

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
January 21, 2013

.....

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.

.....

ROLL CALL: PRESENT Commissioners: Judy Ridge, Gary Hicks and Don Nuxoll.

PUD Staff: General Manager Tim Simpson, Treasurer Bob Sischo and Counsel Scott Broyles.

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 January 8, 2013 Regular Meeting and payment of the Transaction Vouchers covering vouchers #2616EFT through #2630EFT in the amount of \$26,327.46 and Blanket Transaction Voucher Approval Document covering vouchers #31046 through #31080, and Electronic Transaction Vouchers #13011802, #13012301, #13012302 and #13013001 in the amount of \$159,104.63. 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 that only two water meters remain to be installed. He stated that an 8 inch and a 6 inch meter will be changed over before the end of January. Once the meters have been changed to our standards and everything is determined to be complete than the go ahead will be given to complete the transfer of the water system to the PUD. The manager stated that PUD staff met with representatives from the Port of Whitman County, Whitman County Health Department and Munir Daud, the Port's engineer, on Thursday, January 17th to dig test holes for the proposed location of a new drain field. He stated that the dirt samples will be tested to determine if the site is suitable for a new septic system drain field. The proposed location is between Quality Concrete and the existing sewer lagoons.

NEW BUSINESS

Sewer System Expansion

The manager presented for discussion information regarding expansion of the PUD sewer system. He presented an analysis of the sewer system revenue and expenses for the period of January 1, 2010 through December 31, 2012. Also included in the analysis was

detail about the capital improvement projects undertaken since assuming ownership of the sewer collection system from Asotin County and proposed sewer expansion projects for 2013. The manager stated that the sewer system, even with sewer expansion and capital improvement projects, has provided net revenue of \$455,229. Immediately after taking over the sewer system from the county, the manager stated that over \$200,000 in overhead was cut from the budget. He noted that rates were not increased during the 2010-2012 periods as was proposed by the County.

The manager stated that rates were increased this year but only to provide adequate funds for operational payments to the City of Clarkston for our share of their Wastewater Treatment Plant upgrade. The approximate increase in the cost of our operational payments to the city by 2015 will be \$300,000. The 2013 and proposed 2014 rate increase will only cover \$144,000 of the cost increase with the remaining funding coming from overhead cost savings previously realized. The recently received 2013 Budget from the city shows an increase in operational costs in the amount of \$68,000 due to debt expense for the WWTP upgrade. The \$3.05 per customer per month rate increase will provide approximately \$72,000 this year.

The manager stated that capital improvements in the system were first focused on the lift stations ensuring that upgraded pumps were installed and backup pumps were placed in stock. In addition to the upgrades, SCADA was added to the lift stations and the master sewer meter for alarming and control. The lift station upgrades have proven to be successful because staff is rarely called out to troubleshoot them. Other capital improvements in the form of sewer system expansion have primarily been focused in areas of failed septic systems. When the opportunity has presented itself sewer has been extended, whether pressurized or gravity, to areas of need.

The manager stated that more recent projects have seen the installation of gravity systems which are much more expensive than pressurized lines but from an operational standpoint easier to maintain now and in the long-term. Selection for sewer expansion is not difficult. We have focused on areas of expansion where septic systems are mostly over 30 years old, where failures have been predominant and the area is densely populated. Essentially areas where we could get the highest number of customers connected for the lowest cost possible were focused on. Competition between the contractors has proven beneficial to us and the customer with construction costs being much less than described when we first took over the system. The manager stated that we have been trying to complete as much expansion as possible before 2015 because all resources will have to be dedicated to the WWTP upgrade debt service costs.

The Commission expressed concern about ensuring that we don't overspend for sewer system expansion and that we keep an adequate reserve in case of an emergency or system failure. The manager reported that there is over \$200,000 in reserve to date and that he will take their concern as direction when planning projects for 2013. Plans are to expand on areas where sewer is currently under construction.

Resolution 13-397 – Sole Source Purchase of ClorTec Chlorination System

The manager presented Resolution 13-397 which waives the bidding requirements allowing for the Sole Source purchase of ClorTec On-site Sodium Hypochlorite Generation System equipment and components from Whitney Supply Company, an authorized ClorTec Systems dealer. The manager stated that the Well No. 6 chlorination system needs to be upgraded from a 36 pound per day system to a 75 pound per day system. The Well 6 chlorinator has not been able to keep up with system demand during the peak water usage months. The upgrade will allow us to optimize the use of our system and will allow us to upgrade a system that is near the end of its useful life. We completed the same upgrade to the Well No. 7 chlorination system in 2008 and it has proven very beneficial.

The manager stated that because this is an upgrade we will be able to utilize some of the existing components with the new system. The components that we replace will then be stored for use as replacement parts for our other on-site chlorine generation systems. Unlike our current units, this ClorTec unit is pre-assembled at the factory and comes on a steel powder coated rack and can just be set in place and connected. The estimated cost is \$95,765. This price includes the equipment upgrade, engineering, freight, documentation, startup and training.

MOTION by Commissioner Don Nuxoll and seconded by Commissioner Gary Hicks to approve the Resolution 13-397 approving the Sole Source purchase of a ClorTec Chlorination System from Whitney Equipment Company. The question was called for on the motion. The motion passed 3-0.

MSA Task Order 13-01 Sewer Standard Details and Specifications

The manager presented Task Order 13-01 with Murray, Smith and Associates providing for professional services for the development of Sanitary Sewer Design Standards and Specifications. This Task Order is in accordance with the MSA Master Agreement for Professional Services dated February 24, 2010. He stated that under this Task Order, MSA will develop Professional Engineer stamped sewer design criteria, standards specifications and details in support of our sanitary sewer collection system. The standard specifications and details and design criteria will be used for the ongoing operation and expansion of the sanitary sewer collection system. MSA will use the existing design standards from the 2005 Asotin County Wastewater Facilities Plan Update as the starting point. As part of this task, MSA will review two other Eastern Washington utilities (City of Spokane and City of Walla Walla) standard specifications and details to incorporate applicable components. MSA will also develop standard specifications and details for the use of submersible and/or grinder pumping systems. The standards specifications development will be similar to the development of our current water system standard specifications. The manager stated that the sewer standards development will fit in well with our current Wastewater System Plan Update.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Don Nuxoll to approve Task Order 13-01 with Murray, Smith and Associates and authorize the General Manager to execute the Task Order Agreement. The question was called for on the motion. The motion passed 3-0.

State Auditor's Office Audit Frequency Request

The manager reported that Treasurer Bob Sischo received an email from our regional State Auditor's Office Audit Manager requesting that we consider moving to an every other year financial audit. The Treasurer stated that the request is being made of us because we have had excellent audit results and they have limited field auditor availability. Since a hiring freeze was implemented a couple of years ago, audit offices across the state have struggled to keep up with the work load.

The manager stated that we would not have brought this request to them for discussion except for the fact that management of the Pullman office has move to the Tri-Cities and a new audit manager is overseeing the work. Commissioners reiterated their preference for annual audits and directed the Treasurer to contact the State Auditor's office expressing their audit frequency preference.

MANAGER'S REPORT

Staff Training Day – the manager stated that today's staff training went well and that closing the office to foot traffic allowed us to focus on staff development. He stated that the feedback he received from staff was positive. He expressed his appreciation to the Commissioners for their attendance at the Employee Appreciation Luncheon and stated that Commissioner Ridge did a great job in recognizing all employees.

Sewer Projects Update – the manager stated that the 25th – 26th Streets and 8th Avenue sewer project is moving along and that the contractor now on 26th Street and is getting closer to the end of the main placement. Once the line is laid the contractor will go back and install the laterals to each lot. The Valleyview Drive sewer system expansion project is also moving along and the contractor is on the final stretch of main line which extends from Valleyview Drive south to Andreasen Drive. The manager expected both projects would be completed in February. Paving for each project will be completed once the asphalt plant opens. Opening usually occurs in March but opening is weather dependent.

COMMISSIONER'S REPORT

Commissioner Ridge will be attending Energy Northwest meetings in Richland, Washington on January 22-24, 2013.

Meeting Minutes
January 21, 2013
Page 5

ADJOURNMENT

There being no further business the meeting was adjourned at 6:15 p.m.