

PUBLIC UTILITY DISTRICT NO. 1  
OF ASOTIN COUNTY, WASHINGTON  
MEETING MINUTES  
October 13, 2020

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President Judy Ridge presiding, the Public Utility District No. 1 of Asotin County Meeting was called to order at 10:00 a.m. The meeting was held by teleconference in accordance with the Washington State Governor's Proclamation 20-28, dated March 24, 2020, due to the novel Coronavirus (COVID-19) and Proclamation 20-28.11, updated October 2, 2020, extending the original and subsequent Proclamations.

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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 September 22, 2020 Regular Meeting and payment of Payroll Vouchers #2037 – #2039 and Electronic Payroll Vouchers #5693EFT – #5709EFT in the amount of \$40,293.72 and Electronic Accounts Payable Vouchers #20100501, #20100502, #20100901, #20100902, #20101401, #20101501, #20102301, #20102302 and #20102601 and Accounts Payable Vouchers #41107 – #41175 in the amount of \$301,144.98. The question was called for on the motion. The motion passed 3-0.

COVID-19 UPDATE

The manager reported that the governor amended the Open Public Meetings Act Proclamation 20-28.11 on October 2, 2020 extending the prohibition of in-person meetings for public agencies. This proclamation expires at 11:59 pm on Monday, November 9. In addition, the Rate Payer Assistance Proclamation 20-23.9 was amended the same day extending the prohibition against disconnecting customers due to non-payment and prohibiting the charging of late fees. On October 8th, the governor amended this Proclamation, now 20-23.10, removing a redundant sentence regarding the proclamation expiration. Although there is some confusion regarding the expiration date, it appears this proclamation will not terminate until 11:59 pm on Monday, November 9th.

The manager stated that the prohibition against disconnecting customers due to non-payment and the charging of late fees will likely be extended further. On Tuesday, October 6, the Washington Utility and Transportation Commission, at the urging of the attorney general, took action to extend the moratorium on disconnections for the state's electric and natural gas investor owned utilities through April 30, 2021.

The manager reported that revenue from delinquent account fees and disconnects, to date, is down approximately \$61,000 as compared to last year at this time. The total dollar amount of delinquent accounts currently past due is \$77,205, approximately \$30,000 higher than the last report. 120 door tags for billing cycles 1-3 were generated and sent out October 7th with 45 payments received to date.

The manager reported that water production for September was 25 million gallons higher than last year and October, to date, is approximately 20 million gallons higher than 2019. The 45 million gallons of higher production should translate into revenue of \$60,000 offsetting lagging water sales in May and June due high rainfall.

## OLD BUSINESS

### Snake River Estates – Silcott Hills Residential Development Water System

The manager reported at the last Commission meeting that the PUD was approached by landowners regarding a proposed 95-lot residential development in Silcott Hills above Chief Timothy Park called Snake River Estates. They had approached the PUD for guidance because they intended to develop a Group A public water system for the development and they needed our assistance obtaining a water right for the well available for use. After discussion of the proposed development and Group A water system, the Board provided approval to reactivate the PUDs Satellite Management Agency (SMA) status and to cautiously proceed with assisting the landowner in the development of a water system.

The manager reported that after the meeting he contacted the Department of Health regarding the reactivation of our SMA status. In addition, he contacted the Department of Ecology regarding the need for a water right certificate for the available well, which Ecology staff confirmed was necessary. He also asked about putting that well under PUD wells as a point of diversion and about the time frame for obtaining a water right certificate and approval of a change order to our water rights. Ecology stated that it would be years before they would begin processing any new applications and several years before they work on changes in our basin. In addition, they stated that it is always a risk opening up our water rights because they can be scrutinized. The manager stated that, due to the inability to obtain a water right certificate, this effectively ended PUD involvement with this development.

The manager then asked Ecology about the development continuing with individual exempt wells. Ecology stated that they updated their regulations last November putting a limit on residential developments using exempt wells. The total amount of water available to the development is limited to the maximum amount of daily domestic use which is 5,000 gallons per day. The landowner and their engineer were made aware of this information. The property cannot be developed as proposed and the new regulations essentially puts a moratorium on any development outside a public water system rendering the effort to reactivate our SMA status unnecessary.

## NEW BUSINESS

### Real Estate Sale and Purchase Agreement

The manager presented an executed Real Estate Sale and Purchase Agreement with James Pope, for Board ratification, providing for the purchase of four parcels of property in various sizes totaling 7.64 acres located at Valleyview Drive and 2nd Avenue and extending into and contiguous to PUD property in Pomeroy Gulch. The Agreement was developed, reviewed by counsel and presented to the Mr. Pope for review. Upon review and approval by both parties, the Agreement was executed on October 1, 2020.

The manager reported that the Agreement provides for earnest money in the amount of \$2,600 or 1% of the purchase price. The earnest money has been paid and will be held in an interest-bearing account and applied to the purchase price at closing. The Agreement also provides for the PUD to secure an appraisal agency to complete an appraisal of the properties. The cost of the appraisal will be shared equally between both parties. The manager secured an appraisal commitment, however, due to the high volume of real estate transactions, the appraisal won't be completed for seven (7) weeks.

**MOTION** by Commissioner Don Nuxoll and seconded by Commissioner Greg McCall to ratify and approve the Real Estate Sale and Purchase Agreement with James Pope. The question was called for on the motion. The motion passed 3-0.

## MANAGER'S REPORT

Operations Activity – the manager reported that Operations Foreman, Bob Wimer, discovered eight (8) services lines on 6<sup>th</sup> Street between Fair and Bridge Streets that were not rebuilt when the water main was replaced in 1992. The crew replaced and rebuilt the service lines completing the project last week. Last Friday, the crew began the tie over of services lines from a combination 1660 feet of 6-inch steel and 2-inch galvanized line on 3<sup>rd</sup> Avenue to the secondary 12-inch water main. The steel and galvanized lines will be abandoned once the services lines are tied over.

2021 Material Purchase – the manager reported that at the Commission meeting on Tuesday, September 22, Commissioner McCall reported on concerns expressed at the Washington PUD Association Water Committee meeting regarding the volatility of the cost of materials used in water system construction, repair, replacement, new services and maintenance. It was indicated that large price increases were looming and the PUD should consider purchasing and stockpiling necessary materials for next year's capital improvement and maintenance projects. Director of Operations, Craig Riehle spoke to our local contact inquiring about the price volatility in the water system components material market. The contact stated that the sheer uncertainty would lead him to believe we should be prepared for volatility in general, both price increases and availability shortages.

Based on the comments received and the Board's concern regarding price increases, Craig Riehle developed an estimated list of materials needed for capital improvement projects (CIP) and stock materials needed for new services and service line replacements for 2021. The cost of the material needed for CIP is approximately \$176,000 and for stock material it is approximately \$92,000. The manager stated that funds have already been set-aside for 2021 CIP and are available to purchase materials now. Stock material would not be bid out until December to ensure that funds for this material is not expended until the 2021 budget year. The Board concurred with this proposal.

US Army Corp of Engineers Easement and Appraisal – the manager reported that in 2013 the PUD was notified by the US Army Corp of Engineers (USACE) that the easement for the Bridge Street Sewer Lift Station and the sewer interceptor lines expired in 2003, 25 years after the first easement was provided when Asotin County built the sewer system. The administrative process of updating the easement was initiated in January 2014 through the payment of \$1,500 to the USACE. The process went into hibernation for 6 years even after multiple attempts by the manager to get the process moving. A new USACE staff member contacted the manager earlier this year wanting to reinstate the process. An additional \$5,500 in administrative fees was paid to the USACE and the process began again. Word was received in August that the easement had passed all of the reviews and an inquiry was sent to their appraiser to determine if the easement would fall under an Informal Value Estimate (IVE) or a full appraisal. The appraisal will determine how much consideration or rent the PUD will be charged for the use of the land. IVE would have cost \$4,200 to process but it was determined that a full appraisal costing \$10,000 would have to be done due to the property value being over \$25,000.

The manager had a conference call with USACE staff and their supervisor regarding the options available to the PUD. The manager stated to the supervisor that the PUD nor the County have ever paid consideration or rent on the USACE property in question or any other property with a utility easement. He stated that as a non-profit public utility that we should not have to pay rent on unmarketable and unusable property. The supervisor stated in the past the consideration was waived but under the new laws and regulations they may not be able to do that. He stated that he would look into the issue and get back to the manager, however, the appraisal, paid by the PUD, would still have to be completed.

### COMMISSIONER'S REPORT

Commissioner Ridge remotely joined the Public Power Council (PPC) meeting on October 8th. She reported that Northwest RiverPartners spoke regarding their formation, their mission and their work in the region regarding the importance of the dams and their work toward salmon recovery. Their goal is to continue to educate the residents of the Northwest, engage with federal, state and local agencies and recruit additional members. The transition to a new Administrator of the Bonneville Power Administration was discussed including news that the current Interim Administrator is a finalist for a position in Florida. PPC continues to work with the Department of Energy on the necessary qualifications of the next Administrator. Ballots for the Executive Committee are available for voting and are due October 22nd. She reported that at the November PPC Annual meeting, proposed amendments to the by-laws include changing the make-up of the Executive Committee will be voted on. The amendments include the elimination of elected Commissioners on the Executive Committee. PPC members and the Executive Director have stated the importance having technically qualified member so the Executive Committee due the significant electrical issue faced. The Board expressed disagreement with the amendment and it was a consensus that Commissioner Ridge vote no on this amendment.

### OTHER

The manager reported that he just received an email from the Washington PUD Association stating that the Ratepayer Assistance Proclamation 20-23, prohibiting the disconnecting of customers for nonpayment and the charging of late fees, will be extended through December 31, 2020. The reasons stated for the extension are increased unemployment and financial issues causing individuals to struggle to pay for necessities.

### ADJOURNMENT

There being no further business the meeting was adjourned at 11:00 a.m.