

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
October 23, 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, Treasurer Bob Sischo,
Operations Director Craig Riehle and Operations Foreman
Bob Wimer.

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 October 10, 2017 Regular Meeting and payment of the Transaction Vouchers covering Electronic Transaction Vouchers #4494EFT through #4510EFT in the amount of \$30,498.94 and Blanket Transaction Voucher Approval Document covering vouchers #37599 through #37647 and Electronic Transaction Vouchers #982, #17101101 and #17101501 in the amount of \$54,185.61. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

Vacuum Excavator – Sewer Jetter Combination Truck Purchase

The manager stated that, as directed by the Board at the last meeting, he provided documents outlining the need for a vacuum excavator – sewer jetter combination truck (Truck) and the use of this Truck in our water and wastewater system operations and maintenance. He also provided information on the cost of the Truck and details about how the purchase of the Truck would be paid for and/or financed.

The manager stated that the Truck would be very useful in both our daily water and wastewater operations. He is recommending that we purchase a Vactor brand Truck using the National Joint Purchasing Alliance (NJPA) cooperative, the same program we recently used for purchasing the backup generators. He stated that a Kenworth cab and chassis with the Vactor equipment would be \$437,284 and a Freightliner cab and chassis with the Vactor equipment would be \$434,271. He stated that \$234,000 in sewer reserve funds could be used towards the purchase with the remaining balance being funded through operational reserves or decreasing the 2018 capital improvement budget to pay for the Truck. The manager stated that he does not recommend financing the remaining balance after using reserves. He stated that the question remains as to which brand of Truck brand to buy. Local maintenance of the cab and chassis will assist in that decision.

Director of Operations, Craig Riehle and Operations Foreman, Bob Wimer both spoke to the need of the Truck. Commissioner McCall questioned Mr. Riehle about the costs associated with hours of use identified with potential use of the Truck. Mr. Riehle stated that the cost comparison was to show how much it would cost to pay a contractor or the City of Clarkston if we had access to a vehicle during every working day. Mr. Wimer stated that the main issue is we own a sewer system and we are relying on others to help maintain it and they are not always available. He stated that we are not maintaining our 21 miles of sewer line as we should be. He reported that a Truck was needed twice last week and over \$2,500 was paid to contractors for the use of their Trucks.

Commissioner Nuxoll stated that he had an opportunity to look at one of the Trucks that the City of Lewiston owns. He stated that the staff recommended backup cameras on all corners of the Truck for driver assistance, proper traffic control lights on the Truck and a hydraulic crimper to repair hoses that will likely break during operations. Discussion ensued on the brand of cab and chassis and how the pay for the remaining balance after using the sewer reserve fund. The Commission directed the manager to have staff meet with City of Lewiston staff to determine what other options and accessories would be valuable in daily operation, look into the cost of a hydraulic crimper and to determine which brand of cab and chassis would be best and could be maintained locally.

NEW BUSINESS

Resolution 17-439 – Management and Administrative Policy Amendment

The manager presented Resolution 17-439 which provides for the amendment of the Management and Administrative Policy and Procedure Manual. He is requesting an amendment to Chapter 3 – Fixed Assets, the addition of Chapter 7 – Financial Management, the addition of Chapter 8 – Information Technology, the addition of Chapter 10 – Small Works Roster and Vendor Roster processes which changes Chapter 10 to add Chapter 11 – Other Administrative Procedures.

The manager stated that the addition of Chapter 10 – Small Works Roster and Vendor Roster was a process that was adopted by Resolution in 2000 and amended in 2002. He stated that this action moves this process from a Resolution form into the policy and procedure manual. Amendments were made to the text to ensure it met current laws. Adding this section as Chapter 10 requires moving Other Administrative Procedures to be designated as Chapter 11. He stated that the addition of Chapter 8 – Information Technology was developed in response to a recommendation by the State Auditor Office (SAO) during our 2016 Fiscal Audit to strengthen Information Technology (IT) controls.

Bob Sischo provided an overview of changes to Chapter 3 – Fixed Assets. He reported that the SAO will be focusing on this area during next year's audit and we wanted to be out ahead of the issue. Working with our accounting firm we have reset asset life on specific infrastructure and established a higher threshold of what should be an asset from \$1,000 to \$10,000. He stated that attractive smaller assets will continue to be tracked and inventoried on a regular basis. Wastewater assets were also added to the list.

Mr. Sischo discussed the addition of Chapter 7 – Financial Management which has been in the works for some time and is necessary to establish monetary control policies and to ensure the PUD continues to be fiscally sound and accountable with both operational and reserve funding. Financial policies, as well as operational financial procedures and administrative directives, provide the Commission, Manager and Directors guidance as we make decisions regarding the fiscal direction of the agency, as well as providing a basis for trust and confidence with rate payers. He stated that this policy will help guide discussion regarding rate stabilization with the utilization of debt and will be a useful tool when we meet in early January 2018 to discuss the Water System Plan financial analysis and the capital improvement projects that will drive future rate increases.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Greg McCall to approve Resolution 17-439 adopting the additions and amendments to the Management and Administrative Policy and Procedure Manual. The question was called for on the motion. The motion passed 3-0.

Change the November and December Commission Meeting Dates

The manager requested changing the November and December Commission meeting dates to the first and third Monday of each month to accommodate holiday and commissioner schedules. The meeting dates would be November 6, November 20, December 4 and December 18. He stated that the budget hearing date can be set at one of the November meetings.

MOTION by Commissioner Greg McCall and seconded by Commissioner Judy Ridge to approve changing the Commission meeting dates in November and December to the first and third Mondays on November 6, November 20, December 4 and December 18 beginning at 5:30 pm. The question was called for on the motion. The motion passed 3-0.

MANAGER'S REPORT

Well No. 3 Motor – The new motor for Well No. 3 has been scheduled for installation on Wednesday, October 25th. Upon installation it will be checked to ensure the shaft is rotating properly and then will be tested for operation. The new motor is a 300% high thrust which is better suited for this well than the previous low thrust motor.

Development and Construction – A hotel is being planned for construction at 14th and Bridge Streets. The construction will include duplexes and storage units. The name of the hotel has not been published and the timing of construction has not been discussed.

Lead Service Lines – Craig Riehle provided an update on the process of verifying the potential services lines with lead pigtailed. He reported that 26 services were field surveyed and only 6 had lead pigtailed. He provided a handout and showed a map of their findings. He stated that he and the Operations Foreman will be reviewing old maps and will narrow the scope of this project. The good news is that there are much fewer services with lead pigtailed than originally assumed. All services surveyed have been replaced.

Magnetic Meter Calibration – At the last meeting a report was provided on the testing of our magnetic flow meters at each well site. A question was asked about how that technology works. A video on how magnetic meters work was presented to the Board.

COMMISSIONER’S REPORT

Commissioner Ridge will be attending Energy Northwest meetings October 25-27 in Richland, Washington.

Commissioner Ridge will be attending Public Power Council (PPC) meetings on November 1-2 in Portland, Oregon.

Commissioner Nuxoll will be attending Public Utility Risk Management Services (PURMS) November 1-2 in Burien, Washington.

ADJOURNMENT

There being no further business the meeting was adjourned at 6:45 p.m.