

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

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 October 22, 2018 – 2019 Budget Hearing and the minutes of the October 22, 2018 Regular Meeting and payment of the Transaction Vouchers covering Vouchers #1959 through #1961 and Electronic Transaction Vouchers #4919EFT – #4935EFT in the amount of \$42,661.42 and Blanket Transaction Voucher Approval Documents covering Electronic Transaction Vouchers #93 – #98 and vouchers #38924 through #38980 in the amount of \$204,445.10. The question was called for on the motion. The motion passed 3-0.

OLD BUSINESS

There were no items presented under Old Business.

NEW BUSINESS

Resolution 18-457 – Sewer Rates Charges and Fees

The manager presented Resolution 18-457 which provides for the adoption of proposed Sewer Rates Charges and Fees. The manager stated that the Resolution was developed in response to a recent experience with the new hotel being constructed at 14th and Bridge Streets. The current Sewer Charges only provide for a \$1,400.00 Sewer Connection Fee and based on the hotel's one connection this was all we could charge. The 85 room hotel paid the same fee as what a single residential dwelling would pay.

To rectify this the manager is proposing the addition of a \$200.00 per Equivalent Residential Unit (ERU) charge for commercial, residential and multi-family dwelling based upon the User Classification Schedule. He stated that for instance, under the proposed Resolution, the hotel would have been charged a \$1,400.00 connection fee which is 1.0 for the first unit and $84 \times .4 \times \$200.00 = \$6,720.00$ for the remaining number of units. The hotels Sewer Connection Fee, under the proposed Resolution, would have been a total of \$8,120.00 which is more reasonable given the demand on the system. The hotel's monthly Sewer Charges will be \$36.85 plus $84 \times .4 \times \$36.85$ or \$1275.00 per month. Discussion ensued about a water usage based rate.

The manager stated that along with the Sewer Connection Fee he and staff reviewed the User Classification Schedule and updated it removing some unnecessary classifications, modifying others and adding new ones. He stated that he is not recommending an increase in the Monthly Sewer Charge. Revenue from sewer rates, charges and fees is adequate to meet sewer system expenses.

Commissioner McCall asked about various user classifications and how we audit those users such as, taverns and restaurants, to ensure they number of seats and bathrooms being charged are accurate. The manager stated that we have audited sewer connections but since most of them are single residential we've only discovered where additional buildings or services were not being charged. He stated that he will direct staff to complete an audit of commercial users on our system. Commissioner McCall asked about nursing and adult homes in the community and asked how many are on our sewer system. The manager stated that he is not aware of any adult homes and that a specific user classification is not identified in the list. Discussion ensued regarding adult homes and their location in the system. The manager recommended adding adult homes to list with the rest home and convalescent home category and change the ERU category charge to 1.0 for the first room and .5 for each additional room. The Commission concurred on the User Classification Schedule modification. The Resolution has an effective date of January 1, 2019 and the previous rate resolution will be repealed.

MOTION by Commissioner Greg McCall and seconded by Commissioner Judy Ridge to approve Resolution 18-457, with the modifications discussed, adopting the Sewer Rate Charges and Fees effective January 1, 2019. The question was called for on the motion. The motion passed 3-0.

Resolution 18-458 – Sole Source Third Party Receipting and Credit Card Processing Services

The manager presented Resolution 18-458 which provides for sole sourcing the services of a third party receipting and credit card processing company. This Resolution is a result of the State Auditors review of our Tyler Technologies and MUNIS software conversion contract and the services provided under this contract. As a part of the conversion process Automated Merchant Systems, Inc. (AMS) was selected to provide the third party receipting and credit card processing service. This is the sole company that Tyler Technologies partners with and their services work seamlessly with the MUNIS Citizen Self Service payment portal and the Tyler Cashiering Module.

The manager stated that it was a natural choice to utilize AMS for receipting and credit card processing; however, it was the Auditors opinion that a Request for Proposal (RFP) should have been advertised for these services. In order meet their requirement and the fact that we went live with MUNIS on November 5th, a Sole Source Resolution needs to be adopted in lieu of an RFP. This item is not an audit issue. Legal Counsel, Joe Brogan reviewed the Resolution and found it acceptable.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Greg McCall to approve Resolution 18-458 waiving competitive bidding requirements and providing for sole sourcing third party receipting and credit card processing services with Automated Merchant Systems. The question was called for on the motion. The motion passed 3-0.

MANAGER'S REPORT

Operations Activity – the manager reported that the crew continued work on the replacement of service lines identified as having a potential lead pig tail, which is typically 12 to 18 inches long. To date, 132 of the 176 identified services have been completed with 17 lead pigtails having been found. The crew will complete a few more before concluding the project for 2018. The crew has completed work on well site improvements at Well 1 and Well 3. 291 fire hydrant operational checks in Asotin County have been completed and 50 City of Asotin hydrants are currently being checked. The crew completed 33,165 feet or 2-years' worth of sewer flushing in a two-week period. They are continuing to flush.

Bonneville Power (BPA) Representative Meeting – the manager reported that he met with our BPA transmission and power sales representatives on Friday, November 2nd. He stated that the recent conclusion of the Open Access Transmission Tariff negotiations and settlement provided for a decrease in a planned 9.5 % transmission rate increase to a 4% increase for the 2021-2022 rate case periods. Power Sales rates are estimated to increase 4% as well during that period.

Water System Plan Preliminary Approval – The manager reported that preliminary approval of the update of our Water System Plan was provided by the Department of Health who concluded their review on November 2nd. A couple of processes need to be completed before final plan approval. DOH stated that we must complete the following:

- Provide documentation, including public notice and signed meeting minutes, of a public meeting and adoption process to re-establish water use efficiency goals (WUE), per WAC 246-290-830(7);
- Provide documentation, including public notice and signed meeting minutes, of a public meeting/consumer input process for the entire water system plan (WSP), per WAC 246-290-100(8).
- Following the public meetings for WUE goals and the WSP general review, the governing body will need to officially approve the WSP and send documentation to DOH in the form of signed meeting minutes and/or signed resolution.

DOH stated that the two public meetings and the plan adoption can be held on the same day, as long as they are listed on the agenda and conducted in the order above to ensure that any public comments are taken into account prior to plan adoption. Once the above requested documentation is received, DOH will send an official WSP approval letter. A public notice of the WUE forum and WSP information and input session was advertised in the Lewiston Morning Tribune and both processes will be a part of the meeting agenda on Tuesday, November 27th. He stated that Murrysmith engineers will be here to present both the WUE goals and WSP.

Munis Go-Live – the manager reported that the new MUNIS customer information and billing system we went live on Monday, November 5th. Bob Sischo spoke of the conversion and the transition to the new enterprise platform. He stated that it has gone well but there are a couple processes that will need to be worked through. Customers can sign up with our new bill pay system starting tomorrow. Billing will also be completed tomorrow and the Commission will see the new bills soon.

COMMISSIONER'S REPORT

Commissioner Ridge attended Energy Northwest meetings October 23-26, 2018 in Richland, Washington. She reported that the focus of the meeting was on the update of the costs per megawatt of power for Packwood hydro generation, Nine Canyon wind project and the Columbia Generating Station nuclear power plant. She stated that a Member Forum was held on Friday which featured panels on the bitcoin phenomenon and electric vehicles (EV). It was reported that there are 25,000 EV in Washington State with an estimate of 500,000 to 1 million by 2030.

Commissioner Ridge will be attending Washington PUD Association meetings November 13-16, 2018 at the WPUDA offices in Olympia, Washington.

Commissioner Nuxoll attended the Public Utility Risk Management System (PURMS) meetings with Treasurer, Bob Sischo October 31st to November 1, 2018 in Burien, Washington. He provided a PURMS report handout and reported that PURMS has been working with a consultant to study the cost of health insurance and to try to find ways to reduce pool member costs such as negotiating a new prescription drug plan and finding better stop loss insurance. A comparison of pool members was developed using Mason 3 as the benchmark for comparison against other member PUDs and government plans with less than 500 employees. Commissioner Nuxoll and Bob Sischo shared information about how our PUD compares to others. Discussion ensued regarding our cost of insurance, employees paying for insurance and review of a handout that compared our 2017 versus our 2018 costs.

The manager reported that he will be recommending a Board Work Session for Monday, December 10th at which PURMS Administrator Dick Rodruck has agreed to attend and share information about health insurance and discuss the recent effort PURMS has undertaken to reduce costs. He stated that the work session with the PURMS Administrator will be informative and will provide the Board with necessary information to make decisions regarding how we manage our health insurance plan and the cost of that plan going forward. He stated that setting the date and time of the Board Work Session will occur at the next regular meeting on November 27, 2018.

ADJOURNMENT

There being no further business the meeting was adjourned at 7:05 p.m.