

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
July 27, 2021

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President Greg McCall 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, Clarkston, Washington.
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ROLL CALL: PRESENT Commissioners: Greg McCall, Don Nuxoll and Judy Ridge.

Staff: Tim Simpson and Bob Sischo.

MINUTES OF MEETING AND VOUCHER APPROVAL

MOTION by Commissioner Don Nuxoll and seconded by Commissioner Judy Ridge to approve the consent agenda approving the minutes of the July 13, 2021 Regular Meeting and payment of Electronic Payroll Vouchers #6016EFT – #6032EFT in the amount of \$40,347.68 and Electronic Accounts Payable Vouchers #21070801, #21070802, #21072001, #21072002, #21072003 and #21073101 and Accounts Payable Vouchers #41980 – #42017 in the amount of \$110,011.00. 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 21-492 – Amending the Management and Administrative Policy

The manager presented Resolution 21-492 which provides for amendment of the Management and Administrative Policy. Amendments were recommended for Chapter 7 – Financial Management and Chapter 8 – Information Technology Management. Amendments to Chapter 7 include the addition of Section 7.10 – Electronic Funds Transfer. He stated that during the early portion of the current 2020 Fiscal Year Audit, the state auditor requested our policy on electronic funds transfer. An electronic funds transfer policy was not available and is being added to comply with state requirements. The manager stated that the amendments to Chapter 8 include the addition of Section 8.4.3 – Incident Response, which is a part of Section 8.4 – Disaster Recovery. Language regarding response to an incident needed to be added. This amendment also includes the addition of Appendix E – Incident Response Procedures.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Don Nuxoll to adopt Resolution 21-492 amending the Management and Administrative Policies as presented. The question was called for on the motion. The motion passed 3-0.

Washington State Long-Term Care Act and PURMS Long-Term Care Insurance

The manager stated that in 2019, the Washington State Legislature passed the Long-Term Care Trust Act (LTCA). This bill creates a new, employee-financed program to provide payment or partial payment for long-term care (LTC) services to qualified individuals who have paid into the program and need assistance. Premiums will be collected beginning January 1, 2022. The initial premium is 0.58% of a worker's wage and there is no cap on wages that the premium is charged against. The LTCA makes provisions for an escalation in premiums that can be charged. The total life-time benefit is \$36,000.

Benefits cannot be utilized until 2025 and to qualify for benefits, a person must be living in the state, be at least 18 years old, not have become disabled before age 18, and the person must have paid premiums into the program. Premiums must have been paid for either 3 years within the last 6 years or for a total of 10 years, with at least 5 of those 10 years paid without interruption. This means that employees who plan to retire in the next 10 years have to pay premiums, but may never qualify for the benefits. And retirees who move out of state, or who currently live out of state, will not qualify for the benefits.

The LTCA provides an opt-out clause. Premiums are not required if a person can demonstrate they have LTC insurance. The legislation provides a one-time window to opt out of this tax and waive the right to receive benefits by demonstrating that you have obtained qualifying private LTC insurance before November 1, 2021. An employee who attests they purchased LTC insurance before November 1, 2021, may apply for an exemption from the premium assessment between October 1, 2021, through December 31, 2022. An employee will have to pay the premium until an exemption is approved.

Due to the provisions in the LTCA, discussion was initiated with the Public Utility Risk Management System (PURMS) seeking proposals on LTC insurance that was portable and would provide a better benefit. PURMS engaged Mercer to investigate insurance options for member utilities. Proposals were presented in a virtual meeting Thursday, July 22. A company named Chubb, which provides a lifetime term benefit/ LTC insurance, was recommended. The benefit amount recommend is \$75,000. The manager provided a cost comparison between the state LTCA premiums and the PURMS insurance premiums for each employee. Director of Finance and Administration, Bob Sischo, discussed the information presented at the PURMS meeting and the provisions of the insurance proposal. He stated that even with an LTC insurance option, PURMS is not sure that the state will accept the insurance plan. Employee who chooses apply for the PURMS LTC insurance may have to pay state LTC premiums while a decision about an exemption is being processed. After further discussion, the Board provided consensus on stating to PURMS that PUD employees can participate at their own expense.

MANAGER'S REPORT

Operations Activity – the manager reported that a video inspection of the Clarkston Heights Reservoirs drain line has been scheduled for Thursday, July 29. The fire crew, that was stationed at Lincoln Middle School, has left due to high percentage of containment of the Lick Creek fire. They will be billed \$165.50 for potable water and \$1,785.00 for the dumping of gray water in our sewer collection system for a total of \$1,950.50. Water production to date is 310 million gallons higher than 2020.

Development Activity – the manager reported that a Developer Agreement for the 29-Lot Legacy Estates Development on 4th Avenue has been executed. Work on the project has not begun due to a delay on a stormwater permit from the Department of Ecology.

Capital Improvement Projects – the manager reported that the operations crew completed the customer service line connections and tie over of the water main on Van Arsdol Street between Chestnut and Libby Streets and on Birch Street from Van Arsdol to 15th Streets on July 19th. Paving will be completed this week on July 28th and 29th. The final planned CIP project is the upgrade of customer service lines on Libby Street from 13th to 15th Streets. CIP projects are currently tracking \$70,000 under budget. Two smaller steel main replacement projects will be completed as funds allow.

Administrative Activity – the manager reported that the 2020 Fiscal Year Audit commenced on July 6th. An Audit Entrance Conference was held today, by video, with Commissioner McCall in attendance.

Delinquent Accounts and Collections Update – the manager reported that the total dollar amount of accounts currently past due is \$81,000. Accounts that are over 120 days past due are at \$37,000. 82 door tags for cycles 1-3 were generated July 12th and 54 payments were received. 206 door tags for billing cycles 4-6 were generated yesterday and will be distributed this week. \$5,330.00 has been received from the Community Action Partnership for the 17 customers who contacted them.

COMMISSIONER’S REPORT

Commissioner McCall and Commissioner Ridge attended in-person Washington PUD Association (WPUDA) meetings in Skamania, Washington on July 14-16. Commissioner Ridge reported that during the Commissioner Education meeting, staff from Moss Adams and a panel of PUD employees provided information and education about the utility budgeting process. PUD Retail Broadband Legislation became effective July 25th. Discussion occurred regarding the provisions and funding of the Department of Commerce Low Income Household Water Assistance Program. Funding for the program will be distributed to the Community Action Partnership. Information about the program will be provided to utilities in August. Arrearages for utilities in the state have reached over \$200 million.

Commissioner McCall reported on the Government Relations and Communication and Board of Directors meetings. A PUD lobbyist stated that a special session will be called to discuss who pays for the culvert relocation program and which agency will be responsible for its oversight. It was reported that revenue for the state is up \$2.5 billion during the biennium but spending is also up. Energy Northwest provided an update. The Public Works Board (PWB) also provided an update and discussed the development of relationships with legislators that support the PWB and project funding. WPUDA staff discussed utility internships along with a plan to offer a grant writing workshop. WPUDA stated that meetings and conferences should return to normal next year and they are planning a couple virtual and several in-person meetings this year including the Water Workshop in Leavenworth in September.

Commissioner McCall will be attending an Energy Northwest Board meeting virtually on Wednesday, July 28.

Commissioner Ridge will be attending a virtual Public Power Council meeting on Thursday, August 5.

ADJOURNMENT

There being no further business the meeting was adjourned at 6:50 p.m.