

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

January 20, 2014

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; Project Coordinator Melanie Sharp; and Attorney Ken Woodrich.

MINUTES:

- Commissioner Gale stated that the Financial Statement Audit description should have the last sentence edited to read that the board requested additional information on the necessity and timeline of contracting for accounting assistance. Commissioner Gale made a **motion** and Commissioner Esch **seconded** to approve the January 6, 2014 Regular Meeting minutes as corrected. **Motion passed unanimously.**

PUBLIC COMMENT:

- None.

NEW BUSINESS:

- **Wind River Biomass Project Update – Paul Spencer** – Paul Spencer presented an update of the Wind River Biomass Project and Bear Creek thinning project. Mr. Spencer requested that the PUD provide him with a transmission fee index.
- **BPA Energy Conservation Agreement – Amendment No. 1** - Manager Bischoff presented Amendment No. 1 to the BPA Energy Conservation Agreement. The amendment extends the expiration date of the Agreement by one year to September 30, 2015. After discussion, Commissioner Esch made a **motion** and Commissioner Gale **seconded** to authorize Manager Bischoff to sign the contract with BPA. **Motion passed unanimously.**
- **Resolution No. 2450 – Audit Entrance & Exit Conferences** - Auditor McEathron presented Resolution No. 2450 establishing that audit entrance and exit conferences should be held on the same day as regular board meetings, provided the outside-independent auditors are agreeable. After discussion, Commissioner Esch made a **motion** and Commissioner Gale **seconded** to approve Resolution No. 2450. **Motion passed unanimously.**
- **Resolution No. 2451 – Travel Policy Per Diem Update** - Auditor McEathron presented Resolution No. 2451 updating per diem rates in the district travel policy to US General Services Administration rates. The Commissioners requested that the resolution be changed to follow just the single GSA rate structure associated with the fourth tier for meals.
- **Resolution No. 2452 – Competitive Negotiation Procedure** - Manager Bischoff presented Resolution No. 2452 establishing a competitive negotiation procedure for electronic data processing and

telecommunications services, software and equipment. After discussion, Commissioner Gale made a **motion** and Commissioner Esch **seconded** to approve Resolution No. 2450. **Motion passed unanimously.**

OLD BUSINESS:

- **Financial Planning** – Commissioner Gale discussed the need to have a workshop to consider financial planning options associated with upcoming capital projects. Commissioner Esch and Leach agreed that the workshop would be beneficial.

DISCUSSION ITEMS:

- **EI Budget Update** - Auditor McEathron updated the Commissioners on the status of the energy efficiency program. There are seven commercial projects that customers are currently considering with an estimated \$75,000 in potential rebate incentives. Auditor McEathron reported that there is only \$33,029 left in the Commercial/Industrial customer class budget allocation. The Commissioners expressed their desire for staff to manage the EI budget within current allocations for the two customer classes.

There was a 5 minute break at 10:45 a.m. The meeting reconvened at 10:55 a.m.

ATTORNEY'S REPORT:

Entered into executive session at 10:55 a.m. to discuss potential litigation per RCW 42.30.110(1)(i) for a duration of 10 minutes. In attendance were Commissioner Esch, Commissioner Gale, Commissioner Leach, Attorney Woodrich, Manager Bischoff, and Auditor McEathron.

Meeting reconvened at 11:05 a.m.

MANAGER'S REPORT:

- **2013 Outage Report** - Manager Bischoff presented the outage report for 2013. In 2013, the monthly average outage frequency was 13.3 outages, which was lower than the 10 year monthly average of 18.0 outages. The System Average Interruption Frequency Index (SAIFI) was 0.56 outages, the System Average Interruption Duration Index (SAIDI) was 1.34 hours, and the Customer Average Interruption Duration Index (CAIDI) was 2.40 hours.
- **Business Environment** – Manager Bischoff gave a brief on the current PUD business environment. He reported that the regulatory and compliance requirements have increased significantly in the past decade for both the electric and water systems and gave numerous examples. Manager Bischoff pointed out that the added administrative burden of regulatory compliance and changing business environment is carried almost entirely by the management staff.
- **Water System Capital Projects** – Manager Bischoff reported that staff are preparing the 2014 capital water projects for presentation to the board. Waterline replacement on a section of Smith-Beckon Road is being planned for Carson. In Underwood waterline improvement on Cook-Underwood Road between Schoolhouse Rd and Cooper Avenue Spur is planned.

AUDITOR’S REPORT:

- **December 2013 Fund Balances-** Auditor McEathron presented the fund balances as of December 2013 for the Electric, Carson & Underwood systems.

2013 BPA Power & Transmission Costs - Auditor McEathron presented graphical reports on the BPA power and transmission costs for 2013. In addition, Auditor McEathron reported BPA is forecasting for the next rate period 11.1 percent and 10.3 percent rate increases for power and transmission, respectively, commencing October 1, 2015. Auditor McEathron suggested the Board consider small incremental rate increases to offset the rising cost of power from BPA.

- **Bad Debts-** Auditor McEathron presented bad debts in the amount of \$1,774.97. After discussion, Commissioner Esch made a **motion** and Commissioner Gale **seconded** to approve the Bad Debts. **Motion passed unanimously.**

Commissioner Gale requested about a summary of the final cost for the Highway 14 reconductor project.

COMMISSONER’S REPORT:

- Commissioner Gale reported on his attendance at the WPUA meetings.

CALENDAR:

- WPAG Meeting scheduled for January 23, 2014.
- The Energy NW Board Meeting is scheduled for January 22, 2014.
- The PPC Meeting is scheduled for February 7, 2014.

VOUCHER APPROVAL:

After discussion Commissioner Gale made a **motion** and Commissioner Esch **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	50087-50134	\$290,331.67
Carson Water	6242-6249	\$7,388.37
Underwood Water	3683-3686	\$2,190.90

Meeting adjourned at 12:25 p.m.

Clyde Leach, President

Dennis Gale, Secretary

The next regular scheduled Board of Commissioners’ Meeting will be
Monday, February 3, 2014 at 9:00 a.m.