

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
October 8, 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, Bob Sischo and Lacey Smith.

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 September 23, 2019 Regular Meeting and payment of Payroll Vouchers #1995 – #1997 and Electronic Payroll Vouchers #5283EFT – #5299EFT in the amount of \$41,558.07 and Electronic Accounts Payable Vouchers #19092601, #19100401, #19100402, #19101101, #19101701, #19102501 and #19102502 and Accounts Payable Vouchers #39961 – #40019 in the amount of \$187,583.84. The question was called for on the motion. The motion passed 3-0.

Teresa D. Johnson, Certified Public Accounts

The manager introduced Lisa Brown, Certified Public Accountant (CPA) and associate with the firm Teresa D. Johnson (TDJ), CPA. He stated that TDJ CPA was engaged several years ago to assist the PUD with review of our internal audit and financial statement preparation and reporting prior to each annual state audit. He stated that this firm has helped the PUD and staff navigate the host of recent General Accounting Board Standards to ensure compliance and successful state audits. Ms. Brown gave a presentation on the Office of the Washington State Auditor Financial Intelligence Tool (FIT). She stated that the FIT tool provides indicators on the financial performance of the PUD such as, cash ratio, debt load and overall financial health. She compared our utility with other PUDs stating that we are in very good shape. Ms. Brown complimented Bob Sischo, Director of Finance and Administration on the quality of work and financial preparation provided to her firm.

OLD BUSINESS

City of Clarkston Sewer System Operator Agreement

The manager reported that he had not heard from the City of Clarkston since August 27 until he received a call today Public Works Director Kevin Poole. Mr. Poole stated that the City's Public Works Committee requested the amount of revenue that would be generated if they implemented the 6% water utility tax. The manager stated that in 2018 the revenue from City customers was \$1,083,061 which includes both the monthly minimum charge and the water consumption charge. He stated that this revenue would generate \$64,983 in taxes which would be passed on to our customers as a line item on their billing statement. The manager stated that he asked Mr. Poole the status of imposing the tax and the City's position on the Sewer System Operator Agreement. Mr. Poole stated that he believed that the City Council was open to moving forward but Mayor Monika Lawrence feels that applying the utility tax is fair because all other utilities have to pay the tax.

The manager stated that he reminded Mr. Poole that we are not like the other for-profit, stockholder driven utilities they are taxing and that there are services we provide to the City at no cost because it benefits the community. He went on to state that we are a public utility who serves the same City residents and imposing the tax goes against what we are trying accomplish with the Agreement, besides the fact that we are the only utility engaged in a process of taking over their operations.

Mr. Poole also stated that he is in the process of working on “Plan B” which includes proposing a 15% increase in sewer rates. The manager asked the Board, given the information just provided, what their direction was regarding the Agreement. After discussion, the Board stated that we will not be moving forward with the Agreement at this time. The manager was directed to contact the City to inform them of their position but also state that they are open to discussing an Operator Agreement at a later date or discussing ownership in 2023 when the revenue bonds that funded the Wastewater Treatment Plant upgrade can be refunded.

City of Asotin Water System Management and Operations Agreement

The manager reported that he has not heard from City of Asotin Mayor Vicki Bonfield since his last conversation with her Monday, September 23 regarding proposed amendments to the Interlocal Governmental Agreement for PUD management and operation of the City’s water system. She reported to the manager that the City was conducting a budget workshop after the regular council meeting that same night. No word about the discussion of the Agreement has been provided to date.

NEW BUSINESS

Asotin County Justice Complex Flyer Billing Insert Request

The manager reported that Asotin County Commissioner Jim Jeffords requested insertion of a flyer for the proposed Asotin County Justice Complex, or new jail, with our monthly billing statements. If approved by the PUD Board, the County will pay for the cost of printing and insertion of the flyer. Insertion would be provided in our October 12th and our October 28th billing statements. In his reply to Mr. Jeffords, regarding this request, the manager stated that the PUD Board of Commissioners will not allow inserts that are political in nature and/or requests residents to vote for an issue. In his response, Mr. Jeffords stated that he did not believe the flyer is political and it does not ask for persons receiving it to vote one way or another. He stated that it is strictly informational.

After review and discussion of the flyer provided by Asotin County, the PUD Board of Commissioners declined the request to insert the Asotin County Justice Complex flyer with PUD billing statements. The Board stated that the flyer does provide facts about the proposed complex but also speaks of the tax on residents. The Board stated that they did not want to give the appearance that they support the tax.

MANAGER’S REPORT

Operations Activity – the manager reported that the crew is currently conducting flushing and system maintenance. The tie-in for Well No. 1, as a part of the Chestnut Street water main abandonment project, will be completed the week of October 14th. Once the last tie-in is complete, the 1,340 feet of 8-inch steel water main on the north side on Chestnut Street, between 14th and 15th Streets, will be abandoned. Our new employee, Colt Heger, started with the PUD on Tuesday, October 1.

COMMISSIONER'S REPORT

Commissioner McCall attended the Washington PUD Association Water Workshop September 25-27 in Leavenworth, Washington. He reported on several sessions attended and a tour of the City of Leavenworth's Icicle Creek Surface Water Treatment Plant. The Department of Health held an emerging issues session discussing water quality testing, state versus Environmental Protection Agency (EPA) maximum contaminant levels and the new round of \$20 million in available project funding. Commissioner McCall asked which laboratories we use for water quality testing. The manager stated Pathologists Regional Laboratory in Lewiston, Idaho for weekly routine Coliform Bacteria testing and Anatek Labs in Moscow, Idaho for annual testing. Other sessions attended included customer service, water rate setting, asset management, water use efficiency rules and enhanced reliability for small systems which focused on emergency response and backup systems for water supply. The manager reported that he, Bob Sischo and Director of Operations Craig Riehle recently attended an EPA teleconference on the new required risk assessment and emergency response plan process. Based on the population served, a plan will need to be developed and submitted by December 2021.

EXECUTIVE SESSION

Commissioner Ridge adjourned the regular meeting into Executive Session at 6:30 p.m. to discuss potential litigation per RCW 42.30.110(1)(i) and to review the performance of a public employee per RCW 42.30.110(1)(g). Commissioner Ridge stated the Board would be in Executive Session for thirty (30) minutes.

Commissioner Ridge called the regular meeting back to order at 7:00 p.m. She stated that no decisions were made in Executive Session.

ADJOURNMENT

There being no further business the meeting was adjourned at 7:02 p.m.