

PUBLIC UTILITY DISTRICT NO. 1  
OF ASOTIN COUNTY, WASHINGTON  
MEETING MINUTES  
July 9, 2019

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President Judy Ridge 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: Judy Ridge, Greg McCall and Don Nuxoll.

Staff: Tim Simpson and Bob Sischo.

MINUTES OF MEETING AND VOUCHER APPROVAL

**MOTION** by Commissioner Don Nuxoll and seconded by Commissioner Greg McCall to approve the consent agenda approving the minutes of the June 25, 2019 Regular Meeting and payment of Payroll Vouchers #1986 – #1988 and Electronic Payroll Vouchers #5181EFT – #5197EFT in the amount of \$40,546.26 and Electronic Accounts Payable Vouchers #19070501, #19070502, #19070901, #19070902, #19071501, #19071601, #19071901 and #19071903 and Accounts Payable Vouchers #39673 – #39717 in the amount of \$242,168.24. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

City Sewer System Operator Agreement

The manager reported that he, Commissioner Nuxoll, Bob Sischo and Craig Riehle met with the City of Clarkston on Monday, July 1, for a joint review of the draft City Sewer System Operator Agreement which provides for PUD operation of the WWTP and sewer collection system. Representing the City were Mayor Monika Lawrence, Public Works Director Kevin Poole and attorney Todd Richardson.

The manager stated that the entire Agreement was reviewed and there were only a few primary discussion points for additions and/or amendments that came out of the meeting. He stated that the City requested language stating any repairs, expansions or upgrades that require debt financing must be approved by the City. They do not want us to secure debt that the City would be responsible for if the system is turned back to them unless they approve it. This language was added as Section 4.2.5. In Sections 5.4 and 5.5 it was agreed upon that all reserves except those that are required for debt coverage should transfer to the PUD. This includes those designated capital funds in 403 – Sewer Capital Reserve and 405 – Sewer Construction Reserve. Discussion ensued regarding the City’s current reserve funds.

The manager stated that another issue primary to the discussion was in Section 11: Insurance. Mr. Richardson stated that due to their continued ownership of the sewer system, the City may be required to have insurance coverage. Mr. Richardson contacted the City’s insurance carrier but had not heard back from them. The PUD can cover all insurance costs necessary for operating the sewer system through our self-insurance fund. If insurance is required by the City’s carrier any insurance costs required will be budgeted and paid for by the PUD with the revenue from the City Sewer System. In this event the PUD would provide coverage for personal property and general liability. Mr. Richardson was tasked with following up on this item. The City also requested language in the Bill of that stated if the Agreement is terminated all personal property related to the operation of the sewer system will be transferred back to them. We agreed with this provision and language was added to the Bill of Sale.

The manager stated that in Section 7: Compensation, the group agreed that the simplest way to address compensation for allocable administrative costs was to set a specific monthly amount. It was initially stated that the City should utilize their sewer utility taxes to pay for their administrative costs. The City is currently collecting 14% or \$204,000 annually in utility taxes from sewer customers which is going into their general fund. After the City expressed reservations, a \$1,500 per month payment or \$18,000 annually was proposed. Because Steve Austin, Clerk/Treasurer, was not in attendance the City was hesitant to agree to this amount until he had a chance to review and ensure it was adequate to cover their costs. Mr. Austin was tasked with compensation review upon his return to work.

Commissioners stated that given the fact that there are an estimated \$400,000 in items identified in the WWTP project list and that over \$500,000 will be spent on the development of a comprehensive sewer system plan, they believe that those dollars identified to go to allocable administrative costs for overhead should to go towards funding these items. The manager was directed to remove the allowance for monthly compensation for administrative overhead costs from the Agreement and inform the mayor of their decision and the reasons behind this decision.

### NEW BUSINESS

#### Murraysmith Consultants Task Order 19-01 – Clarkston WWTP Assessment

The manager presented Task Order 19-01 from consulting engineers Murraysmith, Inc., which provides for a high-level review and assessment of the operations of the Clarkston WWTP. The budget estimate for this Task Order is \$25,000 and is provided in accordance with our Master Agreement with Murraysmith for Professional Services dated February 10, 2010. Murraysmith will complete a high-level assessment of the WWTP and review documents provided by the City related to plant performance and the meeting of federal and state regulations. They will also conduct a WWTP visit and speak with staff about operations and condition of the facility. Murraysmith has both designed and contract operated wastewater treatment plants. This assessment will benefit the development of an overall facilities plan prior to assuming ownership.

**MOTION** by Commissioner Greg McCall and seconded by Commissioner Don Nuxoll to approve Task Order 19-01 with Murraysmith, Inc. for their review and assessment of the City of Clarkston Wastewater Treatment Plant. The question was called for on the motion. The motion passed 3-0.

#### Change the Tuesday, July 23 Commission Meeting Date to Monday, July 22

The manager requested changing the next Commission meeting date from Tuesday, July 23, 2019 to Monday, July 22, 2019 due to commissioner travel to meetings.

**MOTION** by Commissioner Judy Ridge and seconded by Commissioner Don Nuxoll to approve changing the Tuesday, July 23, 2019 to Monday, July 22, 2019 at 5:30 pm. The question was called for on the motion. The motion passed 3-0.

### MANAGER'S REPORT

Financial Report – the manager reported that through June 30, 2019 total revenue was \$2.25 million and total expenditures were \$1.9 million. Net income through June is approximately \$345,000.

Operations Activity – the manager reported that the lead pigtail replacement project has been completed and there were no lead pigtails found in the remaining 40 services. The Well No. 7 new water line project is complete and gravel was added to the site to clean it up and reduce maintenance. The building will be painted this fall. The Bridge Street Lift Station project which involves moving the controls currently in a pit to an above-ground location has been delayed to the end of the month due to our electrician's unavailability. Work on the abandonment of the 8-inch steel main on Chestnut Street between 14<sup>th</sup> and 15<sup>th</sup> Streets began. Approximately 1,340 feet of water main on the north side of the street will be abandoned in place and 15 customer service lines will be tied into the existing 12-inch line on the south side. The crew started moving the short services over this week.

### COMMISSIONER'S REPORT

Commissioner McCall attended the Washington PUD Association (WPUDA) Water Committee meeting on June 27 in Olympia. He reported the Committee was given a presentation from Thurston PUD on leak-detection technology they use that sonically detects leaks and uses ground-penetrating radar to help pinpoint leak locations. Bill Clarke, WPUDA lobbyist, reviewed the results of the 2019 state legislative session and discussed project funding. He stated that lawmakers are more inclined to fund individually named ranked application projects. He suggested that WPUDA work with the state Department of Health to assemble a ranked list of PUD water system consolidation and repair projects that could be submitted to the Legislature. He spoke with Commissioner McCall regarding potential funding for the City sewer system acquisition. The manager followed up with Mr. Clarke and is waiting for his return to work next week. A presentation was made on a ShakeAlert earthquake warning system that is aimed at giving water and wastewater utilities enough warning of an impending earthquake, coupled with automatically triggered shutdown and isolation actions, to protect utility system components from damage. They also heard from general counsel for Lakehaven Water and Sewer District on a legal case that challenges the authority of the City of Federal Way to levy an excise tax on the "gross receipts" of water-sewer districts that provide service in the city. The City of Tacoma, which also provides utility service in Federal Way, is excluded from the tax. King County Superior Court ruled last October in Federal Way's favor and upheld the tax. The decision has been appealed to the state Supreme Court and they are waiting to hear if they will accept the case. WPUDA is considering filing an amicus brief.

Commissioner Ridge will be attending the Washington PUD Association meetings July 17-19 in Leavenworth, Washington.

### ADJOURNMENT

There being no further business the meeting was adjourned at 6:30 p.m.