

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
February 12, 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, 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 January 22, 2018 Regular Meeting and the minutes of the January 29, 2018 Special Meeting and payment of the Transaction Vouchers covering Vouchers #1929 through #1931 and Electronic Transaction Vouchers #4613EFT through #4629EFT in the amount of \$41,555.87 and Blanket Transaction Voucher Approval Documents covering vouchers #37987 through #38061 and Electronic Transaction Vouchers #12 – #17 in the amount of \$255,113.22. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

Water System Plan Financial Analysis

The manager presented the updated Water System Plan Financial Analysis. He stated that on Monday, January 29, 2018, a Board Work Session was held to review and discuss the financial analysis conducted as part of the update of the PUD Comprehensive Water System Plan (WSP). An overview of the past and planned future Capital Improvement Projects (CIP) was provided by David Stangel, PE and LaDonne Harris, PE with the Murraysmith Engineers. The WSP Financial Analysis was presented by Deb Galardi of the Galardi Rothstein Group.

At the conclusion of the presentation concerns were expressed about the proposed rate increase in 2019. After discussion, a request was made to update the model based on an increase of \$1.00 in the Monthly Minimum Charge along with increasing the Water Rate \$0.03 from \$0.97 to \$1.00. Ms. Galardi updated the model based on the following: By March 2018, increase Minimum Monthly Charge and Water Rate; Annually, beginning January 1, 2019, increase revenue by 5%; Cash only for CIP, including \$200K per year set-aside for meter replacement 2019-2024, and use of accumulated set-aside plus \$1.2 million CIP project to complete meter replacement as one big project in 2025; Annual Vehicle and Equipment set-aside of \$120K per year; and Other reserves (Capital and Operating) per the PUD's recently adopted policy.

The manager stated that the graph on page 12 of the presentation was changed to show both the total policy reserve line and the total projected reserve line. The total included 3 components: operating, capital and equipment replacement. He stated that the projected reserve line shown on page 15 falls below the policy line in 2020. To remedy this, planned CIP will be adjusted to ensure we are not utilizing reserves for projects.

The Board stated their approval of the updated model and the plans for capital improvement. Commissioners stated that they do not want reserves used to pay for capital projects ensuring that we develop and adhere to an annual balanced budget. Commissioner McCall stated that he would like to see the revenue move from a 55/45 percentage split for revenue between water rate and monthly minimum charge to a 50/50 split. The manager stated that through revenue increases, we will try to accomplish this over the next 6 years with the goal of being at 50/50 by 2024. The Commission directed the manager to develop a rate increase resolution for the next regular meeting.

NEW BUSINESS

Accept Purchase Offer for 1994 Ford F-700 Dump Truck

The manager stated that at the meeting on December 18, 2017 the Board approved Resolution 17-446 which declared the 1994 Ford F700 5-Yard Dump Truck surplus. This Resolution authorized the advertisement and receipt of bids on the Dump Truck with a minimum price of \$10,000. The Dump Truck was advertised in the Lewiston Morning Tribune and the Money Saver for two weeks beginning January 3rd an ending January 18th but no bids were received. The Dump Truck was then re-advertised for sale soliciting purchase offers. Advertisement and word of mouth produced seven (7) purchase offers for the Dump Truck. The highest bid was by provided by John Cooper in the amount of \$11,200.00. Based on the offers received, the manager recommended acceptance of the offer for the 1994 Ford F700 Dump Truck from Mr. Cooper in the amount of \$11,200.00.

MOTION by Commissioner Greg McCall and seconded by Commissioner Judy Ridge to accept the purchase offer for the 1994 Ford Dump Truck from John Cooper in the amount of \$11,200.00. The question was called for on the motion. The motion passed 3-0.

Award Material Bid for Sunrise Drive Capital Improvement Project

The manager stated bids were requested from vendors on our Vendor Roster for materials for our Sunrise Drive Water Distribution Main Replacement Project. The Project will replace 1,990 feet of 4-inch steel water distribution main with 8-inch PVC and customer water service lines will be upgrade or replaced. The bid results, with sales tax included, provided from each vendor are as follows: Ferguson Waterworks - \$33,367.84, HD Fowler - \$36,183.28, HD Supply Waterworks - \$37,730.69. The manager recommended awarding the Sunrise Drive Project Material Bid to Ferguson Waterworks, the lowest responsible bidder, in the amount of \$33,367.84.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Greg McCall to award the Sunrise Drive Project Material Bid to Ferguson Waterworks in the amount of \$33,367.84. The question was called for on the motion. The motion passed 3-0.

Write-Off of 2014 Uncollected Accounts

The manager stated that our Administrative and Management Policy requires Board of Commissioner approval for the write-off of uncollected accounts after a customer's account remains uncollected for more than three (3) years. The 2014 accounts submitted for write-off, greater than \$25.00, were sent to the collection agency and will continue to be pursued. Customers that have been sent to collection and want to sign up for service again must pay previous account balances before receiving service. Any amounts received after approval of write off become miscellaneous income.

The manager stated that for the year 2014 there were 101 accounts in the amount of \$5,929.69 sent to collections that remain uncollected. This uncollected amount represents .00135 percent of our \$4.384 million in water and wastewater revenue for the year 2014.

MOTION by Commissioner Greg McCall and seconded by Commissioner Judy Ridge to approve the write-off of the 2014 Uncollected Accounts. The question was called for on the motion. The motion passed 3-0.

Resolution 18-447 – General Manager's Salary

Resolution 18-447 which provides for the General Manager's annual salary was presented by Commissioner Nuxoll.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Greg McCall to approve Resolution 18-447 setting the annual salary for the General Manager effective January 1, 2018. The question was called for on the motion. The motion passed 3-0.

Resolution 18-448 – Amending the Personnel Policy

The manager presented Resolution 18-448 which provides for amendment of the Personnel Policy, specifically Chapter 2 – General Provisions, Section 2.3 – Sexual Harassment. Issues nationwide regarding sexual harassment and sexual misconduct in the workplace, led to the need to review our current policy to ensure that language clearly states that this kind of behavior will not be tolerated at the PUD and to ensure that victims have proper recourse. In whole, our policy was well-written as compared to our PUDs and national standards and only required a few updates. One of the primary updates is providing a Sexual Harassment Complaint Form as part of the policy.

The manager stated that amongst PUD staff there has been no reports of inappropriate behavior, however, we must always guard against misconduct. Similar to safety, proper training of staff and creating and maintaining a culture of non-tolerance of sexual harassment are the most effective means of ensuring adherence to standards. PUD staff participated in video training and discussion on this issue at a meeting on February 8th.

MOTION by Commissioner Greg McCall and seconded by Commissioner Judy Ridge to approve Resolution 18-448 amending the Personnel Policy and Procedures Manual. The question was called for on the motion. The motion passed 3-0.

City of Clarkston Intergovernmental Cooperation Agreement – Sewer Evaluation Report

The manager presented an Intergovernmental Cooperation Agreement from the City of Clarkston for the PUD's preparation of the City's 2018 Annual Sewer Evaluation Report. He stated that the sewer evaluation report is used by the City to calculate monthly sewer charges for their customers. Water use for the months of January and February by PUD customers within the City of Clarkston is the basis for sewer charges for the year. The manager stated that the text of the agreement remains the same as well as the fees for providing services.

MOTION by Commissioner Greg McCall and seconded by Commissioner Judy Ridge to approve the Intergovernmental Agreement with the City of Clarkston for preparation of their annual Sewer Evaluation Report and authorize the General Manager to execute the Agreement. The question was called for on the motion. The motion passed 3-0.

Change the Tuesday, February 27, 2018 Commission Meeting to Monday, February 26th

The manager requested changing the next Commission meeting date from Tuesday, February 27, 2018 to Monday, February 26, 2018 due to commissioner travel.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Greg McCall to approve changing the February 27, 2018 to Monday, February 26, 2018 at 5:30 pm. The question was called for on the motion. The motion passed 3-0.

MANAGER'S REPORT

Lead Service Lines – The crew began work on the Lead Service line Replacement project starting with 10th Street. To date 13 services have been excavated and replaced and no lead pigtailed were found. The service lines were completely replaced from the main to the meter because they were old galvanized pipe.

Operations Activity – The manager reported that the crew has been working on Pressure Reduction Valve (PRV) maintenance, Well house PRV maintenance and installing new services.

Quail Ridge Golf Course – The manager reported that Avista Utilities contacted him and is currently working on developing a cost estimate for installing a redundant electric feed to Quail Ridge. He stated that a cost estimate would be available in a couple of days.

Asotin County Stormwater – The manager reported that the Asotin County Stormwater crew has repaired the stormwater retention pond drain system, located at Ridgeview Drive and 4th Avenue, to slow the release of water and have installed a drain line, collection basins and a bubbler on PUD property to prevent further damage. An early January snow and rain event caused a sink hole on PUD property as a result of the stormwater retention pond not retaining water and draining it properly.

COMMISSIONER'S REPORT

Commissioner Ridge attended Energy Northwest (ENW) meetings on January 23-26 in Olympia. She will be on an Ad Hoc Committee for the Nuclear Board appointment. She reported that there was much discussion regarding the Governor's proposed Carbon Tax. The ENW Board developed and approved a resolution that shares concerns about the tax but puts them at the table for future involvement. She reported that the small-scale modular nuclear reactor project is moving along. Physicians against nuclear were at the meeting presenting their argument against continuing to operate the Columbia Generating Station (CGS). The Institute of Nuclear Power Operations was at the meeting conducting interviews of potential candidates to replace CEO Mark Reddemann who retires in June.

Commissioner Ridge attended Public Power Council (PPC) meetings on January 31 – February 1 in Portland, Oregon. She reported the PPC continues to hold the Bonneville Power Administration accountable with regards to their rates, reviewing financial results and plans including a review of the costs associated with running the CGS nuclear plant. Fish issues continue to be at the forefront including a group blaming the Lower Snake River Dams for the drop in Orca populations. NOAA refuted this erroneous claim.

Commissioner Ridge will be attending Washington PUD Association meetings February 14-16 in Olympia.

Commissioner Ridge will be attending an Energy Northwest Committee meeting in Seattle on Friday, February 16th and again in Seattle on February 20-21.

ADJOURNMENT

There being no further business the meeting was adjourned at 6:15 p.m.