

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

October 18th, 2010

A regular meeting of the Board of Commissioners was called to order by President Curt Esch at 9:05 a.m. at the PUD office in Carson, WA. The following persons were present: Commissioner Curt Esch; Commissioner Clyde Leach; Commissioner Dennis Gale; Manager, Bob Wittenberg; Project Manager, Humaira Falkenberg; Head Accounting Clerk, Debbie Hinzman; Attorney, Ken Woodrich; Auditor, Chris Iobst, absent due to illness.

Public members in attendance; Jerry Harrington, Liz Green, Susan Krug, Dan Boyes, WD Truitt, Diane Green, Gordon Carlson and Judy Clark.

MINUTES

The Commissioner's reviewed the minutes of the October 4th, 2010 meeting. Gale made a motion to approve the minutes as corrected. Motion was seconded by Leach and the motion was carried unanimously.

EXECUTIVE SESSION

Attorney Woodrich asked to enter into Executive Session at 9:15 a.m. to discuss legal matters. The Executive Session ended at 9:35 a.m.

NEW BUSINESS

- **2011 Senior Rebate** - Head Account Clerk, Debbie Hinzman & Accounting Clerk, Amanda Boyes presented the proposed Rebate for Persons of Seniority and/or with Disabilities. Leach requested the guidelines for this the 2010-2011 amounts be raised by 20% due to the poor economy. Leach moved to approve the Rebate with a 20% increase, Gale seconded **and carried unanimously**. Esch requested a copy of the revised senior rebate be presented to the Commission at the next meeting, and directed staff to proceed with handing out the application as soon as it was updated.
- **Bad Debt Write Off**- Senior Accounting Clerk, Lisa Allen and Accounting Clerk, Kelly Tennison presented a list of customer bad debt totaling \$298.16 to write off and send to collections. Leach was impressed that the individual dollar amounts have gone down. Leach made a **motion** to approve the bad debt. Gale **seconded**, and the motion was **carried unanimously**.
- **Direct Mail CFL Program** – Staff requested direction from the Board on the collection and distribution of undelivered CFL's to PUD customers. Falkenberg updated the Board on the distribution process, discussion held. Woodrich requested a resolution be written, to protect the PUD. Manager Wittenberg will be writing a resolution to be signed at the next Board Meeting.

Break at 10:00 a.m. for approximately 5 minutes.

- **Guest Judy Clark from HR Answers** – Judy Clark gave a preliminary presentation on the services her company can provide to the PUD. The need for organizational charts, job descriptions and direction for moving forward was discussed at length. The Board asked for guidelines and that the processes begin ASAP. The cost for these services were discussed and the hourly rate for the public sector is \$200.00.

OLD BUSINESS

- **Whistling Ridge** – Commissioner Esch discussed an e-mail from Mr. Drach. No action was taken. Attorney Woodrich reported that he has spent very little time on this project and that outside Attorney had absorbed most of the costs.

Discussion was held. Attorney Woodrich spoke to the reliability standards of the PUD and cautioned that the PUD should not fall behind in these standards. Commissioner Esch noted that BPA also has some responsibility for this.

DISCUSSION ITEMS

- **Auditor** – Wittenberg reported that Auditor Chris Iobst would be off work with health issues. He suggested that duties of that position be re-assigned on a temporary basis. He suggested the job duties be distributed as follows: Board appointed Auditor duties to Salvie Stevens, conservation oversight to Humaira Falkenberg, Office Manager duties to Shonna Taylor, I.T. oversight to be determined later. Gale suggested an outside Auditor, maybe Rory Miller be on contract with the PUD until other arrangements could be made. Woodrich mentioned Monica Masco from Arrowhead Accounting since she is the local Accountant for the Port District. Leach thought that Manager Wittenberg should be able to re-organize the office as he feels necessary within the budget limits. Wittenberg expressed some concern regarding giving salaried employees more work without the ability to compensate for it.

Discussion was held, no action taken.

MANAGER'S REPORT

- **Clarification for Shop Use** – Manager Wittenberg asked for clarification on the shop closure to public and employees. He noted that there are people going directly into the shop without coming through the front office. It was agreed that this is a liability and all that enter the shop area should check in with the front office first. Wittenberg will look into an electric gate operator.

AUDITOR'S REPORT

- **No Report Given**
- **Outage Report** – Wittenberg went over the outage report. Gale asked about the URD outages on Laurel Lane. Wittenberg answered questions regarding the outage report, no action taken.

ATTORNEY’S REPORT

- Attorney Woodrich Reported he had attended a Washington State Association of Municipal Attorneys seminar and it was very informative and he received some good information on Public Records Requests.

COMMISSIONERS’S REPORT

- Gale reported on the WPAG Meeting. He was a little bit concerned about the direction of the proposed Residential Exchange settlement. BPA will be taking a duel path for rates. He also discussed the Public Power preference and the influence from PPC. Humaira discussed the residential exchange. She attended a forum to discuss this issue and stated that the board should have a couple of months to make a decision.

EXECUTIVE SESSION

Dennis Gale asked to enter into Executive Session at 12:25 p.m. for 20 minutes to consult legal counsel. Extended 10 minutes and ended at 12:50 p.m.

VOUCHER APPROVAL

The following vouchers were approved for payment by a **motion** made by Commissioner Gale.

Voucher	Number	Amount
Electric	45377 – 45443	\$ 182,640.82
Carson Water	5661- 5665	\$ 2,077.51
Underwood Water	3372 - 3374	\$ 581.68

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

The Meeting Adjourned at 1:10 p.m.

Curt C. Esch, President

Clyde D. Leach, Secretary

The next regular scheduled Board of Commissioner’s Meeting will be:
Monday, November 1st, 2010, at 9:00 a.m.

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

November 1st, 2010

A regular meeting of the Board of Commissioners was called to order by President Curt Esch at 9:00 a.m. at the PUD office in Carson, WA. The following persons were present: Commissioner Curt Esch; Commissioner Clyde Leach; Commissioner Dennis Gale; Manager, Bob Wittenberg; Project Manager, Humaira Falkenberg; Accountant, Salvie Stevens; General Foreman, Gary Leonard; WO/HR Coordinator, Shonna Taylor; Head Accounting Clerk, Deborah Hinzman; Attorney, Ken Woodrich; Commissioner Candidate, Judith Lanz; Public Member, Rory Miller, Susan Krug, Betty Daubenspeck, Liz Green, Diane Green, Betty Smith and Gordon Carlson.

MINUTES

Commissioner Gale made a **motion** to approve Minutes of the October 18, 2010 Meeting. Commissioner Leach **seconded** the motion, and the motion was **approved** unanimously.

OLD BUSINESS

The revised 2011 Rebate for Persons of Seniority and/or with Disabilities for qualifying low-income households was presented for review. The household income level was increased by 20% and the maximum total rebate was increased from \$200 to \$240. Commissioner Leach made a **motion** to approve the 2011 Electric Rebate. Commissioner Gale **seconded** the motion, and the motion was **approved** unanimously.

Manager Wittenberg discussed the absence of the Auditor and the reassignment of workload amongst present staff. At the direction of the Board, Manager Wittenberg contacted Arrowhead Accounting and Rory Miller to discuss interim solutions to fill the gap created by the absence.

Wittenberg reported that Arrowhead Accounting was interested, but unavailable. Rory Miller is available for short term. Rory Miller attended the meeting to inform the Board of his background and proposal for Skamania PUD Interim Auditor.

Project Manager, Humaira Falkenberg did a power point presentation for the Boards' information and redistribution of responsibilities.

Public member, Betty Smith, attended the meeting to discuss an accident she had with her vehicle in the upper parking lot of the PUD and the denial from PUD insurance company. After discussion, Commissioner Esch and Leach suggested Betty Smith get an estimate of the damage to her vehicle for review by the Board at the November 15, 2010 meeting.

Break at 10:15 a.m.

Meeting reconvened at 10:30 a.m.

NEW BUSINESS

- **Disbursal of Surplus CFL Light Bulbs** - Resolution #2349 was presented authorizing the manager to implement a program for redistribution of surplus customer-owned CFL light bulbs. This resolution authorizes the manager to establish a program in cooperation with the Skamania Branch Food Bank in Stevenson to distribute any surplus CFLs voluntarily returned to the District. After discussion

Commissioner Gale made a **motion** to approve Resolution #2349 and the motion was **seconded** by Commissioner Leach and **approved unanimously**.

- **Insurance Claim** – Commissioner Leach expressed his desire to reimburse Betty Smith for damages to her vehicle. Commissioner Gale agreed.
- **Rate Increases** – Manager Wittenberg asked for direction from the Board on the structure of the rate increase on the Carson Water System and Electric System. Staff will advertise a public hearing in the newspaper on the rate increase for both systems to be held at the November 15th, 2010 meeting.
- **WPUDA Committee Delegates & Alternates**- After discussion it was decided by the Board and Staff the following would be delegates and alternates:

Government Affairs: Humaira Falkenberg, Bob Wittenberg, Alternate
Manager’s Section: Bob Wittenberg, Humaira Falkenberg, Alternate
Energy Committee: Dennis Gale, Bob Wittenberg, Alternate
Water Committee: Humaira Falkenberg, Clyde Leach, Alternate
- **Property Tax Resolution**- Manager Wittenberg reported that the Tax Resolution No. 2350 would be presented at the November 15, 2010 meeting. The deadline to pass this resolution is November 30, 2010.

Public Member, Susan Krug commented that it would be beneficial to have the meeting minutes on the PUD website. It was noted by Shonna Taylor that this could be done.

INVESTMENTS

No investments.

MANAGER’S REPORT

Manager Wittenberg reported that he attended the Eastside – Westside Supervisors’ Meeting at Ocean Shores. Of important discussion at the meeting was fire retardant clothing (FR) for lineman. Wittenberg commented that FR clothing was still not mandatory under State of Washington law. Wittenberg commented that FR clothing is standard practice at many of the utilities and that Skamania PUD should purchase FR clothing for our lineman. General Foreman, Gary Leonard reported that he has had a flash burn. Commissioner Esch expressed concern for the cost of FR clothing and stated it was not the law yet. Commissioner Leach does not feel the risk is worth taking any chances. Public member Betty Daubenspeck felt that where employee safety is concerned, the expense should not matter. Manager Wittenberg reported that there can be balance with the FR clothing, some utilities are extreme and felt that Skamania PUD could take common sense steps. Commissioner Esch commented that research needs to be done on this subject.

Manager Wittenberg also reported the State Supreme Court reversed a lower court ruling and upheld all aspects of the Municipal Water Law.

AUDITOR’S REPORT

None.

ATTORNEY’S REPORT

None.

COMMISSIONER'S REPORT

Commissioner Gale discussed the annual PURMS meeting.

Commissioner Leach reported on the Energy Northwest Member Forum he recently attended.

VOUCHER APPROVAL

The following vouchers were approved for payment by a **motion** made by Commissioner Leach.

Voucher	Number	Amount
Electric System	45556-45603	\$ 172,830.10
Carson Water	5681-5685	\$ 1,798.36
Underwood Water	3384-3386	\$ 1,339.71

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

The Meeting adjourned for lunch at 12:10 p.m.

Meeting reconvened at 1:10 p.m.

Entered into Executive Session to discuss litigation with legal counsel until 2:00 p.m.

Executive Session extended 30 minutes.

2:30 p.m. Executive Session extended 10 minutes.

Meeting reconvened at 2:45 p.m. for workshop on discussion regarding a possible outside interim auditor. No decision was made.

Meeting adjourned at 3:20 p.m.

Curt C. Esch, President

Clyde D. Leach, Secretary

The next regular scheduled Board of Commissioner's Meeting will be:
Monday, November 15th, 2010 at 9:00 a.m.

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

November 15th, 2010

A regular meeting of the Board of Commissioners was called to order by President Curt Esch at 9:00 a.m. at the PUD office in Carson, WA. The following persons were present: Commissioner Curt Esch; Commissioner

Clyde Leach; Commissioner Dennis Gale; Manager, Bob Wittenberg; Project Manager, Humaira Falkenberg; Accountant, Salvie Stevens; WO/HR Coordinator, Shonna Taylor; Attorney, Ken Woodrich; Public Members, Susan Krug, Betty Daubenspeck, Liz Green, and Diane Green.

MINUTES

Commissioner Leach made a **motion** to approve Minutes of the November 1, 2010 as corrected. Commissioner Gale **seconded** the motion, and the motion was **approved** unanimously.

Commissioner Gale requested that we add two items to the agenda.

1. PURMS regarding the authorizing resolution. It was discussed briefly and the resolution is not out yet.
2. WPUDA Budget and Dues Calculation.

OLD BUSINESS

- **Betty Smith Insurance Claim** – Betty Smith provided staff with two separate estimates for repair to her vehicle, an estimate from Scenic Auto Body for \$949.73 and from Tim’s Automotive for \$267.50 for the mechanical portion of the damage, with a combined total of \$1,217.23. After review, Commissioner Leach would like to see another estimate and Commissioner Gale agreed. Commissioner Esch requested we get another estimate.

The Public Rate Increase Hearing for the Electric System opened at 9:30 a.m.

Commissioner Leach made a **motion** to remove the “BPA Adjustment” line item on the billing, and combine this charge with the Energy Charge to include the 3% rate increase. Commissioner Gale **seconded** the motion, and the motion was **approved** unanimously.

There was discussion on the demand charge. Commissioner Gale inquired if both the regular BPA bill and transmission bill included demand. Manager Wittenberg reported that demand is charged on both.

Public Member, Diane Green, wondered when the last cost of service study had been done. Manager Wittenberg reported, December 2001 by D. Hittle & Associates.

The Public Rate Increase Hearing for the Carson Water System opened at 10:00 a.m.

Commissioner Leach wanted to know how much revenue is needed for the improvements in the 6-year update. Commissioner Esch discussed bonding to pay for the new Carson reservoir. Commissioner Gale reported that the water system has to be sound financially before bonding would be available for projects.

Break at 10:30 a.m.

Meeting reconvened at 10:40 a.m.

Closed public hearing at 10:45 a.m.

It was the decision of the Board to continue the Carson Water Rate Hearing until December 20, 2010 at 10:00 a.m. The public hearing will be advertised.

OLD BUSINESS CONTINUED

- **Whistleblower Claim** – Commissioner Esch discussed the Whistleblower issue. After an opinion from an outside attorney, Commissioner Esch feels the claim should be modified, accepted or rejected.

Attorney Woodrich stated our policy is consistent with the RCW's and our policy nor the RCW's call for that. Woodrich explained the purpose of a third party opinion was for more objectivity. The RCW's do not say an outside party has to be used.

The Board entered into **Executive Session** to discuss the performance of a public employee at 11:10 a.m. for ten minutes. **Executive Session** ended at 11:20 a.m.

Commissioner Esch wants the Whistleblower Claim accepted or rejected.

Commissioner Leach does not want to spend another dime. \$10,600 has been billed to insurance company for the outside investigation.

Attorney Woodrich cautioned possible repercussions, that the Whistleblower claim has been investigated; the Commissioners had the right to object and did.

Commissioner Esch disagrees, it needs to be dealt with, accepted or rejected.

Commissioner Gale made a **motion** to accept the report with addendum of 2 rebuttals from Commissioner Gale and Commissioner Esch attached. Commissioner Esch stepped down to **second** motion. All 3 in favor.

- **Rory Miller Contract** – Commissioner Leach expressed that he opposed the contract purposed by Mr. Miller.

Manager Wittenberg stated that staff recommends not hiring Mr. Miller according to this contract.

Commissioner Gale and Commissioner Esch both agreed.

Entered into **Executive Session** at 11:55 a.m. for 10 minutes to consider possible litigation.

Break at 12:05 p.m. for lunch.

Meeting reconvened at 1:15 p.m.

- **Absence of Auditor** – Manager Wittenberg presented a summary listing of the duties and responsibilities of the Auditor and his recommendation to use the present staff to fill the gap and discussed the possibility of hiring a half time person.

Commissioner Esch expressed his concern about union issues in the temporary situation. Wittenberg will meet with the shop steward to discuss.

Commissioner Leach expressed the manager should have the power to make the decision on staffing and proposed work delegations.

NEW BUSINESS

- **Bad Debts** - Senior Accounting Clerk, Lisa Allen and Accounting Clerk, Kelly Tennison presented a listing of Bad Debt Write Offs in the amount of \$2,035.23. After discussion, Commissioner Gale made a **motion** to approve the Bad Debt Write Offs Resolution #2349; this motion was **seconded** by Commissioner Leach and **approved unanimously**.
- **Property Tax Levy** – Manager Wittenberg presented Resolution No. 2350 regarding the property tax levy as determined by Gabe Spencer, County Assessor. Commissioner Leach made a **motion** to approve Resolution No. 2350 and Commissioner Gale **seconded** the motion. This motion passed 2 to 1.
- **Rate Increase Electric System** – Manager Wittenberg presented Resolution No. 2351 to increase electrical rates 3% to recover costs of operation as referred to in Schedule “A” attached to Resolution No. 2351. Commissioner Leach made a **motion** to approve Resolution No. 2351, and the motion was **seconded** by Commissioner Gale and **approved unanimously**.
- **WPUDA Draft Dues** – Commissioner Gale presented the 2011 Draft Dues Calculation for the Washington PUD Association and review of the budget and changes. Voting for this will take place on November 19, 2010 and Commissioner Gale will vote yes.

INVESTMENTS

No investments.

MANAGER’S REPORT

Manager Wittenberg reported concerns from Efficiency Services Group (ESG).

Efficiency Services has sent a letter to Mark Hughey regarding failed inspections and ESG has the right to remove a PTCS certification from the registry and the contractor will no longer be able to apply for utility rebates until the re-application process.

ESG expressed concerns of receiving an email from Commissioner Esch.

Commissioner Esch explained that he wanted to know the procedure for inspection of modular homes.

Manager Wittenberg presented a letter from customer, John and Shirley Tyler of Underwood, complimenting our Tree Foreman, Pat Hartley and his crew on the removal of challenging trees near their residence.

Wittenberg reviewed WECC.

Manager Wittenberg presented Resolution No. 2353, Adjusting the Compensation Benefits for the District Manager, for their review and discussion at the next meeting.

AUDITOR’S REPORT

Manager Wittenberg presented the Electric System financials and the Carson and Underwood Water System financials through September 30, 2010. After discussion and comment there were changes to be made by Accountant Salvie Stevens.

ATTORNEY'S REPORT

None.

COMMISSIONER'S REPORT

Commissioner Gale reported on the NRU meeting and the settlement agreement. Commissioner Gale expressed the importance of attending the next WPUA meeting

VOUCHER APPROVAL

The following vouchers were approved for payment by a **motion** made by Commissioner Gale.

Voucher	Number	Amount
Electric System	45604-45680	\$ 465,733.77
Carson Water	5686-5693	\$ 8,671.56
Underwood Water	3387-3390	\$ 3,291.79

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

Meeting adjourned at 4:40 p.m.

Curt C. Esch, President

Clyde D. Leach, Secretary

The next regular scheduled Board of Commissioner's Meeting will be:
Monday, December 6th, 2010 at 9:00 a.m.