

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
August 8, 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.

PUD Staff: General Manager Tim Simpson, Treasurer Bob Sischo, Director of Operations Craig Riehle.

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 July 24, 2017 Regular Meeting and payment of the Transaction Vouchers covering vouchers #1908 through #1910 and Electronic Transaction Vouchers #4409EFT through #4425EFT in the amount of \$36,234.54 and Blanket Transaction Voucher Approval Document covering vouchers #37332 through #37389 and Electronic Transaction Vouchers #17080201, #17080401, #17080402, #17081701 and #17082501 in the amount of \$292,843.61. 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

Customer Service Line Material Evaluation

The manager stated that during a recent water service replacement, the field crew discovered that an old service line connected to cast iron pipe contained approximately two feet of lead at the water main connection. This is typically called a gooseneck or pigtail. Director of Operations, Craig Riehle, stated that upon finding this pipe, he and operations staff began evaluating all water service lines connected to cast iron water mains. As-built drawings on file only identify the material of the remaining portion of the service line and sometimes no material is identified at all. In order to identify these lead goosenecks some logical assumptions had to be made by correlating the locations of lead goosenecks and the annotation on the as-built drawings. Assumptions were also made from field observations, as-built drawings and input from long term and retired employees. There are 328 potential and/or confirmed service lines with lead goosenecks.

Director Riehle presented a large map identifying the areas where the goosenecks may be located. He stated that we are only making logical conclusions based on what we know and minimal field verification has been conducted. This study was not meant to be exact

but only a first step in the lead pipe service replacement plan. The next step is field verify and then if found, replacing the service lines will be the final step. He stated that the approximate cost of replacing all of these lines is \$1,000 per line or \$328,000. Mr. Riehle stated that this is the year we are conducting lead and copper testing per EPA standards. We will focus our testing in the areas identified on the map.

The total estimated footage of lead service line from the 328 potential service lines is 248 feet. The manager stated that we have not had any lead issues because our water is not corrosive nor has past lead and copper testing shown any issues, however, if we know the service line has a lead component in it, no matter how small, we have an obligation to remove it from service based on a 2016 Washington State Governor directive for utilities.

Public Records Retention and Archiving

The manager stated that review of the Districts Public Records Retention and Archiving process was conducted to ensure we are in compliance with state law. Director of finance and Administration, Bob Sischo, stated that currently, the PUD is utilizing substandard means to ensure retention of critical documents and is relying solely on end-user interaction to identify and retain public records. He stated that the training of individual records custodians has been a valid means of maintaining public records in the past, but changes in the use of electronic records, texting, email, and social media have made it virtually impossible for the PUD to retain a level of business efficiency and record retention accuracy without utilizing a software solution.

Mr. Sischo reported that he found out about an archiving platform, SMARSH, while at Washington PUD Association meetings. A review of the SMARSH archiving platform was conducted and it was found that they offer a robust solution that allows the PUD to complete the journaling of all email, capturing of text messaging and maintain compliance requirements through daily scheduled archiving of Website changes. He stated that the SMARSH solution also brings accuracy and efficiency to our current records management effort by streamlining key functions of the document process. He stated that it is important to note that the retention requirements that the PUD is regulatory obligated to comply with are met within the SMARSH software platform. The cost of utilizing SMARSH is approximately \$500.00 per month. The Commission was supportive of utilizing this public records retention and archiving solution to ensure compliance with Washington State regulations.

2016 Audit Exit Conference Report

The manager reported that the 2016 accountability and financial audit has concluded. The manager, Commissioner Nuxoll and Treasurer Bob Sischo attended an Audit Exit Conference on Friday, August 4, 2017 by phone with Audit Lead Jonna Davis and Assistant Audit Manager Molly Mors from the State Auditor's Office (SAO). At the Exit Conference, the Financial and Accountability audits performed by the SAO for Fiscal Year 2016 were discussed.

The manager stated that one (1) recommendation was provided by the SAO. The recommendation was discussed at the time it was discovered and handled during the audit. The recommendation was not included in the Audit Reports. The issue was that a wrong sewer rate fee definition was applied to the Port of Wilma sewer customers when the PUD took over the system in January 2016. The Port has its own base sewer fee of \$50.00 per month. The fee applied was our regular PUD customer's fee of \$36.85. The issue was corrected immediately upon discovery but it prompted a recommendation to strengthen Information Technology (IT) controls to ensure that new rates applied are verified through a review and calculation process. A draft policy to strengthen our IT controls has been written and is under reviewed prior to presenting it to the Board for consideration and adoption into our Management and Administrative Policy.

The manager stated that he was happy to announce that there were no management letter items or findings. This is the PUDs 30th consecutive clean audit. The Commission congratulated the manager, Treasurer, Bob Sischo and staff on another exceptional audit.

MANAGER'S REPORT

Capital Improvement Projects – The projects on Poplar Street from Burns Street to 13th Street and on Maple Street from 4th street to 5th Street are complete. Patching of asphalt in these areas will begin this week and conclude next week.

3rd Avenue Main Break – The manager stated that, to date, claims and costs of repair for the main break that occurred on July 4th on a 12-inch main off of 3rd Avenue have reached \$62,000. We are awaiting the bill from the company that cleaned up Funke's shop and are waiting for a customer contact to verify other damage.

Watershed Grant Close-out – the final grant under our watershed activity has been completed and close-out documents have been submitted. The Alpowa Creek Implementation grant was finalized on June 30th. This was the last grant we had partnering with our former Watershed Planning Director, Brad Johnson. As the sponsor, we were unable to transfer this grant to Brad's new employer, the Palouse Conservation District (PCD). Brad moved to the PCD in 2015.

Paid Sick Leave Requirements – Initiative 1433, approved by voters in November 2016, raised the minimum wage to \$11.00 an hour. The initiative also stated that starting January 1, 2018, employers will be required to provide their employees with paid sick leave. The new law states that paid sick leave shall accrue at a minimum rate of one hour of paid sick leave for every 40 hours worked as an employee. Unused paid sick leave of 40 hours or less must be carried over to the following year. This initiative is being administered by the Department of Labor and Industries. They will be developing rules for the paid sick leave and are holding hearings through the state in August. Once the rule making is complete we will be update the Personnel Policy to address the new rules.

Water Production – Water production has increased significantly due to extended 100 plus degree days. Water production for July was 71 million gallons higher than July of 2016 and slightly higher than July of 2015. The peak day so far occurred on August 3rd and was 13.98 million gallons.

COMMISSIONER’S REPORT

Commissioner Ridge attended Energy Northwest (ENW) meetings July 25-27 in Richland. She reported that the Energy Services division of ENW presented a request to provide maintenance and operations services to a Portland hydro generation project. The agreement is for \$8 million over a 5-year period. She stated that Board approved the agreement for ENW services. Discussion occurred regarding the Chief Executive Officer’s decision to retire next year. A firm will be hired to conduct the search process for a new CEO. She stated that there are current ENW employees interested in the position. She stated that the Executive Board will be holding a retreat to plan for the CEO search process and discuss strategic planning for ENW.

Commissioner Ridge was unable to attend PPC meetings August 2-3 in Portland.

ADJOURNMENT

There being no further business the meeting was adjourned at 7:00 p.m.