

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

December 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; Interim Manager/Auditor, Jasen McEathron; Attorney Ken Woodrich; and Special Project Coordinator, Scott Fielding.

MINUTES:

- Commissioner Leach made a **motion** to accept the November 19th, 2012 Board of Commissioners Meeting minutes as corrected and the November 19th, 2012 Electric Rate Hearing Minutes. Commissioner Esch **seconded** the motion and the minutes were **approved unanimously**.

PUBLIC COMMENT:

- Mary Repar – Commented about a recent EDC meeting about broadband services in Skamania County and urges the PUD to consider adding broadband service to its long term capital planning.
- Helen Paulus – Complimented the Auditor and the Board's efforts during recent budget meetings and rate hearings and values the information. Ms. Paulus provided comments about the proposed rates for the Underwood Water System and prefers scenario #2.

NEW BUSINESS:

- **Resolution No. 2403 – HRA VEBA for Union Employees** – Auditor McEathron provided an overview of Resolution No. 2403 adopting employment policy concerning the district's Health Reimbursement Arrangement/Voluntary Employees' Beneficiary Association (HRA VEBA) Plan. After further discussion, Commissioner Esch made a **motion** to approve Resolution No. 2403 as corrected. Commissioner Leach **seconded** the motion and Resolution No. 2403 was **approved unanimously**.
- **Resolution No. 2415 – General Manager Appointment** – Attorney Woodrich introduced Resolution No. 2415, appointing Brent Bischoff as District General Manager pursuant to RCW 54.16.100. After further discussion, Commissioner Leach made a **motion** to introduce Resolution No. 2415. Commissioner Esch **seconded** the motion and Resolution No. 2415 was **approved unanimously**.
- **Resolution No. 2416 – Electric Rates & Fees** – Auditor McEathron presented an overview of Resolution No. 2416 to increase the electric rates and fees to better recover costs of operation. A review of the four scenarios and a discussion about increasing fees associated with connection, collection and reconnection. Commissioner Gale asked if staff has a recommended scenario. Auditor McEathron recommended scenario 3 or 4.

Break at 10:18 a.m. for 7 minutes.

Meeting reconvened at 10:25 a.m.

The Board of Commissioners asked for public comment on the proposed electric rates & fees.

- Liz Green – Commented that the public would be satisfied with an explanation of increasing costs that have caused the need for rate increases.
- Diane Green – Commented that providing customers with hard numbers would help the customer understand the rate increase. Ms. Green would prefer rates being increased in small increments per year rather than larger increases.

BPA Rates – Auditor McEathron provided an update on recent meeting with BPA Power Account Executive and reported Skamania PUD power & transmission costs are forecast to increase about 10% as anticipated in the budget.

After further discussion, Commissioner Leach made a **motion** to accept Resolution 2416 as corrected with Exhibit A reflecting scenario #3. Commissioner Esch **seconded** the motion and the motion was **approved unanimously**.

Commissioner Leach made a **motion** to approve the recommended fee increases included on the rate scheduled approved in Resolution No. 2416. Commissioner Esch **seconded** the motion and the motion was **approved unanimously**.

- **Resolution No. 2417 – Underwood Water Rates & Fees** – Auditor McEathron presented an overview of Resolution No. 2417 to increase the rates for the Underwood Water System. Commissioner Gale asked staff if they had a chance to look at the number of idle meters in the Underwood Water System. Idle meters are defined as meters turned off during certain times of the year. Auditor McEathron commented that approximately 25 meters are idle in the Underwood Water System during the winter.

The Board entered into Executive Session to discuss potential litigation in accordance with RCW 42.30.110(1)(i), at 12:10 p.m. for a duration of 10 minutes.

Executive session ended at 12:20 p.m.

Break for lunch at 12:20 p.m. for 70 minutes.

Meeting reconvened at 1:30 p.m.

Auditor McEathron provided the Commissioners with two different rate scenarios which raises the basic charge and reduces the cubic feet included in the basic charge from 400 cubic feet to 200 cubic feet and reducing the usage charges.

Public Comment:

- Diane Green – Commented that the Tier II usage range is from 1,000 to 6,000 cubic feet is a big jump as compared to the Tier I range which is only 800 cubic feet (200-1,000).

After further discussion, Commissioner Leach made a **motion** to accept Resolution 2417 with 25% increase in the basic charge and a 10% reduction in usage charges. There is also a reduction of the

basic usage from 400 to 200 cubic feet. Commissioner Esch **seconded** the motion and the motion was **approved unanimously**.

- **Resolution No. 2418 – Equipment Replacement Fund Transfer** – Auditor McEathron presented Resolution No. 2418 authorizing the transfer of \$26,619.71 from the Equipment Replacement Fund for the purchase of a 2012 Colorado Truck. After further discussion, Commissioner Esch made a **motion** to accept Resolution No. 2418. Commissioner Leach **seconded** the motion and the motion was **approved unanimously**.
- **Resolution No. 2419 – Investment Authority 2013** – Auditor McEathron presented an overview of Resolution No. 2419 authorizing personnel to make investment decisions on behalf of the District. After further discussion, Commissioner Leach made a **motion** to accept Resolution No. 2419. Commissioner Esch **seconded** the motion and the motion was **approved unanimously**.
- **Resolution No. 2420 – Underwood 2005 Bond Construction Fund Transfer** – Auditor McEathron presented an overview of Resolution No. 2420 transferring \$62,907.22 to the Underwood Water General Fund for capital improvement expenses. The Electric system is contributing a proportioned amount of \$4,620.00 for a shared trench to underground electric & water utilities. The following transfers will be executed: \$58,287.28 from the Underwood Water 2005 Bond Construction Fund, \$2,310.00 from the Electric General Fund, and \$2,310.00 from the Electric Construction Fund to the Underwood Water General Fund for a total transfer of \$62,907.22. After further discussion, Commissioner Esch made a **motion** to transfer \$62,907.22 to the Underwood Water General Fund. Commissioner Leach **seconded** the motion and the motion was **approved unanimously**.

OLD BUSINESS:

- **Bear Creek Update** – Special Project Coordinator Fielding provided an overview of the progress being made in providing fish passage at the Bear Creek Diversion Dam. Following the discussion Auditor McEathron suggested the PUD investigate the total cost of operating the Bear Creek resource into the future.

ATTORNEY REPORT:

- None

DISCUSSION ITEMS:

- None

MANAGERS REPORT:

- None

AUDITOR’S REPORT:

- None

COMMISSIONER’S REPORT:

- None

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	48495-48529	\$500,030.16
Carson Water	6044-6048	\$9,435.82
Underwood Water	3575-3581	\$12,797.57

Meeting adjourned at 3:02 p.m.

Dennis Gale, President

Curt Esch, Secretary

The next regular scheduled Board of Commissioners' Meeting will be
Monday, December 17, 2012 at 9:00 a.m.