# PUBLIC UTILITY DISTRICT NO. 1 OF ASOTIN COUNTY, WASHINGTON MEETING MINUTES July 23, 2024

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, Clarkston, Washington.

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

Staff: Tim Simpson and 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 July 9, 2024 Regular Meeting and Electronic Payroll Vouchers 7534EFT–7559EFT in the amount of \$71,672.41 and Electronic Accounts Payable Voucher 24070501–24070504, 24070801–24070803, 24071101, 24071502–24071504, 24071901–24071904, 24072501, 24072601 and 24072602 and Accounts Payable Vouchers 45506–45548 in the amount of \$218,874.16. The question was called for on the motion. The motion passed 3-0.

# **OLD and NEW BUSINESS**

There were no items presented under Old or New Business.

#### MANAGER'S REPORT

<u>Capital Improvement Project Activity</u> – The crew installed the customer water service lines for the water main replacement project on 11th Street and Sycamore Street and tied in the main. Paving was completed today. The second phase of the project will begin this week replacing the remaining 700 feet of steel main on 11th Street from Elm to Maple Streets.

Administrative Activity – The Audit Exit Conference was held Friday, July 12, and the manager presented the Board with the State Auditor's Office Financial and Accountability Reports. The manager signed an electronic letter with the National Special Districts Coalition supporting the companion legislation in the U.S. Senate that ensures special purpose districts are eligible for all appropriate forms of federal financial assistance. The legislation passed the U.S. House a couple of months ago.

<u>City Sewer System Activity</u> – Wastewater Treatment Plant (WWTP) staff continue to complete point repairs in the collection system. The Department of Ecology recognized the WWTP and staff with a 2023 Outstanding Performance Award. This is the 5th consecutive year the WWTP received this award.

<u>City Sewer System Main Replacement Project</u> – Debco Construction will complete the sewer main replacement project on University Street and Libby Streets this week with a few items remaining.

<u>City Sewer System Transfer</u> – Standards & Poor (S&P) Global provided the PUD with an A+ utility revenue bond rating on Thursday, July 11. The Preliminary Official Statement was posted on Tuesday, July 16. An insurance commitment from Build America Mutual was received on Monday, July 22 which moves the bond rating from an A+ to AA. The cost of the bond insurance is \$12,271 and will save approximately \$33,161 during the term of the revenue bonds. A Preliminary Pricing Conference call was held yesterday to discuss the bond sale process. This information was updated today and the sale of the bonds is scheduled for tomorrow. Closing of the sale will occur on Wednesday, August 7 and the City of Clarkston's revenue bonds will be paid off with the bond proceeds on Thursday, August 8.

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## **DIRECTOR'S REPORT**

Director Sischo attended an AEGIS Conference in Vancouver B.C. July 15-18 with PURMS Third-Party Administrator Dick Rodruck. He reported that AEGIS provided assurance to PURMS that the liability layer for wildfire was going to remain at the \$35 million level. Additionally, if PURMS elected to move the liability line from \$35 Million to \$50 Million, AEGIS would make an additional \$25 Million available for wildfire. When included with the second tier EIM coverage, this new option would move PURMS back to \$100 million in wildfire coverage. Currently there is \$60 Million in wildfire liability coverage. Director Sischo will be traveling to Ellensburg in September with Mr. Rodruck to meet with AEGIS personnel and risk managers from PUDs not currently in the PURMS risk pool. The goal of the meeting is to develop a liability pool for PUDs that will provide standalone wildfire insurance coverage.

# COMMISSIONER'S REPORT

Commissioner McCall attended the Washington PUD Association (WPUDA) meetings July 17-19 in Longview, Washington. He reported that at the Commissioner Education and Roundtable the Bonneville Power Administration (BPA) CEO provided an update on BPA activities. During the roundtable he reported on the PUDs 37th consecutive clean audit and the bond financing that will pay off the City of Clarkston's Revenue Bonds. The Government Relations Committee heard from a senior Seattle Times reporter about the importance of grid reliability and the permitting renewable energy projects. The Legislative Committee heard from WPUDA lobbyists regarding the 2025 Legislature and the loss of many long-term legislators and changes in committee chairs. They addressed the Governor's race, the ballot initiatives and low-income assistance. The Water Committee discussed the limited water legislation being proposed for the 2025 Legislature, low-income assistance program development and Ecology's water rights policy 2030. At the Board Meeting the group discussed the special purpose districts federal legislation and heard an update on Energy Northwest small scale nuclear reactors.

Commissioner Ridge virtually attended the WPUDA meetings July 18-19. She reported that an Energy Committee speaker discussed the Northwest Regional Energy Forecast stating that expectations include a 30% growth in energy demand over the next 10 years fueling the need for new generation. An Avista Utilities guest speaker discussed the importance of wildfire planning and safety. WPUDA and Avista are working together to develop and support legislation regarding catastrophic losses to utilities. Lowincome assistance programs and grid reliability were also topics of discussion.

Commissioner McCall will be virtually attending an Energy Northwest Board meeting July 24.

## **ADJOURNMENT**

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