

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

November 19, 2012

A regular meeting of the Board of Commissioners was called to order by President Dennis Gale at 2:00 p.m. at the PUD office in Carson, WA. The following persons were present: Commissioner Curt Esch; Commissioner Dennis Gale; Commissioner Clyde Leach; Interim Manager/Auditor, Jasen McEathron; Attorney Ken Woodrich; and Special Project Coordinator, Scott Fielding.

MINUTES:

- Commissioner Leach made a **motion** to accept the October 22nd and 23rd, 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 November 2nd, 2012 Board of Commissioners Special Meeting minutes as corrected. Commissioner Leach **seconded** the motion and the minutes were **approved unanimously**.
- Commissioner Leach made a **motion** to accept the November 5th, 2012 Board of Commissioners Special Meeting minutes as corrected. Commissioner Esch **seconded** the motion and the minutes were **approved unanimously**.

PUBLIC COMMENT:

- Sherry Esch – Commented that the minutes from the November 5th meeting reflected that her public records request was a recent request when in fact that request was made approximately 100 days ago.
- Commissioner Leach made a **motion** to amend the minutes and remove the word recently from public comment provided by Sherry Esch. Commissioner Esch **seconded** the motion and the motion was **approved unanimously**.

OLD BUSINESS:

- **General Manger Search – Offer Letter** – The Board of Commissioners discussed the General Manager offer letter presented to & signed by Mr. Brent Bishoff. Commissioner Esch made a **motion** to accept and approve the General Manager Employment Offer Letter to Mr. Brent Bishoff. Commissioner Leach **seconded** the motion and the motion was **approved unanimously**.

NEW BUSINESS:

- **IT Support Contract** – Ryan Kreps, Radcom President, presented an overview of the PUD's current IT status, recommendations and upgrades to the IT system, and options for a new IT support contract. Mr. Kreps requested the PUD review the options for a new IT support contract.

- **Resolution No. 2407 – HRA VEBA for Commissioners** – Auditor McEathron provided an overview of Resolution No. 2407, adopting a policy concerning the district’s health reimbursement arrangement/voluntary employee’s beneficiary association (‘HRA VEBA’) plan as applied to commissioners. After further discussion, Commissioner Leach made a **motion** to accept Resolution No. 2407 with a salary deduction of \$100 per month effective 1/1/2013. Commissioner Esch **seconded** the motion and the motion was **approved unanimously**.
- **Resolution No. 2414 – Pole Attachment Agreement & Rates** – Auditor McEathron provided an overview of Resolution No. 2414, increasing the district’s pole attachment fees to \$19.06 per contact per year and update its pole contact agreement. After further discussion, Commissioner Esch made a **motion** to accept Resolution No. 2414. Commissioner Leach **seconded** the motion and the motion was **approved unanimously**.

ATTORNEY REPORT:

- None

DISCUSSION ITEMS:

- **Cost Cutting Measures** – Auditor McEathron provided an overview of cost cutting measures the PUD has taken to curtail costs, measures that will lead to greater efficiencies, and the funding alternatives to rate increases being explored.

MANAGERS REPORT:

- None

AUDITOR’S REPORT:

- **Outage Report** – Auditor McEathron presented the outage report for October 2012.
- **Operations Report** – Auditor McEathron presented an update on projects in the electric and water systems.
- **Bad Debts** – Auditor McEathron presented bad debts in the amount of \$6,028.04. After further discussions, 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:

- Commissioner Gale provided an overview on his attendance of the PURMS and WAPUDA meetings.

VOUCHER APPROVAL:

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

Voucher	Number	Amount
Electric System	48434-48485	\$98,178.66
Carson Water	6036-6043	\$11,591.75
Underwood Water	3573-3574	\$411.75

Meeting recessed two hours at 5:00 p.m. until 7:00 p.m., for an Electric Rate Hearing.

Meeting was reopened at 7:00 p.m. for an Electric Rate Hearing.

Dennis Gale, President

Curt Esch, Secretary

The next regular scheduled Board of Commissioners' Meeting will be
Monday, December 3, 2012 at 9:00 a.m.

**Skamania County Public Utility District #1
Rate Hearing of the Board of Commissioners**

November 19, 2012

The Rate Hearing for the Electric System began at 7:00 p.m. Auditor McEathron provided an overview of the 2013 Electric Budget, Cost Cutting Measure, Power, Revenue, and Rate Statistics, and Rate Scenarios. BPA will have a rate increase during 2013 and that increase has yet to be determined. The basic charge for electricity hasn't changed much in the past thirty years but BPA rates have increased approximately 60% over the same time period. Auditor McEathron presented four rate increase scenarios that would increase the basic charge from 25% - 75% per month and increase usage from 10.6% - 14.85%. Scenario #1 would increase the basic charge from \$9.18 to \$11.48 with an increase in usage from \$0.066 to \$ 0.0758. Scenario #2 would increase the basic charge from \$9.18 to \$12.85 with an increase in usage from \$0.066 to \$0.075. Scenario #3 would increase the basic charge from \$9.18 to \$13.77 with an increase in usage from \$0.066 to \$0.0744. Scenario #4 would increase from \$9.18 to \$16.07 with an increase in usage from \$0.066 to \$0.073.

The Rate Hearing was opened for public comment at 7:30 p.m.

- Helen Paulus – Asked why BPA rates are increasing. Auditor McEathron provided a brief overview of BPA rate structures and the trends associated with natural gas prices and wholesale electric prices.
- Don Bradford – Asked what is the average KWH used by Skamania County PUD rate payers. Auditor McEathron said about 1,200 KWH per month.
- Lisa Brown – Asked how other PUD rate increases compared to Skamania County PUD proposed increases. Auditor McEathron explained that comparing Skamania County PUD to other PUD's in the

state doesn't always work because of the load characteristics, urban vs. rural, and whether a utility has generation and transmission assets.

- Betty Daubenspeck – Commented on the cost cutting measures and asked Mr. McEathron about his salary increases during 2012. Auditor McEathron provided an overview of his salary history since being hired.
- Helen Paulus – Asked for the overview of the salaries of the two previous General Managers and the salary of the newly hired manager. Commissioner Gale provided an overview of those salaries.
- Liz Green – Commented that cost associated with BPA rate increases can't be avoided but internal costs associated with running the PUD can be managed.
- Lisa Brown – Asked for details about the capital improvements budget. Auditor McEathron provided an overview on the budget.
- Charles Pace – Provided comments about proposed rates from BPA and the effects on Skamania County and the PUD.

Commissioner Gale stated that the Board has been presented with four different scenarios and will look at the different scenarios in more detail before making a decision.

The Electric Rate Hearing was closed at 8:43 p.m.

The meeting was adjourned at 8:44 p.m.