

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
May 14, 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 22, 2013 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1778 and #1779 and vouchers #2725EFT through #2740EFT in the amount of \$30,917.35 and Blanket Transaction Voucher Approval Document covering vouchers #31359 through #31438, and Electronic Transaction Vouchers #746, #13050201, #13050202 #13050303 and #13052401 in the amount of \$218,164.69. 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 he spoke with Attorney Joe Brogan regarding options for transferring the Port of Wilma water rights to PUD ownership. He stated that Mr. Brogan is recommending the PUD proceed with acquiring the water rights through title transfer of the water system. Mr. Brogan stated that receiving water usage data for 2006-2008 to determine what other quantities were used before Bennett Lumber shut down in 2008 is key to moving forward with his recommendation. He stated that this data could be significant to be in a position to argue that the August 2012 Water System Transfer Agreement establishes a fixed plan for a Determined Future Development (DFD) within five years of the last significant water use if Ecology challenges the PUD use of the water rights. As a part of this process Mr. Brogan will work with ports and other municipal organizations in the state to work towards changing policy or state statutes to recognize port held water rights as municipal supply. This would be beneficial when requesting a water right change in the future. The Commission directed the manager and counsel Scott Broyles to move forward with the title transfer of the Port of Wilma water system and water rights to PUD ownership provided the Port provides the water use data requested.

The manager reported that PUD staff met with the Whitman County Health Department (WCHD) on Thursday, May 9th to review and discuss plans for the new septic system drain field. WCHD staff is in the process of discovery and review to determine if the drain field will be adequate to handle the volume of wastewater from Port tenants. During discussions WCHD staff expressed concerns about the fact that the Port is industrial and whether a septic drain field is the best solution for processing industrial wastewater. Their primary concern is the volume of water being used by tenants versus the 3,500 gallon-per-day capacity of the septic system. In February 1.6 million gallons of water was pumped from the well. The WCHD expressed concerns that even if approved the new drainfield would be at best a temporary short-term solution.

WCHD staff is rechecking the Port engineer's population numbers and estimated daily wastewater flow. The manager stated that if it is determined that the flow could exceed the capacity of the septic system drainfield the WCHD will pass the issue up to the State Department of Ecology who would have jurisdiction with the likely outcome that the Port would need to rehabilitated one or both of the lagoons and make them operational for wastewater processing. The manager stated that this would be the best possible solution because the lagoons would be better able to handle long term use and expansion at the Port. The manager stated that as possible alternative solution he is working with a vendor to see if a small portable wastewater processing plant would be an adequate solution to the Ports wastewater processing issues.

The manager stated that work to assess and rehabilitate the lift stations in the Port has begun. He stated that all four (4) pumps in the two (2) main lift stations will be replaced rather than repaired. In addition, the electrical panel will be upgraded, level sensors will be installed and sheds for the containment of panels, electronic equipment and wastewater system supplies will be purchased and placed at each site.

NEW BUSINESS

Resolution 13-399 – Well No. 2 Emergency Work Bid Waiver

The manager presented Resolution 13-399 which provides for the declaration of an emergency and the waiving of bid requirements in order to allow for immediate repair of Well No. 2. He stated that investigation of operational issues at Well No. 2 during seasonal startup has led to the need to pull the motor, shaft and pump. Before operation of a well, the shaft is turned prior to startup to ensure it moves freely. This year the shaft would not budge and, fearing damage if operated, staff recommend that the problem be investigated. We are near the beginning of our peak water demand season and it is imperative that we return Well No. 2 to operation as soon as possible.

The manager stated that he received an estimate for the work in the amount of \$26,560. The cost includes the pulling and reinstalling of the pump, shaft and motor, rebuilding of the pump bowls, replacement of the rubber inserts that hold the shaft in place and cleaning and straightening of the shaft. The estimate does not include new shaft. If the shaft needs to be replaced stainless steel would be used, which the manager estimated to cost approximately \$20,000. The manager stated that the pump, shaft and motor were set in 1960 when Washington Water Power owned the system and has not been removed since. He stated that 53 years of operation for a well without major maintenance and only minor work on the motor is exceptional.

MOTION by Commissioner Gary Hicks and seconded by Commissioner Don Nuxoll to approve Resolution 13-399 providing for the waiving of bid requirements for the emergency repair of Well No. 2 and authorize the General Manager to expend funds necessary to return the well to operation. The question was called for on the motion. The motion passed 3-0.

MANAGER'S REPORT

Annual Audit – the manager reported that during the week of April 24th the State Auditor concluded their on-site portion of the 2012 fiscal year audit should. The audit is currently under review and an exit conference will be announced at a later date.

2nd Avenue to Scenic Way Sewer Project – the manager presented a bid packet for the 2nd Avenue to Scenic Way sewer main project. The more formal and comprehensive small works project bid packet was developed in response to last years' experience with contractors on small works sewer projects. Project documents developed by the PUD and Murray, Smith and Associates for the 2012 Water CIP Project were slightly modified and developed into the current package. The manager stated that he sent out requests for bids to five (5) contractors who are listed on the Small Works Roster. Bids for the 600 linear feet of sewer line and sewer manholes are due by Tuesday, June 4, 2013.

12th Street Water Line Replacement Project – the manager reported that operations staff concluded work today 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 project which had initial start date of June 1 will likely not begin until July. The PUD will pay a nominal amount for the replacement of concrete in sidewalks where water services were relocated to.

Well 6 Onsite Chlorine Generation Unit – the manager reported that Whitney Equipment was here today to complete a final onsite review of Well No. 6 prior to installation of the upgraded and upsized ClorTec onsite chlorine generation unit. The unit will be delivered next week with installation scheduled for the week of June 3rd. Prior to installation, a 480 volt transformer that will power the unit will be installed the week on May 27th.

Cherry Street-Clemans Road Water Line Intertie Project – the manager reported the operations staff will begin work later this month on the 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. This new line will provide a critically important redundant feed to the Clemans and surrounding area.

City of Clarkston Wastewater Treatment Plant Upgrade – the manager reported that he received word from Clarkston City Clerk and Treasurer Vickie Storey that she received an unexpected loan payment invoice from the Public Works Trust Fund in the amount of \$122,197.39. She asked the manager how we want to handle our approximately 32% or \$39,103.16 portion of the payment based on our operational agreement with the City. The manager stated that neither he nor the City budgeted for this loan payment. It was thought that the first loan payment would be interest only but enough funds have been drawn on the \$10 million low interest loan meriting a larger loan payment. The manager stated that he reviewed the sewer budget and that due to conservative budgeting the PUD has enough funds available in the sewer budget to pay our portion either in a lump sum or spread out over the remaining months in the year.

Water Production – the manager reported that water production for the first 13 days of May was already 42 million gallons ahead of last year. He stated that for the year water production and usage is approximately 70 million gallons ahead of last year. The lack of rainfall on the relatively quick increase in temperatures in early May was the reason for the increased production.

July Washington PUD Association Meetings – the manager reported that plans are in the works for the Washington PUD Association meeting being held in Asotin County on July 17-19.

COMMISSIONER'S REPORT

Commissioner Ridge attended Energy Northwest meetings in Richland on April 23-25. She stated that board member Sid Morrison was re-elected to the Full and Executive Boards. She reported that work the operational budget took up most of the time and discussion. The Columbia Generating Station (CGS) nuclear power plant started its bi-annual refueling outage on May 11th. The outage which provides for the refueling or replacement of one-third of the fuel rods is scheduled to last 40 days. Commissioner Ridge presented information regarding a value study conducted on the CGS. A group called Physicians for Social Responsibility is calling for the early retirement of the nuclear power plant. She reported that the value study clearly shows that without the CGS power costs for Northwest consumers would increase dramatically.

Commissioner Ridge stated that she would be attending the Northwest Public Power Association Annual Conference on May 19-23 in Bellevue Washington.

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ADJOURNMENT

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