

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
December 10, 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.

Members of the public were present.

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 November 25, 2019 Regular Meeting and 2020 Budget Hearing and payment of Payroll Vouchers #2002 – #2004 and Electronic Payroll Vouchers #5351EFT – #5368EFT in the amount of \$47,071.19 and Electronic Accounts Payable Vouchers #19120501, #19120502, #19120601, #19120602, #19121901 and #19122601 and Accounts Payable Vouchers #40172 – #40232 in the amount of \$154,269.10. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

2020 Operating Budget

The manager reported that on Monday, November 25, a hearing was held regarding the proposed 2020 Budget with input on the proposed Budget provided by staff and Commissioners. An opportunity was provided for public input as well. As a part of the Board's adopted plan to increase annual revenue approximately 5% through 2025 to ensure financial stability of the PUD and in order to meet increasing operational costs and provide for capital improvements as identified in the Comprehensive Water System Plan, the manager presented three (3) options for a revenue increase in 2020.

The Board chose the option that would increase revenue approximately 5.4% increasing the Monthly Minimum Charge \$2.00 per month for 3/4 inch to 2-inch meters, \$3.00 for 3-inch meters, \$4.00 for 4-inch meters, \$5.00 for 6-inch meters and \$8.00 for 8-inch meters for all account categories. The Multifamily unit charge will increase \$2.00 per unit from \$9.00 to \$11.00. The Water Consumptive Rate will not increase remaining at \$1.05 per unit leaving the Industrial Rates at 2019 levels.

The manager reported that at the hearing he stated that the Monthly Sewer Charge would not increase in 2020. All indications from the City of Clarkston was that the 15% sewer rate increase on the City's customers would be going into reserves. After the last meeting, the City provided the manager with their proposed 2020 Budget. The 2020 Sewer O&M Fund budget increased approximately 15% over 2019 or \$257,300. The PUD pays for approximately 30 to 32% of the Sewer O&M Fund expenditures, based on wastewater flow, which means that the PUD will pay \$77,000 to \$82,000 of the increased expenditures. The manager stated that he questioned the City Clerk regarding increases in several categories in their budget and was satisfied with his response. The manager stated that the good news is that the majority of the City's increase in expenditures is going towards improvements, equipment and backup pumps at the WWTP. \$120,000 of the increase is going towards the development of a sewer master plan.

The manager stated that due to the increase in City expenditures an increase in the Monthly Sewer Rate in 2020 needs consideration. He stated that a 7% sewer rate increase was initially recommended to pay for the increased operational costs however, upon review of revenue and expenses with staff, he believes the PUD could absorb a good portion of the increase in costs with either no increase in sewer rates or only a minimal rate increase. Sewer rates have not increased since January 2014. The manager stated that by law we can combine utility revenue and expenditures but the Board's goal, during our development of the financial plan in 2018, was to reduce cross system subsidies. At the time of the plan, sewer had been subsidizing the water system for several years. Water rate increases the past couple of years has reduced the subsidization. If the Board chooses a minimal rate increase, water system capital improvement project reserves, set-aside for 2021, would be reduced to absorb the City's cost increase to the PUD. Commissioners discussed the City's cost increase to the PUD and the recommendation of the manager and decided that minimal increase of 3% is necessary to cover a portion of the increased costs from the City. The manager stated the sewer rate increase would generate approximately \$30,000 in additional revenue and cover 37% of the increased cost from the City. The Board stated that the Single Family Residential and Commercial monthly rate would increase from \$36.85 to \$ 38.00 and the Qualified Senior Citizens and Disabled Persons monthly rate would increase from \$30.00 to \$ 31.00.

NEW BUSINESS

Resolution 19-470 – Adopting the 2020 Budget

The manager presented Resolution 19-470 which provides for the adoption of the 2020 Budget. He stated that based upon discussion in the 2020 Budget Hearing held prior to this meeting and discussion at this meeting, he is recommending the approval of the Resolution and adoption of the 2020 Budget.

MOTION by Commissioner Don Nuxoll and seconded by Commissioner Greg McCall to approve Resolution 19-470 adopting the 2020 Budget. The question was called for on the motion. The motion passed 3-0.

Resolution 19-471 – Water Rates Charges and Fees

The manager presented Resolution 19-471 which provides for adoption of the proposed Water Rates Charges and Fees for which the 2020 Budget is based upon. In addition to the Monthly Minimum Charge increase, language for a Service Relocation Minimum Deposit of \$1,000.00 was added along with language under the Fire Hydrant Installation Fee stating that a minimum \$3,000.00 deposit was required before fire hydrant installation. The effective date of the Resolution is January 1, 2020.

MOTION by Commissioner Greg McCall and seconded by Commissioner Don Nuxoll to approve Resolution 19-471 adopting the Water Rates Charges and Fees effective January 1, 2020. The question was called for on the motion. The motion passed 3-0.

Resolution 19-472 – Sewer Rates Charges and Fees

The manager presented Resolution 19-472 which provides for adoption of the proposed Sewer Rates Charges and Fees as directed by the Board during earlier discussion of the 2020 Operating Budget. The effective date of the Resolution is January 1, 2020.

MOTION by Commissioner Don Nuxoll and seconded by Commissioner Greg McCall to approve Resolution 19-472 adopting the Sewer Rates Charges and Fees effective January 1, 2020. The question was called for on the motion. The motion passed 3-0.

Resolution 19-473 – Declaring an Emergency for Repair of Well No. 6

The manager presented Resolution 19-473 which provides for the declaring of an emergency and waiving of the bidding requirements in order to allow for immediate replacement of the Well No. 6 motor starter. The manager reported that after the Well No. 6 motor failed and was removed, the backup motor was installed and multiple attempts were made to start the motor but it would kick out as it was ramping up to speed. Power coming in from Avista was determined to be good and the older motor was verified to be in good working condition.

After inspecting the starter our electrician contacted the manufacturer, Toshiba, requesting assistance in diagnosing the problem. Toshiba informed him that the 20-year-old starter is obsolete and parts for it are no longer available. Toshiba could visit our well site to diagnose the problem for a fee exceeding \$10,000 but this would be futile given the fact that no parts are available for repair. The manager stated that this leaves us with no other option but replace the motor starter. Failure of the starter likely occurred simultaneously with the well motor failure.

The estimated cost of the motor starter is \$40,000. With installation, the cost will be approximately \$50,000. We will seek to purchase the same-brand name starter that we have at our other wells. The lead time from ordering to delivery is 14 weeks plus 2 weeks for installation or 4 months. This lead time with installation puts it at mid-April. Well No. 6 is one our primary wells and we need to get a starter ordered immediately so it can get installed and tested prior to our pumping season next year.

MOTION by Commissioner Greg McCall and seconded by Commissioner Don Nuxoll to adopt Resolution 19-473 declaring an emergency, waiving bid requirements and authorizing the General Manager to expend funds necessary to provide for the immediate replacement of the Well No. 6 motor starter. The question was called for on the motion. The motion passed 3-0.

Resolution 19-474 – Surplus 1979 Kohler Diesel Generator

The manager presented Resolution 19-474 which provides for the surplus of a 1979 Kohler Diesel Generator. This generator was installed when the Bridge Street Lift Station was originally constructed. As a part of the Bridge Street Lift Station project, which moved the controls above ground, a new generator was purchased and installed making the vintage generator obsolete. Other potential sites were looked at where it could possibly be used but we have no useful application for its size. Staff contacted an individual knowledgeable about Kohler generators and he stated that based on its age, the sales value is not high, but because it has been well-maintained and has fairly low operating hours, we should receive at least \$1,000.00 for it. The manager recommended setting the minimum bid at this amount.

MOTION by Commissioner Greg McCall and seconded by Commissioner Don Nuxoll to approve Resolution 19-473 allowing for the surplus and sale of the 1979 Kohler Diesel Generator setting the minimum bid at \$1,000.00. The question was called for on the motion. The motion passed 3-0.

Change the Tuesday, December 24, 2019 Commission Meeting Date

The manager requested changing the next Commission meeting date from Tuesday, December 24, 2019 to Monday, December 23, 2019 due to the holidays.

MOTION by Commissioner Greg McCall and seconded by Commissioner Don Nuxoll to approve changing the Tuesday, December 24, 2019 to Monday, December 23, 2019 at 5:30 pm. The question was called for on the motion. The motion passed 3-0.

MANAGER'S REPORT

Operations Activity – the manager reported the crew is conducting static pressure testing on County and City of Asotin owned fire hydrants and performing lift station and building maintenance. The final cost for the City of Asotin 2nd Street Service Replacement came in at \$37,740, \$4,610 under the contract amount of \$42,350. We are currently troubleshooting issues with the new motor controller and SCADA system alarms for the Bridge Street Lift Station. The new Well No. 7 motor will be installed on Monday, December 16. The preliminary report on the issues with the Well No. 6 motor is that the rotor is good but a rebuild on the motor, windings and bearings is needed. The cost of repair is \$16,829.00.

COMMISSIONER'S REPORT

Commissioner Ridge and Commissioner McCall attended the Washington PUD Association Annual Conference in Vancouver, Washington on December 4-6. Commissioner McCall reported on activities at the Conference. He stated that at the Water Committee meeting proposed 2020 legislation was discussed, the Department of Ecology addressed water resource issues and water rights concerns and the Public Works Board provided a funding update. The Committee also heard about issues at the federal and state regulatory levels regarding the different approaches to regulation and treatment of PFAS (poly- or perfluoroalkyl substances) in drinking water. Washington State is recommending a significantly more stringent parts per trillion regulatory level than the federal government. The State is currently working on a draft rule which would require water systems to monitor only if the department directs them to do so because they are located near known or suspected sites of PFAS contamination. In Washington, PFAS in drinking water has been a concern in Airway Heights, Whidbey Island, Pierce County near Joint Base Lewis McChord, and Issaquah where wells are close to airfields and other activities connected to firefighting with PFAS foam retardants. Commissioner McCall reported on the Washington State Supreme Court decision in King County v. King County Water Districts and the Lake Haven Utility District v. Federal Way, which will go to the Washington State Supreme Court in 2020.

ADJOURNMENT

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