

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
December 18, 2017

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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 Greg McCall.

Staff: Manager Tim Simpson and Treasurer Bob Sischo.

Members of the public were present.

MINUTES OF MEETING AND VOUCHER APPROVAL

MOTION by Commissioner Judy Ridge and seconded by Commissioner Greg McCall to approve the consent agenda approving the minutes of the December 4, 2017 Regular Meeting and payment of the Transaction Vouchers covering Electronic Transaction Vouchers #4562EFT through #4578EFT in the amount of \$31,944.33 and Blanket Transaction Voucher Approval Document covering vouchers #37807 through #37866 and Electronic Transaction Vouchers #990, #991, #17121101 and #17122201 in the amount of \$247,581.64. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

There were no items presented under Old Business.

NEW BUSINESS

Resolution 17-442, Resolution 17-443 and Resolution 17-444 Electric Service Rates

The manager presented Resolutions 17-442, 17-443 and 17-444, which provides for an increase electrical service rates, charges and fees for General, Irrigation and Pumping loads to our one retail electric customer Quail Ridge Golf Course. He stated that the resolutions provide for an approximate 15% increase in rates and charges for each class spread over the next three years, 2018-2020. Upon approval, previous rate resolutions would be repealed.

The manager stated that our last electrical rate increase was a 15% increase spread over a two year period from 2012 to 2013. Since that time the Bonneville Power Administration has increased their wholesale rates to the PUD 11.75% and the minimal net revenue we receive from this customer has decreased over that period. Rates established through these resolutions are still well below the rate Avista Utilities charges. The bulk of Quail Ridge's electrical load is on the Irrigation Service rate. The new rates would become effective January 1, 2018. Commissioner McCall asked questions regarding the different type of rates and how they apply to our current service to Quail Ridge.

Commissioner Nuxoll asked if the rates were adequate to provide for a set aside of funds for the replacement of the underground electrical distribution line if it were to fail. The manager stated that the unappropriated revenue from this one retail electric customer is minimal but that to date there is \$82,480 in cash reserves that could be used if the replacement need arises. He stated that he did not know if the current funds available are adequate. He stated that he would contact Clearwater Power Company requesting a cost estimate on a full replacement of the underground power line. Discussion ensued regarding our need to continue providing the service if the line failed. The manager stated that the owner has talked to him about changing service providers to Avista and they switch to Avista if we decide not to replace the line and terminate service with them.

MOTION by Commissioner Greg McCall and seconded by Commissioner Judy Ridge to approve Resolutions 17-442, 17-443 and 17-444 setting the General Service, Irrigation Service and Pumping Load Service Electric Rates effective January 1, 2018. The question was called for on the motion. The motion passed 3-0.

Resolution 17-445 – Sole Source Purchase of a 2011 Used Dump Truck

The manager presented Resolution 17-445 which provides for the Sole Source purchase of the used 2011 Ford F750 Dump Truck from United Rentals. He stated that during a search for an estimate for a newer used dump truck for the 2018 Budget, a truck that meets our needs was located at United Rentals. The truck has 5.9 liter diesel engine, a 5-yard dump bed and has approximately 34,000 miles on it. The vehicle has been used primarily by construction companies both in the Tri-Cities and Kirkland area.

After the truck arrived in Lewiston it was detailed, serviced and minor items were repaired. Bob Wimer, Craig Riehle and operations staff have inspected the vehicle to ensure there were no defects or mechanical issues and attest that it is in good working condition. The asking price for the vehicle was \$55,097.00 but we were able to negotiate down to \$49,000.00. With sales tax, the total cost of the vehicle will be \$52,773.00. Purchase of the vehicle will be paid for using the Equipment Replacement Fund.

MOTION by Commissioner Greg McCall and seconded by Commissioner Judy Ridge to approve Resolution 17-445 allowing for the Sole Source purchase of a used 2011 Ford F750 Dump Truck from United Rentals in the amount of \$52,773.00. The question was called for on the motion. The motion passed 3-0.

Resolution 17-446 – Surplus 1994 Ford F700 Dump Truck

The manager presented Resolution 17-446 which provides for the surplus and sale of the 1994 Ford F700 Dump Truck. He stated that the approval of the purchase of the 2011 Dump Truck makes this dump truck obsolete and the surplus of the vehicle will allow for its sale. The manager stated that the Resolution provides for a minimum sale value of \$10,000.00.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Greg McCall to approve Resolution 17-446 allowing for the Surplus of the 1994 Ford F700 Dump Truck and authorizing the General Manager to sell it for a value not less than \$10,000.00. The question was called for on the motion. The motion passed 3-0.

Award Quote for 2018 Utility Crew Truck Cab and Chassis

The manager stated that the 2018 Budget identified \$70,000 for the purchase of a utility crew truck and utility service body. This amount represents the estimated net cost of purchase of the truck cab and chassis and utility service body less the sale of the current 2006 utility crew truck. Once the new truck is complete and onsite, we will surplus the 2006 truck and sell it to the highest bidder.

The manager stated he utilized the Material, Equipment and Vehicle Vendor Roster process, which allows for the receipt of quotes and purchases from those quotes between the amount of \$15,000 and \$60,000. The quote called for a regular cab and chassis 4x2 commercial utility truck with a 19,000 to 20,000 GVWR payload capacity and a 6.7 liter turbo diesel engine along with other accessories. He sent quote requests to three (3) local vendors and to the National Joint Purchasing Cooperative. Two (2) quotes were returned from local vendors and a quote was received from NJPA. The results of the quotes received for the 2018 Utility Crew Truck with sales tax added are as follows: Joe Hall Ford F550 - \$46,970.28, Rogers Dodge 5500 - \$48,422 and NJPA Ford F550 - \$49,872.

Based on the quotes received, the manager recommended purchasing the 2018 Utility Crew Truck from Joe Hall Ford in the amount of \$46,970.28. Funds for the purchase of the truck and utility service body will come from the Equipment Replacement Fund.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Greg McCall to approving the purchase of a 2018 Utility Crew Truck Cab and Chassis from Joe Hall Ford in the amount of \$46,970.28. The question was called for on the motion. The motion passed 3-0.

Change the Tuesday, January 9, 2018 Commission Meeting Date to Monday, January 8th

The manager requested changing the next Commission meeting date from Tuesday, January 9, 2018 to Monday, January 8, 2018 due to commissioner travel to meetings.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Greg McCall to approve changing the January 9, 2018 to Monday, January 8, 2018 at 5:30 pm. The question was called for on the motion. The motion passed 3-0.

MANAGER'S REPORT

Lead Service Lines – Last week the crew confirmed the accuracy of the recent survey of potential lead pigtails that identified the incoming material of customer service meter boxes when they dug up an existing service on 8th Street and it contained a lead pigtail.

Updated 2018 Capital Improvement Projects – the manager presented the Board with an updated Capital Improvement Project list for 2018. Projects include water main replacement at the 500 and 600 Blocks of 5th and 6th Streets, Adams Street between 2nd and 4th Streets, Sunrise Drive and 7th Street and the Lead Pigtail Replacement Project.

9th Avenue Service Saddle Replacement – The crew spent the previous 2 weeks replacing 34 deteriorated service saddles for customers on 9th Avenue. The services saddles saw rapid deterioration primarily due to the static electricity from the nearby natural gas lines. The single strap metal saddles were replaced with double strap nylon saddles that are not susceptible to corrosion.

System Maintenance – The crew is currently flow testing fire hydrants and valve exercising in the City Asotin, Port of Wilma and the City of Clarkston.

City of Clarkston – The manager referenced a memorandum he sent to the Board regarding his conversation with Bond counsel for the City. He stated that the least cost option regarding the assumption of the City's wastewater system is entering into a management agreement allowing the PUD to manage the system until the outstanding bonds can be redeemed in December 2023. The manager stated that the City's Public Works Director has invited him and Commissioner Nuxoll to their Public Works Committee meeting on Tuesday, December 19th to begin discussion of this idea and ultimate assumption of their system. Two City Council members serve on the committee.

COMMISSIONER'S REPORT

Commissioner Ridge attended the Public Power Council Annual meeting on December 6-7 in Portland, Oregon. Attendees heard from the BPA Administrator along with a futurist who discussed how we will be talking to our household appliances in the near future. Commissioner Ridge will be attending the PPC meeting on January 3-4, 2018.

ADJOURNMENT

There being no further business the meeting was adjourned at 6:25 p.m.