

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
June 11, 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 May 28, 2013 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1780 and #1781 and vouchers #27561EFT through #2771EFT in the amount of \$31,340.92 and Blanket Transaction Voucher Approval Document covering vouchers #31472 through #31535, and Electronic Transaction Vouchers #13060401, #13060402, #13060501 #13060601 and #13062101 in the amount of \$157,882.36. 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 reported that after the last meeting he contacted Port of Whitman County Attorney Bruce Ensley and Executive Director Joe Poire stating that the PUD is ready to begin the process of ownership title transfer of the Port of Wilma water system to the PUD. He stated that he has not received a reply to his contact with Mr. Ensley and Mr. Poire.

The manager reported that on Monday, June 10th he received a letter from Whitman County Health Department (WCHD) to the Port of Whitman County's engineer, Munir Daud of Munir Daud and Associates requesting further clarification of the plans submitted for a new septic system drain field in the Port of Wilma. The letter requested the verification of full time employee capacities for each entity, clarification of the water use and disposal based upon the volume of water used and the nature of the wastewater, whether industrial or otherwise and a count on the number of temporary or transient users of the wastewater system. WCHD wants to verify that the 3,500 gallon-per-day capacity of the septic system is adequate to serve the Port of Wilma's current and future tenants.

NEW BUSINESS

2nd Avenue to Scenic Way Sewer Main Extension Project Bids

The manager reported that through the utilization of the Small Works Roster he solicited bids for expanding the PUD sewer system from the main line on Scenic Way south, southwest and up the hill to 2nd Avenue. He stated that the project began with interest received from an individual, Richard Bigelow, who purchased a lot off of 2nd Avenue and wants to connect to our sewer system. The manager stated that the proposed sewer main is a 600 foot gravity flow line and was designed in such a way that we can expand the sewer system in the future south from 2nd Avenue to the intersection of Valley View Drive, east and west on Valley View Drive and southwest on 2nd Avenue to 20th Street connecting an estimated 40 customers in these areas.

The manager reported that Five (5) contractors listed on our Small Works Roster were contacted about the project. Four (4) contractors picked up bid packets and of those four only one submitted a bid on the project. West Tech Industries submitted a bid in the amount of \$118,863.83. He stated that the bid received is \$198.10 per foot, is approximately 70% higher than the project estimate and nearly \$100 per foot higher than sewer projects completed last year. The manager stated that based on the bid received and the high cost of the project that will only realize one connection at this time he recommended that the bid from West Tech be rejected.

MOTION by Commissioner Don Nuxoll and seconded by Commissioner Gary Hicks to reject the bid from West Tech Industries for the 2nd Avenue to Scenic Way Sewer Main Extension Project. The question was called for on the motion. The motion passed 3-0.

Mr. Bigelow, who was in attendance at the meeting, stated that he thought the bid was too high as well and understands the Commissioners rejecting the bid. He stated that he needs the placement of the sewer main to go forward in order to meet obligations related to building on a lot that was specified as secondary drain fields for two nearby homes. He stated that the time of year likely resulted in the lack of bids because contractors are busy and were unable to start the project in the time frame that the PUD set. The manager stated that the time frame was based upon Mr. Bigelow's request to move the project forward as soon as possible. Mr. Bigelow stated that he is willing to wait on the project even if it means that the sewer main doesn't get installed until August or September.

Mr. Bigelow asked if the PUD crew could install the sewer main. The manager stated that they could but they have projects lined up until August. The manager stated that Mr. Bigelow could construct the line himself and then ask for a late comer's agreement. The manager also stated that we could re-bid the project allowing more time for the project to start and see if we receive better bids. The commission directed the manager to look at the cost per foot for the PUD to install the main line, look into Mr. Bigelow contracting for installation and work with Mr. Bigelow regarding the timing of the project.

MANAGER'S REPORT

Well No. 2 Repairs – the manager reported that the motor, casing, shaft and pump have been pulled from Well No. 2. The contractor stated that the motor is in good condition and has been sent for inspection and minor repair. He stated that after 53 years in the well the 8-inch casing, shaft and pump will need to be replaced. The contractor estimated the total cost of replacement and motor work at no more than \$40,000. The shaft will be replaced with higher quality stainless steel and the pump size will be looked into to see if we can build it in a way to gain extra pumping capacity.

Cherry Street Water Main Extension – the manager stated that work on installation of approximately 1,000 feet of 8-inch water line and a pressure reduction valve and vault running from Cherry Street to Clemans Road is underway. He stated that despite running into basalt rock and having to rent an excavator the project is moving along well. He stated that the project should be done before the end of June. The connection of the water mains on Cherry Street to Clemans Road will provide a redundant feed into an area where only one feed exists and will improve fire flow on Clemans Road and 13th Street.

Well No. 6 Onsite Chlorine Unit – the manager reported the onsite chlorine generation unit arrived the last week of May and installation of the unit began last week. He stated that the installers were close to finishing but were unable to complete their work by the end of last week due to a problem with the rectifier. The issue was resolved by our electrician and the installers will return tomorrow to finalize the installation and train staff on the chlorine units operation.

Water Production – the manager reported that water production continues to increase by significant amounts over last year. He stated that for the year to date we have pumped approximately 100 million gallons more than in 2012. He stated that temperatures are higher this year and rainfall is approximately 3.50” less than last year through May.

Billing Due Date – the manager reported that issues regarding our 30-day billing cycle continues to cause problems with customers who wait until the due date to pay. Because we are closing out a cycle and starting another on the same date customers who wait to pay may see a new statement on the same day that they pay their bill is due. Sometimes they wait a day too late even though they may have paid their bill their new statement shows a past due balance. The manger stated that in order to alleviate this issue he is suggesting that we require bills be paid 25 days from their generation which will result in the elimination of this issue even in a short month like February. He stated that staff will discuss this issue internally and provide him with a recommendation.

Audit Exit Conference – the manager reported that the 2012 Audit has been completed by the State Auditor's Office and an Audit Exit Conference has been scheduled for Thursday June 13th at 9:00 am. Commissioner Ridge will attend the meeting. The Exit Conference will be conducted by phone in order to save the PUD audit traveling costs.

COMMISSIONER'S REPORT

Commissioner Nuxoll attended the PURMS semi-annual meeting on Thursday, June 6th in Burien, Washington. He stated that PURMS Board discussed in detail the effect that new health care laws will have on PURMS members. He stated that good medical and dental coverage that PURMS offers could result in fines based on the law. He stated that the healthcare law has language regarding fines but regulation for applying these fines has not been developed. 2018 is the year when all the laws will take effect. He stated that each PURMS member will have to submit an IRS form on or before July 31, 2013 showing the health insurance that is provided to each insured. Commissioner Nuxoll stated that we are the lowest cost PUD in the health insurance pool.

Commissioner Nuxoll reported that Jefferson PUD's new electrical system was accepted into the PURMS liability and property pools. He reported that the insurance broker stated that insurance costs will increase 5% higher this year but PURMS will be receiving continuity credits based on good performance.

Commissioner Ridge will be attending the 2012 Audit Exit Conference being at the PUD on Thursday, June 13th.

ADJOURNMENT

There being no further business the meeting was adjourned at 6:30 p.m.