

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
May 22, 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 Gary Hicks and seconded by Commissioner Judy Ridge to approve the consent agenda approving the minutes of the May 7, 2012 Regular Meeting and payment of the Transaction Vouchers covering vouchers #2368EFT through #2382EFT in the amount of \$26,077.49 and Blanket Transaction Voucher Approval Document covering vouchers #30248 through #30288, and Electronic Transaction Vouchers #12051801, #12052101, #12052102 and #12052901 in the amount of \$97,311.25. 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 reported that Port of Whitman County Executive Director, Joe Poire, stated that the Port's Commission has provided preliminary approval to move forward. He also stated that the Water and Sanitary Sewer Systems Transfer Agreements are under review by the Port's attorney. He stated that the Port would need another week to complete their review.

City of Clarkston Wastewater Treatment Plant Upgrade Bid Process

The manager stated that after the bid opening for the proposed improvements and upgrades for the City of Clarkston's Wastewater Treatment Plant the two lowest bidders pulled their bids leaving the lowest bid at \$12.95 million, approximately \$1.75 million higher than the engineers estimate of \$11.2 million. The City and their engineer Keller and Associates were faced with several decisions. They could remove components off the upgrade project and rebid, obtain additional financing and rebid or obtain financing and award the project to the lowest bidder. At their meeting on Monday, May 14th the Clarkston City Council decided to not remove any components, seek financing in the

amount of \$1.3 million with \$450,000 coming from their reserves and award the project to the lowest bidder. The manager stated that he had requested that the City rebid the project to see if a lower bid could be obtained. The manager stated that the PUD would have to pay 35 to 40% of any additional amount of funding received. The City felt that seeking the funding was the best option so they could keep all components of the project intact.

NEW BUSINESS

Award Bid – 2012 Water Capital Improvement Projects

The manager reported that on Thursday, May 10th, bids were opened for the 2012 Water Capital Improvement Projects. He stated that only three (3) of the seven (7) contractors who attended the mandatory Pre-Bid Meeting submitted bids for the projects. The 2012 Construction Project bid results are as follows:

A&R Construction, Lewiston Idaho	\$2,674,405.97
Earthworks Northwest, Sandpoint, Idaho	\$2,194,751.87
M.L. Albright & Sons, Lewiston, Idaho	\$1,465,329.68

The manager stated that M.L. Albright and Sons (Albright) was the lowest bidder. Bid tabulations were checked and Albright's calculations were correct. He stated that Earthworks made a \$185,000.00 error in their calculations which increased their bid total. References that Albright provided for work performed in the past five (5) years were checked and all references came back positive with excellent recommendations. The manager stated that a Notice of Intent to Award the project to Albright was sent to all three bidders. The two bidders with the highest bids had two days to protest this Notice. Neither firm protested the bid award to Albright. The manager recommended awarding the 2012 Water Capital Improvement Projects to M.L. Albright & Sons, the lowest responsible bidder.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge to award the bid for the 2012 Water Capital Improvement Projects to M.L. Albright & Sons, the lowest responsible bidder. The question was called for on the motion. The motion passed 3-0.

Contractor Agreement – 2012 Water Capital Improvement Projects

The manager presented the Contractor Agreement with M.L. Albright & Sons for the 2012 Water Capital Improvement Projects. The manager stated that the Agreement details all work to be performed and is based upon the bid submitted. The manager requested approval of the Agreement and authorization to execute it. He stated that a Notice of Award letter will be sent to Albright along with the Contract Agreement for execution.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Judy Ridge approving the Contractual Agreement with M.L. Albright & Sons for the 2012 Water Capital Improvement Projects and authorizing the General Manager to execute the Agreement. The question was called for on the motion. The motion passed 3-0.

City of Asotin Water Rights Usage Contract

The manager presented a Water Rights Usage Contract between The City of Asotin and the PUD for use of our water rights in their two wells located within the City limits. He stated that as a part of the PUD Water Right Change Application submitted and approved by the Department of Ecology we added the City's wells as a point of diversion off of our wells. This provision allows them to utilize our water rights in addition to their 417 annual acre feet of water rights. The manager stated that in 2011 the City produced 346.54 acre feet of water.

The manager reported that the original contract sent to the City provided for annual payments for a standby or availability charge in the amount of \$2,500.00. The City countered with a request of a \$1,000.00 per year charge and a minimum ten (10) year contract term. The original contract did not have a minimum or maximum contract term written in the text. In addition, the contract provides for access to the City's well production meters at the PUDs request. Any amount over their allotted annual acre feet of 417 will be charged at \$0.44 per unit (1 Unit = 748 Gallons) or \$192.00 per acre feet (1 acre foot = 325,850 gallons). One acre foot is equivalent to 435.62 units of water.

The Commissioners directed the manager to counter their proposal with an annual standby or availability fee of \$1,750.00 and a minimum five (5) year contract term. Action on the Contract was tabled until the next meeting.

Change the Tuesday June 12, 2012 meeting to Tuesday, June 5, 2012

The manager stated that due to travel he is requesting that the meeting scheduled for Tuesday, June 12, 2012 be changed to Tuesday, June 5 to begin at 2:30 pm.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Gary Hicks to change the next regular meeting from Tuesday, June 12, 2012 to Tuesday, June 5, 2012 to begin at 2:30 pm. The question was called for on the motion. The motion passed 3-0.

MANAGER'S REPORT

Labor & Industry – the manager reported that an official for the Department of Labor and Industry visited our Laurel Drive job site earlier in the month. The visit was to ensure employees were taking the necessary safety precautions while performing construction. The employees were taking the necessary precautions and answered all of the questions that were posed. However, there we will be receiving citations for couple of minor items

related to our older 1970's dump truck and to recording of every safety meeting. The official raised concerns about the vehicle. Since that time the vehicle has been parked and we are seeking to purchase a newer dump truck for use in our operations. Safety meetings are now being properly recorded. In addition to the visit, Operations Foreman Joe Louis, Treasurer Bob Sischo and the manager spent time with the official going over our safety policy. We discovered that L&I requires staff in administration, above the Operations Forman position to be appointed as the Safety Officer. We will also be inviting an L&I official to come and provide a safety and health consultation. The manager stated that the consultation will be valuable in ensuring we provide a good safety program for PUD staff.

Stormwater Projects – the manager reported that the City of Asotin, City of Clarkston and Asotin County will all be receiving grants for Stormwater infrastructure upgrades in a total amount of \$510,000.

Sewer Extension Opportunity – the manager reported that staff is working with the Sonrise Baptist Church located on 22nd Street to extend sewer from 6th Avenue to the intersection of Reservoir Road and 22nd Street. He stated that construction will begin next week and will culminate with the church connecting to the sewer system. He stated that the sewer extension will position the PUD to further extend further south on 22nd Street and south west on Reservoir Road.

Water System Plan – the manager reported that the Water System Plan was finalized and sent to the Washington State Department of Health for final approval. He stated that only five (5) comments were generated from the original submittal. The Water System Plan will be provided to both the City and County for their approval and will need to be adopted by resolution by the PUD Board of Commissioners.

Water Line Extension – the manager reported that the crew is working on installing a 6-inch water main approximately 1,000 feet starting at Stafford Court near Rankin Hill and going east and then extending the water main north on Meadowlark Terrace. Several customers will be added to this line.

PUD Water Rates – the manager presented the Board with a water rate comparison sheet and chart comparing our rates with other PUD's in the state who provide water service. Asotin PUD has the lowest rate amongst the 17 water PUDs in the state.

COMMISSIONER'S REPORT

Commissioner Hicks attended the Washington PUD Association meetings that were held in Union, Washington on May 9-11. He stated that reorganizing and the development of an updated strategic plan is going well. The managers section of WPUDA is considering changing their role to ensure that the Association is a commissioner driven organization.

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ADJOURNMENT

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