

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

January 3rd, 2011

A regular meeting of the Board of Commissioners was called to order by President Curt Esch at 9:02 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; WO/HR Coordinator, Shonna Taylor; Attorney, Ken Woodrich; Public Members, Betty Daubenspeck, and Liz Green.

MINUTES

Commissioner Leach made a **motion** to approve the December 20, 2010 minutes. Commissioner Gale **seconded** the motion and the minutes were **approved unanimously**.

OLD BUSINESS

- **Carson Water Rate Increase** - Commisisoner Esch deferred the rate increase discussion to later in the meeting.

NEW BUSINESS

- **County Auditor Swearing In Commissioner Esch** – Tim Todd, County Auditor, joined the meeting to swear in Commissioner Curt Esch for a 6-year term.
- **Election of Commission Officers** – After discussion by the Commission, the following was suggested:

Commissioner Dennis Gale, President
Commissioner Clyde Leach, Vice President
Commissioner Curtis Esch, Secretary

Commissioner Leach made a **motion** to adopt the slate of candidates as suggested. Commissioner Gale **seconded** the motion and the motion was **approved unanimously**.

ATTORNEY'S REPORT:

- **Whistling Ridge** – Attorney Woodrich advised the Board that due to prior travel plans, Attorney Brad Andersen will be representing the District with Whistling Ridge. Attorney Andersen will prepare Manager Wittenberg to testify and the hours of work on this will be approximately 5 to 6 hours. Attorney Woodrich further explained that when we agreed to become involved in this case, we told the applicants that we did not want to incur expenses and it was never indicated that the District would be involved in a hearing. Testimony from Manager Wittenberg will be narrow, basically in regards to the feed from the east for the Underwood Substation. Manager Wittenberg further explained that this back feed would be an important addition to the District's power supply and reliability; it would supply full capacity for the entire county when needed. Commissioner Gale inquired about a letter from BPA

committing to supplying this feed once the Condit Dam is removed. Manager Wittenberg will continue to negotiate with BPA.

Commissioner Esch inquired what the cost would be for the District. Manager Wittenberg explained that it would be 2 switches, a transformer, and a circuit breaker on 1 side and we will participate in that cost.

Commissioner Gale advised staff that after reviewing the list of vouchers, he would like Warrant #45839 in the amount of \$5,853 payable to Public Power Council voided and have this topic put on the agenda next meeting. He would like discussion on the associations the District is a member of.

Commissioner Gale announced that he would like to go into Executive Session to discuss potential litigation and evaluate the performance of a public employee.

Commissioner Leach expressed that he strongly opposes all the Executive Sessions the Commission has been conducting. Attorney Woodrich explained the Commission has the option to do the employee evaluation in an open meeting. Commissioner Leach inquired which the manager would prefer.

Manager Wittenberg requested his review in Executive Session.

Break at 9:50 a.m.

Entered into **Executive Session at 10:00 a.m. until 11:00 a.m.**

Executive Session extended to 11:30 a.m.

Executive Session extended to 12:00 p.m.

Executive Session ended at 12:00 p.m. and open public meeting reconvened.

Attorney Woodrich presented to Commission a Separation and Release Agreement for a public employee. Commissioner Leach made a **motion** to approve the Separation and Release Agreement subject to clarification that the agreement does not release the employee from any individual litigation from Sherry Esch. Commissioner Gale stepped down and **seconded** the motion. Commissioner Esch voted **against** the proposed agreement and provided staff with the following statement:

“I am voting against the proposed Iobst Separation Agreement based on legal, financial and ethical standards. I simply don’t believe the proposed Settlement Agreement with Mr. Iobst, at least at this point in time, is in the ratepayer’s best interest and so I cannot support it.”

Commissioner Leach supports the Agreement; it seems the most practical way to avoid a lawsuit situation to keep from going to court and the District taking the risk of losing more money.

Commissioner Gale feels this is in the best interest of the District to resolve this issue as it has gone on way too long. The Commission was advised that if court action, the situation could be prolonged for over a year and have the potential of costing more. This has been a detriment to the District internally and externally and we can’t afford to be distracted any further.

Commissioner Gale called for the vote. Commissioner Leach in favor, Commissioner Gale in favor, Commissioner Esch opposes.

Break for lunch at 12:10 p.m.

Meeting reconvened at 1:04 p.m.

NEW BUSINESS Continued

- **Resolution No. 2358, Electric Transfer from Construction Fund to General Fund** – Commissioner Gale questioned Resolution 2358 in reference to new services included in listing of projects. After review by Accountant, Salvie Stevens, the resolution was corrected removing new services, Commissioner Leach made a **motion** to approve Resolution No. 2358 as corrected, This motion was **seconded** by Commissioner Esch and approved **unanimously**.
- **Resolution No. 2359, Removal of Accounts** – Commissioner Esch made a **motion** to approve Resolution No., 2359 as corrected, removing general ledger accounts no longer in use. This motion was **seconded** by Commissioner Leach and passed **unanimously**.

OLD BUSINESS Continued

- **Carson Water Rate Increase** – Staff recommends a 10% rate increase across the board. Due to price elasticity, down turn in economy and weather conditions we did not collect the needed revenue this past year.

Commissioner Gale would like to see different scenarios of the rate structures, concurring with Commissioner Esch; it is hard to raise rates for fixed income customers. After discussion it was decided to revisit the Carson Water Rate Increase at the January 17, 2011 meeting to give staff time to prepare different rate structures for review by the Commission.

INVESTMENTS

No investments.

MANAGER'S REPORT

Manager Wittenberg discussed Whistling Ridge. Manager Wittenberg wanted clarification on a public records request made by Sherry Esch and informed the Commission that the rate for Social Security on the employee portion has been reduced to 4.2% effective January 1, 2011.

AUDITOR'S REPORT

None.

COMMISSIONER'S REPORT

Commissioner Gale would like to have a Special Meeting to discuss reorganization and the manager's performance review. After discussion, the meeting was set for January 12, 2011 from 8:30 a.m. to 12:00 p.m.

Commissioner Leach reminded the Commission that every time a call is made to the District's attorney, there is a charge. Legal costs have gone up considerably.

Commission Esch inquired about legal fees for personal attorney. He felt he was directed to seek private counsel.

Manager Wittenberg commented that only if an action was filed in court.

Commissioner Gale explained further that allegations are not defended and the Errors & Omissions insurance would not cover unless action taken.

VOUCHER APPROVAL

The following vouchers were approved for payment by a **motion** made by Commissioner Leach, with the exception of #45839 payable to Public Power Council in the amount of \$5,853 which was voided.

Voucher	Number	Amount
Electric System	45817-45838, 45840 - 45853	\$ 485,865.79
Carson Water	5715-5720	\$ 2,880.05
Underwood Water	3404-3405	\$ 241.59

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

Meeting adjourned at 4:00 p.m.

Dennis Gale, President

Curt Esch, Secretary

The next regular scheduled Board of Commissioner's Meeting will be:
Monday, January 17th, 2011 at 9:00 a.m.