

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
MEETING MINUTES
November 12, 2024

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

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, 2024 Regular Meeting and Payroll Vouchers 2200–2202 and Electronic Payroll Vouchers 7722EFT–7750EFT in the amount of \$84,210.17 and Electronic Accounts Payable Voucher 24110401, 24110501–24110504, 24111201 and 24111501–24111503 and Accounts Payable Vouchers 45952–46028 in the amount of \$351,519.08. 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

Award 2025 Stock and Capital Improvement Material Bids

Then manager stated that bids were requested from three vendors on the Vendor Roster for water main and service replacement material for stock and for the planned 2025 Capital Improvement Projects (CIP). The bid results from each vendor for each bid request, with sales tax included, are as follows: Stock Material – Ferguson Waterworks–\$74,973.40 and 2025 CIP Material – Ferguson Waterworks–\$58,913.28 and Core and Main–\$59,999.93. Bids were tabulated and calculations were checked and Ferguson Waterworks is the lowest responsible bidder for the Stock Material and 2025 CIP material.

MOTION by Commissioner Greg McCall and seconded by Commissioner Judy Ridge to award the bids for Stock Material, in the amount of \$74,973.40 and 2025 Capital Improvement Project Material, in the amount of \$58,913.28, to Ferguson Waterworks. The question was called for on the motion. The motion passed 3-0.

Draft 2025 Budget Presentation

The manager presented the draft 2025 PUD Operational Budget to the Board of Commissioners for review and discussion. He stated that with the ownership transfer of the City Sewer System to the PUD in August, the 2025 Budget combines all revenue, expenses and reserves into a single budget. Revenue is estimated at \$12.8 million. 76% or \$9.78 million of the revenue comes from water service monthly minimum charges and water sales, monthly sewer charges, energy charges, utility taxes, contract operation and other charges. 24% or \$3.02 million of the total revenue comes from reserves set aside for improvement projects, equipment replacement and debt service. A Comprehensive Water System Plan is currently under development but the financial analysis projections propose a 5% revenue increase. Under the proposal, the Water Consumptive Rate and all categories of the Monthly Minimum Charge would increase. In addition, the 1-inch Water Service Installation Fee will increase from \$3,000 to \$3,200 to cover costs and the Fire Hydrant Installation Deposit will increase from \$3,000 to \$4,000.

The manager stated that the 2025 Budget also provides for an 7% increase in Sewer Service Charges for customers in both the City and County. The PUD sewer customer rates have not been increased since 2021 and the City customers have experienced a significant decrease in the rate increase from the 14.6% increase proposed by the City over a 6-year period. Expenses are estimated at \$10.04 million. The majority, or 68%, of expenditures are for operations and maintenance of our water, wastewater and electrical systems which includes payroll and benefits. 11%, or \$1.515 million, of expenditures are for water and sewer system capital improvement projects, the Automated Meter Reading System Upgrade and vehicle replacements. The 2025 set aside for Reserves is \$2.76 million or 21% of revenue received. Commissioners questioned the manager regarding revenue, proposed rate increases, various expenses, capital improvement projects, vehicle replacements and reserve fund categories.

Change the Tuesday, November 26, 2024 Meeting Date

Commissioner Ridge requested that the Tuesday, November 26, 2024 regular meeting date be changed to Monday, November 25, 2024 due to travel obligations.

MOTION by Commissioner Judy Ridge and seconded by Commissioner Greg McCall to approve changing the Tuesday, November 26, 2024 regular meeting date to Monday, November 25, 2024 at 5:30 pm. The question was called for on the motion. The motion passed 3-0.

MANAGER'S REPORT

Administrative Activity – The Information Technology Performance Audit Entrance Conference is scheduled for Thursday, November 14. Director Sischo met with staff at Archbright regarding the Washington Association of Sewer and Water Districts Retrospective Rating (Retro) Program. The Retro program is a risk pool that rewards employers who minimize their industrial insurance losses. Joining the program enables you to receive a refund on Labor and Industry (L&I) premiums when total claims costs for pool members are less than the L&I premiums paid by participants. It will cost approximately \$3,000 to join program and the cost effectiveness of joining the program is being evaluated.

Water System Activity – Specialty Pump disassembled the pump for Well No. 7 and brass from the shaft rings was discovered in one of the bowls. The cost of replacing Well No. 7 the pump, column, shaft and rings is approximately \$245,000. The Well No. 7 Chlorinator is scheduled to ship at the end of November and the 2025 Well No. 1 Chlorinator replacement bid will be released tomorrow.

Sewer System Activity – The Port Executive Director reported to the manager that the 1.5 acres of Port property, that they will convey to the City of Clarkston (City) per their 2022 Memorandum of Understanding (MOU), has been returned to the Port. The property was scheduled to return to the Port in July of 2026. The transaction with the City is on the November 20th Port Board of Commissioners agenda and the quit claim of the property to the City will be completed the following day. Per the PUD and City MOU, the 1.5 acres of property will be conveyed to the PUD once a value is determined.

COMMISSIONER'S REPORT

Commissioner Ridge attended the Public Power Council Annual Meeting in Portland, Oregon November 5-7. She also attended the Northwest RiverPartners Annual Meeting on November 6. She reported that the state and national election results and their impact on public power were a topic of discussion during the meeting. Bonneville Power Administration Administrator, John Hairston, discussed transmission projects, market decisions and rate cases. The group also heard from the North American Reliability Corporation regarding the state of electrical grid reliability in North America.

Commissioner McCall attended an Energy Northwest (EN) Board of Directors meeting and Public Power Forum October 23-25 in Kennewick, Washington. He participated in sessions on several topics. He reported that there are 440 nuclear power plants in the world and 96 in the United States which account for 19% of the power generated in the U.S. He reported that small scale nuclear power is making progress and getting good press. Amazon has invested \$500 million into the small-scale nuclear reactor project that EN is developing with X-Energy. For their investment, Amazon will receive 50% of the energy output once the generator is operational. X-Energy is developing 4 modules but they have been licensed for 12. EN will be responsible for 20% of the cost of the project. EN continues to utilize federal funding to install electric vehicle charging stations. One of the charging stations will be located in Clarkston on Bridge Street. EN discussed the development of battery storage and internships for high school and college students. Several colleges, including Washington State University, are developing nuclear education programs. He reported that the Executive Board will hold a special election in January to replace a retiring member.

Commissioner Nuxoll virtually attended the Public Utility Risk Management System (PURMS) semi-annual meetings November 6-7. He reported that property claims dropped from \$820 million in 2023 to \$502 million in 2024. Health insurance continues to increase at 26% on average nationally with PURMS increases at 20%. PURMS evaluated the Health insurance network provider and found that rebates from the Aetna network are much higher than the previous network provider FirstChoice. Wildfire insurance coverage continues to be an issue with less funded coverage at a higher cost. PURMS continues to work with larger Public Utility Districts to create a fire insurance pool that will provide better coverage at a lower cost. Commissioner Nuxoll is now the Vice-President of the PURMS Board. Director Sischo is the Auditor.

Commissioner Ridge and Commissioner McCall will virtually attend Washington PUD Association meetings November 13-15.

ADJOURNMENT

There being no further business the meeting was adjourned at 7:10 p.m.