

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

November 18, 2013

A regular meeting of the Board of Commissioners was called to order by President Clyde Leach 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; General Manager Brent Bischoff; Auditor Jasen McEathron; and Project Coordinator Melanie Sharp. Attorney Ken Woodrich joined the meeting at 9:05a.m.

MINUTES:

- Commissioner Gale made a **motion** and Commissioner Esch **seconded** to approve the November 4, 2013 Regular Meeting minutes. **Motion passed unanimously.**

PUBLIC COMMENT:

- None.

OLD BUSINESS:

- Energy Efficiency Rebates – Auditor McEathron presented changes to the energy efficiency rebate program. He noted that one industrial and two commercial projects were denied during the 2012/2013 program cycle due to budget limitations. After discussion, Commissioner Gale made a **motion** and Commissioner Esch **seconded** to approve the BPA recommended rebates. **Motion passed unanimously.**

DISCUSSION ITEMS:

- **Customer Complaint – Water Leak Adjustment Policy** - Auditor McEathron discussed Resolution #2346 Water Leak Adjustment Policy in regards to a recent customer complaint about a water leak adjustment. The Commissioners discussed the leak adjustment methodology and the administrative fee. Commissioner Esch stated he is not happy with the current policy and would like to revise it. There was further discussion of changing the “Administration Fee” to a “Labor Fee” or “Service Fee”. Commissioner Gale made a motion and Commissioner Esch seconded to adjust the policy by changing the “Administration Fee” to a “Service Fee”. **Motion passed unanimously.**

OLD BUSINESS CONTINUED:

- **Pole Attachment Agreement – Sawtooth Technologies, Brian Adams** – Brian Adams discussed his proposal to include a performance bond exemption clause within the Pole Attachment Agreement. Mr. Adams presented the board a copy of his contract with Lewis County PUD with the following exemption.

The district at its sole discretion may waive the requirements of a performance bond. The proposed licensee or its predecessor is a regionally or nationally recognized communications provider having formally been in existence for a minimum of 10 years and can demonstrate financial responsibility. The district may waive the portions of this article for small government licensees.

Mr. Adams explained that he has been working with the PUD for over 20 years and believes that he has shown his company to be financially responsible during that time. He states that requiring the \$10,000 performance and payment bond creates hardship for his company because he cannot get a longterm bond for that amount at an affordable rate so he would have to pay the entire \$10,000 into a fund. After discussion, Commissioner Gale made a motion to add the exemption clause from the Lewis County PUD contract to Section 19d of the Pole Attachment Agreement with Sawtooth Technologies. Commissioner Gale amended the motion to subsequently waive the requirement for Sawtooth to obtain the \$10,000 bond contingent on staff verifying Sawtooth's financial responsibility. Commissioner Esch seconded the motion. **Motion passed unanimously.** Commissioner Gale made a **motion** and Commissioner Esch **seconded** to approve the contract with Sawtooth Technologies based on staff's verification of their financial responsibility. **Motion passed unanimously.**

There was a 5 minute break at 10:55 a.m. The meeting reconvened at 11:00 a.m.

NEW BUSINESS:

- **Resolution No. 2440 – 2014 Tax Levy** - Auditor McEathron presented Resolution No. 2440 regarding an increase in the regular property tax levy for 2014 one percent (1%). After discussion, Commissioner Gale made a **motion** and Commissioner Esch **seconded** to approve Resolution No. 2440. **Motion passed unanimously.**
- **EES Consulting PSC – WECC Compliance** - Manager Bischoff presented the 2014 contract and budget with EES Consulting to continue providing guidance related to the implementation of WECC mandatory reliability standards. EES proposes to continue to coordinate a group effort on behalf of WPAG utilities with WECC compliance obligations with the goal of removing the utilities from the North American Electric Reliability Corporation Compliance Registry. The 2014 budget is not-to-exceed \$37,000 to be split equally among the eight participating utilities, which equates to a budget of \$4,625 for the PUD. After discussion, Commissioner Gale made a **motion** and Commissioner Esch **seconded** to approve the contract with EES Consulting. **Motion passed unanimously.**
- **EES Consulting PSC and Marsh Mundorf Pratt Sullivan & McKenzie PSC WPAG Services Agreement** - Manager Bischoff presented the Consulting Services Agreement with EES Consulting and the WPAG Legal Services Agreement with Marsh Mundorf Pratt Sullivan & McKenzie. The combined agreement had a standard budget allocation of \$4,079 and a supplemental budget for BPA Rate Case Workshops of \$850. After discussion, Commissioner Gale made a **motion** and Commissioner Esch **seconded** to approve the contracts and give the general manager authorization to sign the agreements. **Motion passed unanimously.**

ATTORNEY'S REPORT:

- None.

MANAGER'S REPORT:

- **Outage Report – October 2013** - Manager Bischoff presented the October 2013 outage report. There were a total of 11 faults with a eight of those being underground cable faults.

- **Strategic Planning Workshop** - Manager Bischoff reported that he is compiling the notes from the recent Strategic Planning Workshop and will be sending those to the board for review. Action Priorities in the Strategic Plan (SP) were updated and validated during the workshop. As required in the Oct. 7 Board Meeting when the 2014 budget was passed, the workshop included a discussion about the need for an Administrative Assistant to support staff with the Action Priorities of Strategy 3 in the SP. Manager Bischoff again summarized staff's recommendation to hire an Administrative Assistant. The action priorities in Strategy 3 require a great deal of clerical work and cannot be accomplished in a timely manner without additional support to staff. Commissioner Leach made comments in support of the position; Commissioner Esch opposes hiring additional personnel at this point in time; Commissioner Gale acknowledges the need for the position but is also very concerned about the financial impact primarily to Underwood water system. Following considerable discussion by the Board, no motion was made so the Administrative Assistant position remains unapproved.
- **Manager's Performance Review** – Manager Bischoff noted that he will be due for his annual performance review in mid-December.

AUDITOR'S REPORT:

- **Bad Debts**- Auditor McEathron presented bad debts in the amount of \$1,790.12. After discussion, Commissioner Esch made a **motion** and Commissioner Gale **seconded** to approve the Bad Debts. **Motion passed unanimously.**
- **2011 – 2012 SAO Audit** - Auditor McEathron reported that the 2011 – 2012 State Audit will start on November 19, 2013. Commissioner Gale agreed to represent the Board in the entrance conference.

COMMISSIONER'S REPORT:

- Commissioner Esch reported the he attended the WPAG meeting.
- Commissioner Gale reported on his attendance at the PURMS annual meeting. He discussed changes to the excess liability insurance and property insurance rates. Commissioner Gale also discussed a recommendation to have a formal employee/official indemnification policy. He reported that the average cost per employee in the Health and Welfare Pool was down compared to the previous year but it is expected that there will be future increases to costs that will need to be mitigated. He discussed how a number of other PUDs are addressing electric rate increases.

CALENDAR:

- Commissioner Gale will be attending the WPUDA Annual Conference scheduled for December 4-6, 2013.

VOUCHER APPROVAL:

After discussion Commissioner Esch made a **motion** and Commissioner Gale **seconded** to approve the vouchers audited and certified as required by RCW 42.24.080 and RCW 42.24.090. **Motion passed unanimously.**

Voucher	Number	Amount
Electric System	49840-49898	\$149,288.70
Carson Water	6211-6215	\$5,497.40
Underwood Water	3665-3668	\$4,989.49

Meeting adjourned at 12:25 p.m.

Clyde Leach, President

Dennis Gale, Secretary

The next regular scheduled Board of Commissioners' Meeting will be
Monday, December 2, 2013 at 9:00 a.m.