

PUBLIC UTILITY DISTRICT NO. 1
OF ASOTIN COUNTY, WASHINGTON
SPECIAL MEETING – BOARD WORK SESSION MINUTES
July 27, 2026

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President Judy Ridge presiding, the Public Utility District No. 1 of Asotin County Special Meeting was called to order at 11:00 A.m. at the PUD Office at 1500 Scenic Way.
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ROLL CALL: PRESENT Commissioners: Judy Ridge, Greg McCall and Don Nuxoll.

Staff: Tim Simpson, Bob Sischo, Craig Riehle, Lacey Smith, Bob Wimer,
Jason Frei and Brian Grimm.

Invited Guests: Preston Love, David Stangel, Consor Engineers, Deb Galardi, Galardi Rothstein Group.

WORK SESSION:

Wastewater Facility Plan Financial Analysis

Introductions and Work Session Objectives

The invited guests, Preston Love, PE and David Stangel, PE engineering consultants with Consor Engineers and Deb Galardi of the Galardi Rothstein Group were introduced. Mr. Love introduced the presentation of the Wastewater Facility Plan Financial Analysis by providing an overview of the topics that would be discussed during the work session. The work session objectives included; understanding the relationship between the Capital Improvement Projects (CIP) and financial analysis, confirm key financial analysis assumptions, review financial analysis and discuss results, respond to PUD questions and comments and determine next steps for finalizing the financial analysis.

Wastewater Facility Plan Summary and Capital Improvements Plan

Ms. Love stated that the financial analysis is based upon the CIP identified in rehabilitation and replacement of the sewer collection system and at the Wastewater Treatment Plant (WWTP). \$20 million dollars in CIP have been identified for a 10-year period from 2026-2036. He stated that there is an approximate even split in projects between improvements in the sewer collection system and at the WWTP. The priority at the WWTP is to continue to proactively maintain and replace equipment and update processes to avoid a large upgrade in the future. He stated that the sewer system in the Clarkston City limits is the focus of the rehabilitation and replacement projects. The County system is in good condition. Mr. Love showed a map highlighting the sewer mains in the city targeted for improvement.

Financial Analysis

Ms. Galardi introduced the next section of the presentation. She stated that the key financial forecast assumptions were; Cost escalation of 3% per year, customer growth at 0.5% per year, overall sewer CIP funding needs of approximately \$20 million cash funding with no new debt, maintaining designated minimum cash reserves with a reserves set aside for the next year's CIP funding, year-ahead fund reserves for debt service, equipment replacement reserves and operating contingencies of 20% of annual operating costs. She stated that the annual revenue increases identified to meet the CIP, fund reserve and operation expenses was 5% for County customers and 8% for City customers. Commissioner McCall asked what was the justification for the higher rate increase for City customers. She stated that the reason for the difference in the rate increase for City verses County customers is the fact that all of the sewer collection system CIP is located in the city. The manager mentioned the fact that when the City owned the system, they had established an annual rate increase for system improvements at 14.6%.

Ms. Galardi presented a sewer system financial projections chart for 2026-2036 which combined all of the key financial forecast assumptions with the total sewer revenue requirement highlighting specific items on the chart. She then presented the current 2026 County and City Rate Structure following that with a chart showing the City and County residential customer average bill projections for 2026-2036.

Commissioner McCall asked a question regarding the higher reserves at the end of the 10-year period. She stated that exponentially the reserves grow much higher during the last 5 years of the financial plan due to compounding resulting in the funding of additional reserves for more CIP. Commissioner Ridge asked a question regarding the provision of a senior sewer rate for City customers similar to what is provided for County customers. Director Sischo stated that we would look into the process for verification of seniors in order to provide a qualified senior rate for City customers. Commissioner Nuxoll asked a question regarding the capacity of the WWTP. WWTP Supervisor Frei stated that current flow is at approximately 50% of the capacity. Mr. Grimm stated that the capacity could currently handle 2,000 more customer connections before an upgrade of the WWTP would be warranted.

Next Steps

Mr. Love stated that Consor Engineers will finalize the financial analysis adding this chapter to the Wastewater Facility Plan for the PUDs review in August and then submit the Plan to the Department Ecology for their review in September which he believes they would conduct within 90 days from submittal. He stated that once comments from Ecology were addressed and the Plan received final approval it will be brought back to the PUD Board of Commissioners for adoption.

ADJOURNMENT

The Special Meeting – Board Work Session was adjourned at 11:45 a.m.