

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

February 21, 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; Special Project Coordinator, Scott Fielding; Attorney, Ken Woodrich; and WO Specialist/HR Coord., Shonna Taylor.

AGENDA REVIEW:

- Commissioner Esch would like to add attorney healthcare to the agenda.

MINUTES:

- Commissioner Leach made a **motion** to approve the January 31, 2012, Special Board of Commissioners' meeting minutes. Commissioner Esch **seconded** the motion and the minutes were **approved unanimously**.
- Commissioner Esch made a **motion** to accept the February 6, 2012 Board of Commissioners' meeting minutes as corrected. Commissioner Leach **seconded** the motion and the minutes were **approved unanimously**.
- Commissioner Esch made a **motion** to accept the February 7, 2012 Special Board of Commissioners' meeting minutes as corrected. Commissioner Leach **seconded** the motion and the minutes were **approved unanimously**.

PUBLIC COMMENT:

- Liz Green – Complimented the crew on a great job during the storm. She also spoke about attorney healthcare and read and presented a statement to the Commission.
- Sherry Esch – Spoke about attorney healthcare and read and presented a statement to the Commission.
- Commissioner Leach would like a copy of both statements from Liz Green and Sherry Esch.

OLD BUSINESS:

- **Attorney Healthcare** – Commissioner Esch explained based upon his research and perspective believes the Manager should draft a letter to the District's attorney issuing a 30-day notice of termination. Commissioner Esch offered to make a motion as such.
- Commissioner Gale also has given thought to the issue and wanted the issue debated carefully. He believes the issue is ambiguous and the Board has broad authority to contract.

- Commissioner Leach would like a legal opinion from the Attorney General’s Office and further legal research.
- Commissioner Gale noted our actions impact other PUD’s.
- Commissioner Leach noted the State Auditor’s Office did not obtain a written legal opinion and there is no deadline placed upon the PUD and believes there is time for due process.
- Commissioner Esch reiterated his belief the PUD has overstepped its’ bounds and restated his offer to make a motion.
- Commissioner Gale would like input from staff and hear the attorney’s thoughts without asking for his legal advice on the matter.
- Attorney Woodrich provided his thoughts and preferences.
- Commissioner Leach asked Auditor McEathron for his opinion on the seriousness of the matter. Auditor McEathron stated the Auditor’s Office audits for compliance and they issue audit reports with their opinions. It is the audit client’s responsibility to follow up on recommendations made and the PUD should consider pursuing outside independent legal counsel.
- Commissioner Esch stated his preference for an Attorney General opinion.
- Manager Gentry explained that the State did not set a timeline and the District should not rush to judgment, but seek out an opinion from the Attorney General so there is no conflict of interest.
- Commissioner Leach – Identify an attorney to start working on this. We are not in any rush, we have time and the State Auditor is not an enforcement agency.

Further discussion was had on hiring an attorney to handle this matter. Attorney Don Cohen was mentioned as being a possibility.

- Commissioner Gale – Inquired whether there was a **motion** on the table?
- Commissioner Esch – No motion.
- Commissioner Leach made a **motion** to get outside legal counsel, an Attorney General’s opinion and partnering with other PUD’s. Commissioner Esch **seconded** the motion and the motion was **approved unanimously**.

NEW BUSINESS:

- **Resolution No. 2387 – Investment Authority** – Auditor McEathron presented Resolution No. 2387, Investment Authority and explained that this is an annual resolution to provide to the Skamania County Treasurer’s Office. After discussion a **motion** was made by Commissioner Esch to approve Resolution No. 2387. Commissioner Leach **seconded** the motion and the motion was **approved unanimously**.

- **Resolution No. 2388 – Emergency Declaration** – Auditor McEathron presented Resolution No. 2388, Emergency Declaration and explained this declaration is for the recent storm January 17 – 25, 2012. Skamania County Board of Commissioners declared this a local emergency recognizing power outages and damage to power poles and lines. After discussion with other PUD’s, they have also prepared the Emergency Declaration and found well received by FEMA. This will be helpful in getting assistance, but still awaiting a Presidential Declaration. Commissioner Leach made a **motion** to accept Resolution No. 2388. Commissioner Esch **seconded** the motion and the motion was **approved unanimously**.

Commissioner Gale would like to move Brent Gruber from Wallis Engineering up on the Agenda.

- **Wallis Engineering Professional Services Contract, Water Project Management** – Brent Gruber from Wallis Engineering presented a Professional Service Contract for project management for the recoating of the interior of the Carson Reservoir. Attorney Woodrich would like to see a completion schedule on the contract. After discussion Commissioner Esch made a **motion** giving Manager Gentry the authority to sign the contract subject to a completion date added in Exhibit “A” of the contract. Commissioner Leach **seconded** motion and the motion was **approved unanimously**.

Break at 10:55 a.m. for 5 minutes.

Meeting reconvened at 11:00 a.m.

- **Skamania County Interlocal Agreement – Road Restoration** – Manager Gentry presented this Agreement to the Commission and explained that he would like to use the county for road patching or other projects with specified rates. This is a long term contract to 2015, but the District can use other contractors. Commissioner Leach made a **motion** authorizing the manager to sign the agreement. Commissioner Esch **seconded** the motion and the motion was **approved unanimously**.
- **State of Washington, Office of State Procurement Intergovernmental Agreement** – Auditor McEathron presented the agreement and explained that the purpose is to be a part of the Washington State Purchasing Cooperative (Co-op). The District does not currently have a contract and this allows access to purchases at a substantial savings on goods. This will be very advantageous for replacement of the meter reading vehicle. The District’s cost to purchase items under the state bid is \$1,000. After discussion, Commissioner Leach made a **motion** authorizing management to sign the agreement. Commissioner Esch **seconded** the motion and the motion was **approved unanimously**.

MANAGER’S REPORT:

- Manager Gentry presented the January 2012 outage report.

AUDITOR’S REPORT:

- Auditor McEathron presented the 2011 year-end financial reports for the Electric, Carson Water System, and the Underwood Water System for Commission review and comments.
- Auditor McEathron presented Bad Debts in the amount of \$1,983.21. After discussion, Commissioner Esch made a **motion** to accept the back debts. Commissioner Leach **seconded** the motion and the motion was **approved unanimously**.

COMMISSIONER’S REPORT:

- Commissioner Esch attended the recent WPAG meeting. Noting that Terry Mundorf was very informing.
- Commissioner Gale also attended the WPAG meeting and referenced the wind integration issue. He commended BPA on the position they are trying to take on controlling the high water/high wind issue and getting FERC to back off with their authority. Also spoke about BPA’s issue regarding financing 2012-2013 rate case and they are already looking at over 5 1/2 % on the energy side and the transmission side is going to probably be that much as well, so we are going to probably be hit with another rate increase. They are talking about refinancing the Supply System again when it was supposed to be paid by 2018 and this would push it out to 2035. Also attended the PUD Association workshop and education and found the history of public power very interesting. In the workshop forum, there was discussion from commissioners regarding loss of control to managers. Commissioners feel managers have more control than they should have.

The calendar was reviewed by the Commission and staff.

VOUCHER APPROVAL:

Commissioner Esch had a couple of questions. One was regarding an invoice from a contractor and Auditor McEathron explained this was for storm equipment during the snow and ice storm. The other question was on the medical insurance and he wanted to know where we were compared to last year. Auditor McEathron explained the PUD’s premiums will need to be evaluated by the insurance committee. Commissioner Gale noted that the District is still right at average with the rest of the utilities in the pool.

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

Voucher	Number	Amount
Electric System	47403-47472	289,990.31
Carson Water	5897-5902	29,707.98
Underwood Water	3490-3491	13,055.75

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

PUBLIC COMMENT:

- Sherry Esch – Spoke about the attorney healthcare issue.
- Liz Green – Spoke about bad debts and attorney healthcare issue.
- Sherry Esch – Spoke further about the attorney healthcare issue.

Break at noon for 5 minutes.

ATTORNEY REPORT:

- Attorney Woodrich will enter into Executive Session with the Board of Commission to discuss potential litigation (RCW 42.30.110 (1)(i)) for 15 minutes.

Executive Session ended at 12:24 p.m.

Meeting adjourned at 12:25 p.m.

Dennis Gale, President

Curt Esch, Secretary

The next regular scheduled Board of Commissioners' Meeting will be:
Monday, March 5, 2012 at 9:00 a.m.