

**Skamania County Public Utility District #1
Regular Meeting of the Board of Commissioners**

September 19th, 2011

A regular meeting of the Board of Commissioners was called to order by President Dennis Gale at 9:00 a.m. at the PUD office in Carson, WA. The following persons were present: Commissioner Clyde Leach; Commissioner Curt Esch; Commissioner Dennis Gale; Interim Manager, Robert Gentry; Auditor, Jasen McEathron; Attorney, Ken Woodrich; Work Order Specialist/HR Coordinator, Shonna Taylor.

MINUTES:

- Commissioner Esch made a **motion** to approve the September 6, 2011 Board of Commissions' regular meeting minutes as corrected. Commissioner Leach **seconded** the motion and the minutes were **approved unanimously**.

PUBLIC COMMENT:

- Sherry Esch – Commented about the 2012 budget.
- Mary Repar – Commented about wind litigation, Wind River Nursery Water Rights and Executive Summary prepared by Manager Gentry.

NEW BUSINESS:

- **Jim Oakley, Energy Northwest** – Jim Oakley, Senior Member Relations Representative from Energy Northwest, updated the Commission on the recent inspection of the Columbia Generating Station post-Fukushima. No regulatory issues were found and the plant has more than satisfactory procedures for coping with severe natural or man-made events. Also noting that all nuclear plants in the USA passed the inspection. He also reported on generation project development they are currently working on
- **George Laing – Job Description Update** – George Laing presented and discussed with the Commission job descriptions for each position of the District and the compensation survey completed for the non-union employees and salary range recommendations. His next step will be to assess each position to improve work flow. Discussion was held regarding performance reviews.

Break at 10:45 a.m.

Meeting reconvened at 10:55 a.m.

OLD BUSINESS:

- **2012 BUDGET, SECOND READING** –Manager Gentry presented the Commission with the 2012 Budget for the Electric System, Carson Water System and Underwood Water System with the revisions that were discussed in the first reading. Discussion was held on capital projects, rate increases for each system, rate structure and system updates.

The Commission entered into **Executive Session** at 12:30 p.m. for 10 minutes to discuss potential litigation (RCW 42.30.110 (1)(i)).

Executive Session ended to 12:40 p.m.

There was no action taken in Executive Session.

The regular meeting reconvened at 12:43 p.m.

OLD BUSINESS CONT:

- **May 24, 2011 Special Meeting** – Attorney Woodrich presented the Commission with a memorandum on the legality of the May 24, 2011 Special Meeting and advised the Commission of the Attorney-Client Privilege. Commissioner Leach does not agree with the memorandum and withdrew from voting on waiving attorney-client privilege. Commissioner Esch made a **motion** to waive attorney-client privilege of the memorandum on the May 24, 2011 Special Meeting. Commissioner Gale stepped down and **seconded** the motion. Commissioner Leach abstained from voting. The **motion was carried** with a 2-1 vote. Vote: 2 Yeas, 1 Abstained.

Commissioner Leach wanted to make it clear that he did not receive the email in advance to notify him of the Special Meeting held on May 24, 2011. He further explained that he did not call the PUD that day until 1:44 p.m. and that this meeting could have waited.

Commissioner Gale commented that he did not hold him at fault and apologized.

Commissioner Esch noted that he felt the meeting was totally legitimate.

Break for lunch at 12:50 p.m.

Meeting reconvened at 1:45 p.m.

- **Special Projects Coordinator** – Manager Gentry presented the Commission with an updated job description and compensation salary range for the Special Projects Coordinator. Commissioner Esch wants to hold off on hiring this position. Commissioner Leach would like this position filled to take the stress off the present staff. Commissioner Gale would like the position filled with a salary range of \$58,000 to \$73,000. Commissioner Leach made a **motion** to approve the hiring of the Special Projects Coordinator position with a starting salary range of \$58,000 to \$73,000. Commissioner Gale stepped down and **seconded** the motion and the **motion was carried** with a 2 to 1. Commissioner Esch voted against the motion. Vote: 2 Yeas, 1 Nay

NEW BUSINESS CONTINUED:

- **Utility Services Associates Contract- Leak Detection** – Manager Gentry presented a Professional Service Contract for Utility Services Associates to perform leak detection to aid in reduction of water losses to acceptable ranges by the Washington State Department of Health for both Carson and Underwood Water Systems. After discussion with the Board Commissioner Gale directed Manager Gentry to check with other companies to make sure the pricing of the contract was competitive. Manager Gentry will confer with Water Distribution Manager, Tom Vance, and bring back to the Board.

- **BPA Power Sales Contract Amendment** – Manager Gentry discussed the BPA Power Sales Contract Amendment with the Board and his reasons for recommending not to sign the Amendment to Exhibit “H”. Pending the Motion to Dismiss the REP Settlement Agreement, further litigation could result and by not signing this Amendment, would preserve the PUD’s right to litigation. Commissioner Esch made a **motion** not to sign the Power Sales Contract Amendment. Commissioner Leach **seconded** the motion and the motion was **approved unanimously**.
- **Packwood Lake Hydroelectric Project Agreement** - Manager Gentry gave a presentation to the Board on the Packwood Lake Hydroelectric Project Agreement and recommended signing this Agreement for the entitled percentage share of the viable output of the Project. Commissioner Leach made a **motion** to have Manager Gentry sign the agreement transferring Skamania County PUD’s share of Packwood to Clallam County PUD. Commissioner Esch **seconded** the motion and the motion was **approved unanimously**.
- **EDC Contract** – Manager Gentry presented the EDC Contract in the amount of \$4,000. Commissioner Esch made a **motion** to authorize Manager Gentry to sign the EDC Contract. Commissioner Leach **seconded** the motion and the motion was **approved unanimously**.
- **Sprague Landing Water Line – Bacus Request** – The Board discussed the Sprague Landing Water Line and the request from Joseph and Sandra Bacus. The Board directed Manager Gentry to turn this matter over to the PUD’s attorney.

DISCUSSION ITEMS:

- **Rate Hearings** – It was the decision of the Board after discussion with Staff to set the rate hearings for the Electric System and Underwood Water System at the next Board of Commissioners’ Meeting on October 3, 2011 at 9:00 a.m.

MANAGER’S REPORT:

Manager Gentry presented the August 2011 Outage Report to the Commission.

AUDITOR’S REPORT: None.

COMMISSIONER’S REPORT:

Commissioner Leach attended the Washington PUD Association (WPUDA) meeting.

Commissioner Gale attended the WPUDA meeting and reported the plan to start doing meetings every two months due to the economy and budget unless a meeting needs to be called. They plan to use conference calling. WPUDA plans to maintain the current budget even if Grays Harbor pulls out.

The upcoming important calendar dates were reviewed.

VOUCHER APPROVAL:

Commissioner Esch made a **motion** to approve the vouchers.

Voucher	Number	Amount
Electric System	46800-46851	\$ 141,957.52
Carson Water	5820-5826	\$ 49,193.00
Underwood Water	3454-3456	\$ 26,989.70

Commissioner Leach **seconded** the motion, and the **motion was carried unanimously**.

PUBLIC COMMENT:

- Dian Green commented about the proposed rate increases and salaries.
- Sherry Esch commented on several line items of the proposed 2012 Budget and Special Projects Coordinator position.
- Betty Daubenspeck commented on the proposed rate increases and salaries.
- Liz Green commented on the 2012 Budget and Special Projects Coordinator position.

Meeting adjourned at 4:35 p.m.

Dennis Gale, President

Curt Esch, Secretary

The next regular scheduled Board of Commissioner's Meeting will be:
Tuesday, October 3rd, 2011 at 9:00 a.m.