfer agreement. The Board also directed the manager to state to Mr. Poire that they would consider assumption of the wastewater system only if the major deficiencies are resolved at the Port's expense and the system is brought up to PUD standards. The manager was directed to provide Mr. Poire and the Port with a copy of the Port of Wilma Water and Wastewater Systems Assessment report.

NEW BUSINESS

Addendum to MSA Task Order 11-03 – 2012 Main Replacement Projects

The manager presented an Addendum to Task Order 11-03 with Murray, Smith and Associates (MSA). He stated that Task Order 11-03 provided for professional services for the development of our project detail and bid package for our 2012 Main Replacement Projects. He states that an Addendum is being requested for two reasons. First, the development of our bid packet documents and specifications has taken more effort to complete. In addition, the review of our project design sheets including areas where we will be on Army Corp of Engineers property and where we cross Washington State Department of Transportation roads, Highway 129, have taken more effort than originally scoped. The additional amount requested for this effort is \$12,000.00.

The manager stated that secondly, there is a requirement under the law spelled out in the Washington Administrative Code that requires an engineering firm who reviews and provides input on design documents, although they are not completing those documents, has to provide their engineer stamp on a State of Washington provided form. The language in this form requires that in addition to reviewing the design and plan documents the engineering firm has to verify that they have been on the job site, inspected construction methods and reviewed details of the water line construction process. The cost for this effort is estimated at \$15,000.00. This amount also includes MSA's presence during pre-bid activities, the bid opening and pre-construction meeting. The Board tabled action on the Addendum until the next regular meeting in order for them to become more familiar with the document and request.

MSA Task Order 12-01 – Wastewater Comprehensive Plan Update

The manager presented Task Order 12-01 which provides for services for the update of the PUD Wastewater System Plan and for amendment to our contractual services agreement with Murray, Smith and Associates, Inc. (MSA) dated February 2010. The original engineering services agreement provided for the GIS mapping conversion project and for other engineering and consulting service work with MSA. MSA was selected for the Plan amendment because of their intimate knowledge of our wastewater system and their recent development of our sewer flow model.

The manager stated that the Wastewater Comprehensive Plan was last updated in 2005 when the system was under Asotin County ownership. The Plan received a minor amendment in 2010 after the PUD took over ownership in order to expand our service area to provide for service extension to the Port of Clarkston's proposed Business Park.

The manager stated that we are currently in the final few months towards completion of our Comprehensive Water System Plan. He is recommending that each time the Water System Plan is updated we update the Wastewater Plan. The Washington State Department of Ecology does not provide a time frame for updating wastewater plans like the Department of Health does regarding water system plans but the manager stated he feels that it is necessary to update both plans in conjunction with each other. Those updates would occur every six (6) years. He stated that the Wastewater Plan update will provide the PUD with a look toward future sewer system development and provide a financial assessment to see how the update of Clarkston's Wastewater Treatment Plant will impact PUD sewer rates and operational costs.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge approving Task Order 12-01 with Murray, Smith and Associates for the Update of the PUD Wastewater Comprehensive Plan for the hours and cost stated and authorizing the General Manager to execute the Task Order. The question was called for on the motion. The motion passed 3-0.

Ecology WRIA 35 Watershed Direct Implementation Funding Agreement

The manager presented an Agreement between the Washington State Department of Ecology and the PUD for Direct Implementation Funding for a Ledgerwood Fencing and Water Development Project. The amount of project funding is \$35,000.00. The manager stated that property owner and rancher Sam Ledgerwood has agreed to work with WRIA 35 Watershed Planning Director Brad Johnson and Ecology to complete a fencing project on Alpowa Creek and livestock water and fencing project on Stember Creek, a small tributary to Alpowa Creek.

The manager stated that Alpowa Creek is a tributary to the Snake River in southeast Washington that provides critical habitat for ESA listed salmonids. This project will exclude cattle at two locations where they still have uncontrolled access to surface water. Approximately 2,300 feet of fencing will be constructed at a minimum of 35 feet from surface water. This project will also develop off-stream water at 3 locations in preparation for additional livestock exclusion fencing. The manager stated that this Ecology funding will tie together with the recently approved Salmon Recovery Funding for work Brad Johnson will be doing with the State and rancher, Sam Ledgerwood to assess fish habitat on Alpowa Creek.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge approving the Agreement with Washington State Department of Ecology for WRIA 35 Watershed Direct Implementation Funding and authorizing the General Manager to execute the Agreement. The question was called for on the motion. The motion passed 3-0.

MANAGER'S REPORT

Used Water Truck – the manager reported that the day the used water truck was purchased from United Rentals it was taken to the city of Asotin and used to clean up the street after a main line project. He stated that it is in good working condition. In addition to the purchase the manager stated that a one year warranty was purchased for \$1,500.00.

Water Rights Usage Contracts – the manager reported that contracts with the city of Asotin and Atlas Sand and Rock have been developed and approved by Counsel and are awaiting approval by both entities. The manager stated that they would likely be ready for Board consideration at the April 10th meeting.

Annual Audit – the manager reported that the Washington State Auditor will be onsite on Thursday, March 29th to begin the financial and accountability audit for fiscal year 2011.

COMMISSIONER'S REPORT

Commissioner Ridge stated that she will be attending an Energy Northwest Board meeting next month. She stated that State Senator Tim Sheldon's position on the Executive Board will expire soon and he and two other interested parties will be interviewed for the position.

ADJOURNMENT

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