

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
June 11, 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 Greg McCall and seconded by Commissioner Don Nuxoll to approve the consent agenda approving the minutes of the May 28, 2019 Regular Meeting and payment of Payroll Vouchers #1983 – #1985 and Electronic Payroll Vouchers #5148EFT – #5163EFT in the amount of \$41,097.33 and Electronic Accounts Payable Vouchers #19060501, #19060502, #19060701, #19060702, #19061801 and #19062101 and Accounts Payable Vouchers #39557 – #39634 in the amount of \$207,350.46. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

Clarkston WWTP Operation Contract Development

The manager reported that on Friday, May 31, 2019, the initial meeting to develop a contract to operate the City of Clarkston's (City) Wastewater Treatment Plant (WWTP) and sewer collection system was held in the PUD conference room. Foster Pepper attorneys Steve DiJulio and Joe Brogan were in attendance and led the meeting. The City was represented by Mayor Monika Lawrence, Public Works Director Kevin Poole, Clerk/Treasurer Steve Austin and City Attorney Todd Richardson. Representing the PUD was Commissioner Don Nuxoll, Bob Sischo, Craig Riehle and the manager.

At the meeting multiple subjects were addressed along with the proposed content of the contract. There was discussion about the National Pollutant Discharge Elimination System (NPDES) permit and ensuring PUD standards were comparable to the City's standards, the term of the agreement along with termination of the contract by either party and obligations by each party regarding the WWTP and sewer system. City sewer fund reserves were discussed and non-restricted funds will be transferred to the PUD. There was discussion of payments for City services related to the WWTP and sewer system.

Key items discussed at the meeting were: The PUD will commit to taking the current five (5) WWTP employees as PUD staff; PUD will bill City customers; revenues received belong to the PUD; PUD Board of Commissioners have rate-setting authority; PUD is responsible for any NPDES violations; the PUD will commit to conducting a condition assessment, inflow and infiltration study and develop a facilities improvement plan; and the transfer of ownership will occur in 2024 when the revenue bonds that help pay for the WWTP upgrade can be refinanced. The manager reported that he contacted Joe Brogan today about the status of developing the operations contract. Mr. Brogan stated that they are well underway and have an internal draft that they are polishing.

The manager reported that he has received all information requested from the City in order for the PUD to complete its due diligence in looking at all issues of the plant. A “deficiency” or project list was provided and the manager will review the list and give the Board a detailed description of each item on the list. Our engineers will look at some of the information provided in order to utilize their expertise.

The manager provided the Commission with a WWTP annual debt service spreadsheet detailing principal and interest payments remaining from 2019 to 2043. He reported that the total principal balance remaining as of December 31, 2018 was \$13.46 million. At the time of ownership assumption in 2024, the total principal debt remaining will be \$10.48 million. The largest debt obligation is the Public Works Trust Fund (PWTF) loan whose original loan amount was \$10 million with an interest rate of 1%. The PWTF loan and the Ecology State Revolving Fund Loan will easily transfer upon ownership. The 2011 and 2013 bonds will need to be refinanced prior to ownership assumption. By the end of 2023 the bond amounts that will need to be refinanced is \$3.85 million. Annual debt service beginning in 2020 will be \$752,382 going down to \$748,085 in 2023. These funds will be transferred annually to the City for debt payment.

The manager reported that he, Bob Sischo and Craig Riehle have met individually with WWTP employees in order to allow them to ask any questions regarding employment with the PUD and to let them know our expectations of them as an employer. Each employee was candid about WWTP operations and the needs at the plant and each expressed how glad they were that the PUD was taking over operations. The manager stated that PUD staff will spend a good amount of time learning the duties of WWTP staff and how they operate the plant and the sewer collection system and manage accordingly.

The manager reported that the City was not awarded the grant for the proposed solar array project at the WWTP but did receive the grant for the lighting project, a portion of which goes towards WWTP lighting. At their meeting last night, the City Council turned down the grant funding.

NEW BUSINESS

There were no items presented under New Business.

MANAGER’S REPORT

2018 Fiscal Year Audit – the manager reported that the State Auditor had to miss several days due to a death in the family but has resumed his onsite work which will conclude this week. No date has been given for completion of the audit.

Operations Activity – the manager reported that the lead pigtail replacement project is down to the last four (4) remaining services to be replaced and no lead pigtails have been found and none are expected with those that remain. The water and sewer main installed at the Appleside Townhome Development have passed inspection. Installation of 650 feet of new 6-inch PVC water main on our Well No. 7 property is underway. This line replaces a 6-inch steel main and is being completed prior to clean up of the property. PUD inspection of the new sewer line at the proposed Asotin County Fire Station has resulted in the contractor having to dig up and correct a dip in the line. The Bridge Street Lift Station project is near completion and the date for switching to the above-ground control panel is scheduled for completion by the end of the month. A broken valve at the intersection of 3rd Avenue and Appleside Boulevard was replaced on Thursday, May 30 within two hours of starting it and paving was completed immediately. Staff conducted sewer hydro-flushing in the City of Asotin and they were pleased with efficient work. Our new employee, Craig Heimgartner, started with the PUD on Monday, June 3.

COMMISSIONER'S REPORT

Commissioner Ridge attended the Public Power Council (PPC) meetings on June 5-6 in Portland, OR. She reported that the Bonneville Power Administration (BPA) is currently assessing future participation in the CAISO's Energy Imbalance Market (EIM) and is planning to issue a Record of Decision in the fall of 2019. BPA's most recent analysis indicates a \$42.7M annual benefit from EIM participation. PPC has been exploring legislative initiatives that can tangibly enhance the competitiveness of BPA and its consumer-owned utility customers. Among other initiatives they are analyzing the Northwest Power Act's restrictions on BPA serving new large loads with federal power and to consider the potential advantages and disadvantages of repealing those restrictions. She reported that Brigadier General D. Peter Helmlinger, Commander of the NW Division of the U.S. Army Corps of Engineers, was on hand to discuss and answer questions about the power benefits of the lower Snake River Dams.

Commissioner Nuxoll attended the Public Utility Risk Management (PURMS) meeting on June 5-6 in Burien, Washington. He reported that the group was briefed on the Floeting v. Group Health case. The Washington Supreme Court ruled that patrons of "Places of Public Accommodation" are afforded protections under Washington Law against discrimination. The ruling impacts PUD's because our agencies are places of public accommodation. The court determined that Floeting was discriminated against when included in an unwanted conversation with an employee of Group Health. The ruling also determined that agencies have strict liability in cases like these and the employee is personally liable. PURMS lobbyists reported that 481 bills were passed by the democratically controlled Legislature which amounted to \$830 million in new taxes, the largest increase ever. He stated that every three (3) year risk assessments are conducted on each member and PURMS is discussing the removal of members if they get "hit" a second time for issues not resolved. A decision was made to hire a consultant to look into health insurance similar to what was done for prescriptions which result in an annual savings to the pool and its members of approximately \$800,000. Early results are showing a potential savings of 15% annually. Asotin PUD's cost per employee is down significantly over last year.

Commissioner McCall attended the LC Valley Chamber of Commerce meeting on May 29. He reported that District 9 State Legislators were on hand to discuss the 2019 Legislative Session. They stated their overall displeasure with the legislative session and the amount of spending that is happening at the state level. Representative Schmick was pleased with the passage of his mental health legislation.

ADJOURNMENT

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