

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
August 9, 2022

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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 Judy Ridge and seconded by Commissioner Don Nuxoll to approve the consent agenda approving the minutes of the July 26, 2022 Regular Meeting and Payroll Vouchers #2110 – #2112 and Electronic Payroll Vouchers #6452EFT – #6467EFT in the amount of \$42,669.45 and Electronic Accounts Payable Vouchers #22051501, #22072002, #22080501, #22080502, #22080503, #22080504 and #22082501 and Accounts Payable Vouchers #43037 – #43088 in the amount of \$153,762.00. 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

There were no items presented under New Business.

MANAGER’S REPORT

Operations Activity – The bid for relocation of the 12-inch water main at 2621 Ben Johnson Road to 3rd Avenue, has been accepted by the contractor. Work is tentatively scheduled to begin mid-September. The operations crew have been conducting standard maintenance and installing new services. The water main for the new Tri-State Memorial Hospital medical building was tapped last Wednesday. The 4-inch meter install and laying of water main will occur this month. The crew will be replacing 200 feet of 2-inch galvanized pipe on Sycamore Street west of Van Arsdol. All the material for the project is on hand.

Development Activity – A pre-construction meeting with Knife River was held yesterday to discuss the plan for the water and sewer extension to the Bennett Hill Subdivision on Dustin Loop. Knife River will begin sewer main installation on Wednesday, August 10.

Capital Improvement Project Costs – A review of the 2022 Capital Improvement Project (CIP) costs show that the Libby Street and Frost Lane main replacement projects were over budget a combined \$102,000 and the Walk Lane main replacement project was under budget by \$7,000 for a net overage of \$95,000. The Libby Street project bids came in \$75,000 higher than anticipated due to significant increases in labor and material costs. The Walk Lane project was higher due the County’s requirement for gravel fill rather than native fill. The Well No. 1 emergency backup generator will be put off until next year due to delivery delays and will be replaced with the Bennett Hill Subdivision water line looping and Pressure Reduction Valve. Work has begun in earnest on the siting of a Booster Pump Station for the River’s Bend Reservoir. Next year’s funding is currently being utilized for design and engineering. Adding the \$50,000 booster pump station engineering design cost puts total overage at \$145,000. 2023 CIP Projects will be reduced by this amount leaving \$950,000 for projects.

Financial Report – Water production significantly increased in July but revenue is below average by approximately \$230,000. Revenue should be at 52% of the budget and it is currently at approximately 47%. Installation Revenue is at 151% of average and will increase likely exceeding the projected budget. Expenses are slightly higher than average due to early completion of capital improvement projects and purchase of stock material. Energy costs are only at 32% of budget due to low water production. The net loss at the end of July is \$302,000 as compared to \$184,000 at the end of June.

Administrative Activity – The office building repair will begin tomorrow. An Audit Exit Conference for the 2021 Fiscal Year Audit is scheduled for Wednesday, August 10. Commissioner McCall will be representing the Board at the meeting. Exit Conference and Financial and Accountability Audit documents were provided. There were several management recommendations provided as a result of the audit. There were no findings but a management letter was issued regarding a discrepancy between the fixed asset depreciation shown in the financial statements and the software generated report. The issue was immediately corrected by staff. This was the PUDs 35th consecutive clean audit with no findings.

COMMISSIONER’S REPORT

Commissioner McCall attended Energy Northwest (EN) Board meetings in Richland, July 27-28. He reported that Board Members toured several older facilities near the Columbia Generating Station (CGS) nuclear power plant and a small solar array energy project. At the meeting, Board members heard a presentation regarding compensation trends and employee recruitment and retention. Recruitment of employees has been hampered by the lack of housing in the Tri-Cities. The CEO reported that EN requested \$31 million from the Bonneville Power Administration (BPA) for improvements and upgrades to CGS that would provide additional energy output. The CEO reported that staff meetings are being held and management is continuing contract negotiations with the several different security unions. He reported about EN’s partnership with a company named Curio who will be developing methods to reuse spent nuclear reactor fuel. The Chief Nuclear Officer reported that CGS has been online without issue for 226 days. BPA has requested that EN put off maintenance on CGS to keep power going to the grid during the hot weather. Energy Services reported wind, solar and hydro projects are at or below budget with good energy output. Construction on the Ruby Flats Solar Project will begin December 2023.

ADJOURNMENT

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