

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

January 16, 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; Interim Manager, Robert Gentry; Auditor, Jasen McEathron; Tom Vance, Water Distribution Manager; Attorney, Ken Woodrich; and WO Specialist/HR Coordinator., Shonna Taylor.

Agenda Review: There were no changes to the agenda.

**MINUTES:**

- Commissioner Esch made a **motion** to approve the January 3, 2012 Board of Commissioners meeting minutes as corrected. Commissioner Leach **seconded** the motion and the minutes were **approved unanimously**.

**NEW BUSINESS:**

- **Carson Water System Plan Update Draft** – Brent Gruber of Wallis Engineering presented a draft of the Carson Water System Plan Update to the Commission for their review and did a power point presentation to cover important items of the update. Commissioner Leach asked about Bear Creek water rights and Mr. Gruber explained this is being pursued at this time by Mark Yinger. Commissioner Gale commented on old water meters and water loss. Tom Vance reported that between 50 and 100 meters are changed out per year. Commissioner Leach wanted to know what the system capacity was. Tom Vance explained that presently it is 1501. Brent discussed future source considerations. Manager Gentry explained that there are big issues to consider on proposed projects. Discussion was had on the possibility of building 2 small reservoirs instead of one large reservoir using a phased approach. The Carson Reservoir interior painting is estimated at \$152,000. Discussion was had on the importance of water rights and what an estimated cost would be to interconnect the Wind River Nursery with the Carson System if water rights are granted. Brent estimated approximately 1.5 million. Commissioner Esch feels it is worth the effort of examining other sources. Tom Vance explained that the draft plan update would be submitted to the Department of Health and it would have to be adopted in 90 days by resolution.

Break at 9:57 a.m. for 3 minutes.

At 10:00 a.m. the board entered into **Executive Session** to discuss potential litigation for one hour. (RCW 42.30.110 (1)(i))

Break at 11:00 a.m.

Meeting reconvened at 11:05 a.m.

## PUBLIC COMMENT:

- Liz Green read an email Commissioner Leach sent to the Underwood community regarding the recent Underwood Water rate increase and read her response to this email to the Board.
- Diane Green commented on the email Commissioner Leach sent.
- Commissioner Esch was disappointed of the negative light of the email.

## OLD BUSINESS:

- **Underwood Water Rates Newsletter** –Manager Gentry presented the newsletter that will go out to Underwood Water rate payers explaining the projected projects and the rate increase for their review. Commissioner Esch liked the letter and felt it explains the difficulties. The newsletter is very factual and something customers can save for reference. Commissioner Gale liked the content, but felt it was lengthy. Commissioner Leach felt that those, whom are interested, would take the time to read it. Commissioner Each explained the need to communicate well with the customers. The Commission authorized mailing of the newsletter without edits.

Commissioner Gale suggested another meeting in Underwood after the plan update is complete. Commissioner Leach is not opposed to meetings, but did not feel the prior meeting turnout was very well attended. He suggested email. The Underwood Community Council has an extensive email list.

DISCUSSION ITEMS: None

## MANAGER'S REPORT:

Manager Gentry reported that the Request for Qualifications for professional services had been advertised both in the Skamania County Pioneer and the Gorge papers.

Manager Gentry presented the December 2011 outage report. Commissioner Gale asked about productivity during the winter months of the tree crew. Commissioner Esch explained there are benefits to trimming in the winter and has nothing but good reports on the tree crew and feels their work has been very beneficial.

Manager Gentry reported on the Special Project Coordinator position. A final decision has not been made yet.

Commissioner Gale commented on the cost of engineering for the Underwood Substation and that if a substation is done every 2 years, engineering could be duplicated. Backup transformers were discussed for the substations.

## AUDITOR'S REPORT:

Auditor McEathron presented bad debt write-offs in the amount of \$1,270.79. Commissioner Esch made a **motion** to approve the bad debts in the amount of \$1,270.79. Commissioner Leach **seconded** the motion and the motion was **approved unanimously**.

Auditor McEathron presented the October 2011 financial reports along with graphs for the Electric System, Carson Water System and Underwood Water System. Auditor McEathron asked for input on

the graphs provided, if this was a helpful tool. Manager Gentry also wanted to know if there was something better or different the Commission would like to see.

Commissioner Gale felt what was presented was helpful and Commissioner Esch agreed.

**COMMISSIONER’S REPORT:**

- Commissioner Esch commented on the F-1 filing dates. Auditor McEathron took care of this for the Board and the filing on personal information is due in April. Commissioner Esch attended the PPC meeting and confirmed this group does a lot that is outside of the District’s skill level. He also expressed his concern of the ruling from FERC, the Wind against BPA, and how this is going to impact ratepayers and the affects the wind projects are having on the hydro systems.
- Commissioner Leach commented on a very good article from Northwest Public Power regarding generation replacement and federal credits.
- Commissioner Gale attended the PUD Association Commissioner Roundtable and a number of utilities have settled their union contracts. Klickitat settled 1 ½%, 2% and 3% with most going with 1%, 1% & 2%. Cowlitz County increased rates 18%, some due to wind, although still below Clark County’s rate. Ferry County reported on the pole contact billed to Frontier using the state pole contact formula and Frontier recalculated. Commissioner Gale also spoke of the redistricting; we are out of the Vancouver Office and being represented by Congresswoman Jamie Herrera and Senator Curtis King. Commissioner Gale spoke about the Columbia River Treaty with Canada, with a 2024 expiration date. This treaty signed in 1961 with an effect date in 1964. At one time we were getting Canadian Entitlement. Canadians built 3 dams, now the issue is flood control and who is responsible when this treaty expires. Originally the dams were built for flood control, but all three are now generating. This is a very complex issue and a decision has to be made by 2014. Commissioner Gale also reported that BPA may be implementing a CRAC in October 2012, depending on water. He felt this was a very informative meeting. February 10, 2012 the PUD Association wants to hold a workshop meeting with commissioners, not manager. Some of the commissioners are not happy with the restructuring of the Association.

Staff and the commission reviewed the upcoming calendar events.

**VOUCHER APPROVAL:**

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

Voucher	Number	Amount
Electric System	47256-47329	318,571.74
Carson Water	5882-5889	10,345.00
Underwood Water	3483-3485	10,665.07

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

**PUBLIC COMMENT:**

- Sherry Each –Commended the administration on the newsletter and graphs. Spoke about bad debts and her expressed appreciation.

- Diane Green – Had a question on a voucher and expressed her appreciation to staff.

Meeting adjourned at 12:50 p.m.

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**Dennis Gale, President**

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**Curt Esch, Secretary**

The next regular scheduled Board of Commissioners' Meeting will be:  
**Monday, February 6<sup>th</sup>, 2012 at 9:00 a.m.**