

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

November 5, 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; Attorney Ken Woodrich; and Special Project Coordinator, Scott Fielding.

MINUTES:

- Commissioner Leach made a **motion** to accept the October 3rd & 4th, 2012 Board of Commissioners Special Meeting minutes. Commissioner Esch **seconded** the motion and the minutes were **approved unanimously**.
- Commissioner Leach made a **motion** to accept the October 8th, 2012 Board of Commissioners Special Meeting minutes as corrected. Commissioner Esch **seconded** the motion and the minutes were **approved unanimously**.
- Commissioner Leach made a **motion** to accept the October 12th, 2012 Board of Commissioners Special Meeting minutes. Commissioner Esch **seconded** the motion and the minutes were **approved unanimously**.
- Commissioner Esch made a **motion** to accept the October 15th, 2012 Board of Commissioners meeting minutes. Commissioner Leach **seconded** the motion and the minutes were **approved unanimously**.

PUBLIC COMMENT:

- Sherry Esch – Commented on the loan offer suggested by Commissioner Leach during the last Board of Commissioners meeting and if a Municipal Bond would be a better option. Ms. Esch also inquired about the status of the two Public Records request she submitted.

NEW BUSINESS:

- **Substation Acquisition & Reliability** – Blake Weather, BPA Transmission Executive, presented an overview of the sales history of the five substations originally purchased by Skamania County PUD. Mr. Weather provided an overview on creating a loop configuration for the Underwood Substation.

ATTORNEY REPORT:

The Board entered into Executive Session to discuss potential litigation & public employee performance in accordance with RCW 42.30.110(1)(i) and RCW 42.30.110(1)(g), respectively, at 10:05 a.m. for a duration of 20 minutes.

Executive session extended 10 minutes at 10:25 a.m.

Executive session extended 5 minutes at 10:35 a.m.

Executive session ended at 10:44 a.m.

Meeting reconvened at 10:50 a.m.

NEW BUSINESS Continued:

- **Resolution No. 2408 – Electric Construction Fund Transfer** – Auditor McEathron provided an overview of the resolution and the transfer of \$294,140.47 from the Electric Construction to the Electric General Fund. After further discussion, Commissioner Esch made a **motion** to approve Resolution No. 2408. Commissioner Leach **seconded** the motion and the motion was **approved unanimously**.
- **Resolution No. 2409 – Electric Rate Stabilization Fund Transfer** – Auditor McEathron provided an overview of the fund transfer from the Electric Rate Stabilization Fund to the Electric General Fund to cover cash flow shortages. After Further discussion, Commissioner Esch made a **motion** to accept Resolution No. 2409 transferring \$500,000 from the Electric Rate Stabilization Fund to the Electric General Fund. Commissioner Leach **seconded** the motion and the motion was **approved** with a 2 yeah and 1 abstention vote.
- **Resolution No. 2410 – Senior and Disabled Rebates** – Auditor McEathron provided an overview of Resolution 2410, establishing electric rebates for seniors and disabled customers. After further discussion, Commissioner Leach made a **motion** to approve the Electric Rate Program with the exception of the \$15,601 - \$21,600 and the \$21,600 - \$28,800 income levels remain at the 15% rebate level. Commissioner Esch seconded the motion and the motion was **approved unanimously**.
- **Resolution No. 2411 – 2013 Property Taxes** – Auditor McEathron provided an overview of Resolution 2411, 2013 Property Taxes. After further discussion, Commissioner Leach made a **motion** to approve Resolution No. 2411. Commissioner Esch **seconded** the motion and the motion was **approved unanimously**.
- **Resolution No. 2412 – Delegating Managerial Powers** – Attorney Woodrich provided an overview of Resolution No. 2412, selecting the Auditor to serve as acting Manager pursuant to RCW 54.16.100, accepting Interim Manager’s resignation and modifying the Auditor’s salary. After further discussion, Commissioner Leach made a **motion** to approve the Auditor as the acting Manager with a salary increase of \$1,500.00 per month. No **second** was offered. After further discussion, Commissioner Leach made a motion to approve the Auditor as the acting Manager with a salary increase of \$1,000.00 per month. Commissioner Gale stepped down to **second** the motion. The motion was **approved with a vote of 2 yeah and 1 nay**. Commissioner Esch voted nay.
- **Resolution No. 2413 – Underwood 2005 Bond Construction Fund Transfer** – Auditor McEathron provided an overview of Resolution No. 2413 transferring \$85,661.70 from the Underwood Water 2005 Bond Construction Fund to the Underwood Water General Fund for Capital Improvement expenses. After further discussions, Commissioner Esch made a **motion** to pass Resolution No. 2413. Commissioner Leach seconded the motion and the motion was **approved unanimously**.

DISCUSSION ITEMS:

- **Electric & Underwood Revenue Requirements** – Auditor McEathron inquired if the Board of Commissioners needed any information that the staff could provide before the rate hearings scheduled for later this month. Commissioner Esch asked for information on how the rate increase will be used,

why it's needed, what has been accomplished since the last rate increase and what has been accomplished in the last five years. Commissioner Esch would also like information on outside pressures that could show the rate payers how money has been spent. Commissioner Gale would like to see statistics on consumption of electric and water resources by rate payers.

OLD BUSINESS:

- Pole Attachment Agreement & Rates – Attorney Woodrich has asked the Board of Commissioner to provide the staff with direction in regards to setting pole attachment rates. Attorney Woodrich directed the Board of Commissioners to page 18 of the EES Consulting Pole Attachment Rate Study Final Report which states that the law (RCW 54.04.045) allows up to \$19.06 per attachment. Commissioner Gale suggests that staff follow the RCW guidelines on setting attachment rates.

MANAGERS REPORT:

- None

AUDITOR'S REPORT:

- **Bad Debts** – Auditor McEathron presented Bad Debts in the amount of \$3,308.15. After further discussion, Commissioner Esch made a **motion** to accept the bad debts as listed. Commissioner Leach **seconded** the motion and the motion was **approved unanimously**.

COMMISSIONER'S REPORT:

- None

VOUCHER APPROVAL:

Commissioner Leach made a **motion** to approve the vouchers. Commissioner Esch seconded the **motion**, and the **motion was carried unanimously**.

Voucher	Number	Amount
Electric System	48358-48430	\$580,172.93
Carson Water	6022-6035	\$22,231.54
Underwood Water	3561-3572	\$175,661.58

Meeting recessed at 12:30 p.m. for 45 minutes.

Meeting reconvened at 1:15 p.m.

The Board entered into Executive Session to evaluate General Manager Applicants in accordance with RCW 42.30.110(1)(g), at 1:15 p.m. for a 3 hour duration.

Executive session extended 10 minutes.
Executive session ended at 4:25 p.m.

Meeting adjourned at 4:25 p.m., the meeting is scheduled to reconvene on November 7th at 9:00 a.m.

November 7th, 2012, at 9:00 a.m. the Regular Meeting reconvened at PUD Headquarters. The Commissioners and Auditor McEathron were present.

The Board entered into Executive Session to evaluate General Manager Applicants in accordance with RCW 42.30.110(1)(g), at 9:00 a.m. for a 3 hour duration.

Executive session extended for 1 ½ hours as the Commissioners continued the session over lunch.

Executive session ended at 1:30 p.m.

Auditor McEathron & Commissioners discussed PUD finances & future fiscal management.

Meeting adjourned at 1:55 p.m.

Dennis Gale, President

Curt Esch, Secretary

The next regular scheduled Board of Commissioners' Meeting will be
Monday, November 19, 2012 at 2:00 p.m.