

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
May 21, 2018

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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, Greg McCall. Judy Ridge joined by phone.

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 May 8, 2018 Regular Meeting and payment of the Transaction Vouchers covering Electronic Transaction Vouchers #4732EFT – #4748EFT in the amount of \$35,089.45 and Blanket Transaction Voucher Approval Documents covering Electronic Transaction Vouchers #41 – #43 and vouchers #38361 through #38401 in the amount of \$116,399.85. 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

Water Rights Usage Contract – Tscemicum Bottling Company

The manager stated that at the meeting on Tuesday, May 8, 2018, he presented a Draft Water Rights Usage Contract for Board review and discussion. During discussion of the contract, Commissioner Nuxoll pointed out that the language stating the PUD has first right of refusal to purchase the well was not correct based on contract discussions with counsel. The Board concurred that the PUD will not acquire the well and that the contract language needs to state that the PUD will assume ownership of the well and its components if Tscemicum goes out of business.

Discussion also included rates and why there was not a specific dollar amount shown. It was determined that Tscemicum will pay the same rate as our customers and the rate charged will be tied to our consumptive rate which will change as the Board adjusts it. It was stated that tying the contract it to our rate resolution will prevent the revisiting and updating of the contract every time the rate changes.

The manager reported that he presented Board discussion and language modifications to legal counsel, Joe Brogan, for a contract revision. Section 3(D) was revised to state that the source well, including all water works and appurtenances will become the property of the PUD if Tscemicum ceases operations. The language in Section 2(B) was also modified to identify “standard” water rates and provide for the attachment to the contract of Exhibit B – Water Rates Resolution.

The manager reported that Tsceminicum requested a change in Section 5 asking that the contract be renewable for two additional terms of ten (10) years each at the conclusion of the initial 5-year term. Counsel modified this section with this language revision request stating that additional terms are subject upon mutual agreement of both parties with written notice from Tsceminicum at least thirty (30) days prior to the preceding term's end. Mr. Keane and his attorney reviewed the revisions and found them acceptable.

Commissioner McCall asked about PUD approval of a new owner if Tsceminicum sold or transferred their business to another owner. Commissioner Nuxoll discussed the conversation he had with counsel regarding that matter and stated that the language was identified in Section 3(D), the second paragraph that transfer of ownership is subject to PUD consent. Commissioner McCall also asked about the location of the proposed well and whether PUD would have access to it. The manager stated that the well would be located on private property but that the contract clearly states that the PUD will have access to it for reading the meter, inspecting the well and securing it if Tsceminicum ceases operations. He stated that he will work with Rick Keane, Manager of Tsceminicum, on drilling the well in a location that is beneficial to both parties.

After discussion, the manager recommended approval of the contract. He stated that if the contract is approved he will begin the completion of a Department of Ecology water right change application adding the planned well as a point of diversion on PUD water rights. Tsceminicum will be responsible for paying all costs associated with review and approval of the water right change application.

MOTION by Commissioner Greg McCall and seconded by Commissioner Judy Ridge to approve the Water Rights Usage Contract with Tsceminicum Bottling Company and authorize the General Manager to execute the contract. The question was called for on the motion. The motion passed 3-0.

Award Asphalt Patching Bid for the 5th and 6th Streets Water Main Project

The manager stated that bids were requested from contractors on our Small Works Roster for 15,000 square feet of asphalt patching for our 5th and 6th Streets Water Distribution Main Improvement Project. The project will replace 1,900 feet of 6-inch steel water distribution main with 8-inch PVC and 29 customer water service lines will be upgraded or replaced. Asphalt on 6th Street or Highway 129 is 6-inches thick and the State Department of Transportation is requiring an additional road cut of 6 feet to ensure vehicle drivability. The bid results from each contractor with sales tax included are as follows: Morgan Industries, LLC – \$57,293.50; Poe Asphalt Paving, Inc. – \$104,108.39; and Herco, Inc. – \$110,324.24. Morgan Industries, LLC is the lowest responsible bidder in the amount of \$57,293.50.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Greg McCall to award the asphalt patching bid for the 5th and 6th Streets Water Main Improvement Project to Morgan Industries, LLC in the amount of \$57,293.50. The question was called for on the motion. The motion passed 3-0.

Change the Tuesday, June 12, 2018 Commission Meeting to Monday, June 4, 2018

The manager requested changing the next Commission meeting date from Tuesday, June 12, 2018 to Monday, June 4, 2018 due to commissioner and manager travel to business meetings.

MOTION by Commissioner Greg McCall and seconded by Commissioner Judy Ridge to approve changing the meeting from Tuesday, June 12, 2018 to Monday, June 4, 2018 at 5:30 pm. The question was called for on the motion. The motion passed 3-0.

MANAGER'S REPORT

Operations Activity – The manager reported that last week the crew completed installation of the new main on 6th Street starting at Bridge Street running to Poplar Street and from Poplar Street moving east to 5th Street. The lines were pressure tested and passed. The line was then chlorinated and a sample taken which tested satisfactory. The crew completed a tie-over of the new main to the system and began the tie-in of services on 6th Street and Poplar Street.

2017 Financial Statements – the manager reported that the internal audit was completed earlier this year and those results sent to our CPA for review and completion of the 2017 Financial Statements. Those statements are now complete and have been submitted to the State Auditor's office. We are waiting to hear from the State Auditor regarding a start date of our annual audit.

COMMISSIONER'S REPORT

Commissioner McCall reported on a Chamber of Commerce meeting he attended where author Doug Griffiths discussed his book *13 Ways to Kill a Community*. Mr. Griffiths stated that good water and infrastructure is the backbone of a thriving community. Commissioner McCall stated that we have great water and water system. He stated that our attention to premium water quality and the replacing of aging infrastructure to ensure system reliability is our top priority for our community.

Commissioner Ridge is currently attending the Northwest Public Power Association (NWPPA) Annual Conference in Boise, Idaho May 21-23. The manager will be joining her Wednesday at a luncheon ceremony where Commissioner Gary Hicks will posthumously receive the NWPPA's Paul J. Raver Award for community service. The award is given to individuals or organizations that have shown superior leadership in the betterment of cities, locales, states or regions.

ADJOURNMENT

There being no further business the meeting was adjourned at 5:55 p.m.