

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

January 3, 2012

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 Curt Esch; Commissioner Dennis Gale; Commissioner Clyde Leach by telephone; Interim Manager, Robert Gentry; Auditor, Jasen McEathron; Attorney, Ken Woodrich; and WO Specialist/HR Coord., Shonna Taylor.

**MINUTES:**

- Commissioner Esch made a **motion** to approve the December 19, 2011 Board of Commissioners meeting minutes. Commissioner Leach **seconded** the motion and the minutes were **approved unanimously**.

**PUBLIC COMMENT:**

- Liz Green – Commented on the short agenda.

**NEW BUSINESS:**

- **Professional Service Contract with TriAxis Engineering, Inc.** – Manager Gentry presented the Professional Services Contract to the Commission for TriAxis Engineering, Inc. to provide project management support relating to the expansion of the Underwood Substation. The project will start in April 2012 and end in July 2012 with an estimated fee of \$64,000. Commissioner Gale wanted to know what if the bid came in higher than what was budgeted and Manager Gentry explained it would have to be rebid. Commissioner Gale wondered if engineer estimates can be publicized prior to bid. Attorney Woodrich further explained, yes, this was very normal. Commissioner Gale also commented on the PUD providing a full time safety watch during site construction. Manager Gentry explained that Scott Peters was identified as that person or Project Coordinator. Commissioner Leach asked about overall cost, outside and inside. Manager Gentry commented that most costs will be capitalized not expensed. Commissioner Leach asked what was in the budget for outside services. Commissioner Gale reviewed the budget for professional services and \$238,000 was budgeted. Manager Gentry explained that this is project management and that the engineering has already been done. Attorney Woodrich explained that the PUD does periodic advertisement for engineering and architectural services. Commissioner Esch made a **motion** to give Manager Gentry the authority to sign the TriAxis Contract. Commissioner Leach **seconded** the motion and the motion was **approved unanimously**.

**OLD BUSINESS:**

- **Underwood Water Rate Scenarios** – Auditor Jasen McEathron presented Underwood Water System Quick Facts and explained the debt ratio of 1.25 has to be met. Rate scenarios were provided to the Commission for review with target revenues. Auditor McEathron further explained that the basic charge is a very important part of the rate component for stable rates to meet expenses and cautioned on price

elasticity. Commissioner Gale asked about the impact if there were zero cubic feet for the basic. The Auditor explained there would be a definite impact, but this scenario was not run because it would affect the low-end user. Commissioner Gale commented that after leak detection has been completed we may see other projects that need to be done. Manager Gentry spoke about the debt service coverage over a two year period and action could be taken in reference to bonds. Commissioner Gale commented the increase in revenue will help meet the criteria with the Department of Health to qualify for a longer timeline on plan updates.

Commissioner Leach explained that he had already made two prior motions and he would let the other members of the commission make the motion. Commissioner Esch made a **motion** to accept the 10% across the board rate increase and would like to set yearly incremental increases. Commissioner Gale stepped down and **seconded** the motion with further discussion. Attorney Woodrich liked the idea of the yearly increase and suggested possibly coupling it with the CPI. Commissioner Gale liked the attorney's suggestion. Manager Gentry explained that management would still do an analysis. Commissioner Gale wants to shoot for the 10 year update instead of every 6 years and this increase will also help meet the Department of Health's target. Attorney Woodrich explained that the motion would have to be amended to include the CPI. Commissioner Esch explained that he was not opposed to rate hearings and wanted communication with the customers. Commissioner Leach thinks it should be looked at every year. Commission voted: Commissioner Esch, yea; Commissioner Gale, yea; Commissioner Leach, nay. The **motion passed with a 2-1 vote**.

Break at 10:07 a.m.

Meeting reconvened at 10:17 a.m.

Commissioner Gale would like a newsletter specific to Underwood Water customers outlining percentages and the need to meet certain criteria for the Department of Health to qualify for 10 year plan updates instead of 6 year.

Commissioner Leach would like the newsletter reviewed by the commission before going to print.

**DISCUSSION ITEMS:** None

**MANAGER'S REPORT:** None

Commissioner Gale asked about mapping. Manager Gentry explained that Radcomp will be updating the computer to be used and preliminary steps for this project are in progress. The Special Projects Coordinator will implement this program. Commissioner Esch thought due to multiple agencies having the same map that it would be important to state somewhere on the map that it does not relieve anyone from the RCW requirement to call before you dig for line locates. Manager Gentry will discuss this with the Assessor's Office.

**AUDITOR'S REPORT:** None

Commissioner Gale received an email about the F1 filing for commissioners and was confused by the January 13<sup>th</sup> deadline. Manager Gentry will look into this.

**ATTORNEY’S REPORT:** None.

**COMMISSIONER’S REPORT:**

- Commissioner Esch commented on the email from BPA about their agreement with Friends of the Gorge and the large payoff in respect to the Big Eddy-Knight transmission line project and felt that BPA was premature in doing this.
- Commissioner Esch would also like staff to respond to an inquiry from Lynn Bergeron on the Fueling of Hanford. Manager Gentry will respond.
- Commissioner Leach would be happy to take any questions to next community meeting in Underwood.

Staff and the commission reviewed the upcoming calendar events.

**VOUCHER APPROVAL:**

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

<b>Voucher</b>	<b>Number</b>	<b>Amount</b>
Electric System	47219-47255	37,845.53
Carson Water	5876-5881	2,262.42
Underwood Water	3481-3482	153.09

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

Commissioner Gale made a note on the \$6400 to PPC. He wondered if the PUD was getting value from this agency. Commissioner Esch feels that enough good comes from this group and the importance of updates and does not want to pull out.

**OLD BUSINESS (CONT.):**

- **Resolution No. 2379, Underwood Water Rates:** Commissioner Esch made a **motion** to accept Resolution No. 2379 to increase the rates of the Underwood Water System. Commissioner Gale stepped down to **second** the motion. Call for the vote: Commissioner Esch, yea; Commissioner Gale, yea; Commissioner Leach, nay. The **motion passed with a 2-1 vote**.

**PUBLIC COMMENT:**

- Diane Green –Asked about an administrative fee paid to the Bank of New York. It was explained this was for the bond. Mrs. Green also applauded the commission for passing the rate increase for Underwood Water, but would have liked to see the CPI added and the importance of an annual review.
- Liz Green –Commended the PUD for the quick response on the recent outage.

- Commissioner Esch commended the crew.

Meeting adjourned at 10:50 a.m.

---

**Dennis Gale, President**

---

**Curt Esch, Secretary**

The next regular scheduled Board of Commissioner's Meeting will be:  
**Monday, January 16<sup>th</sup>, 2012 at 9:00 a.m.**