

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

March 4, 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 Attorney Ken Woodrich.

MINUTES:

- Commissioner Gale made a **motion** and Commissioner Esch **seconded** to approve the February 19, 2013 minutes. **Motion passed unanimously.**

Commissioner Gale requested WPUA Committee Delegates be added to the agenda as a discussion item.

PUBLIC COMMENT:

- None

Commissioner Gale requested the agenda packets be provided sooner and the other Commissioners agreed. Auditor McEathron suggested the agenda packets be provided in electronic format, thus eliminating the delay of mailing hardcopies. The Commissioners agreed but requested large multiple page documents continue to be mailed.

NEW BUSINESS:

- **Wind River Biomass Project** – Paul Spencer, Norm Ward, Tom Linde, and Bob Sourekand provided a handout and presented an overview of their proposed biomass project. The combined heat & power facility will need a BPA interconnection and they intend to use the PUD’s distribution system to make this connection. Mr. Spencer believes the existing electric system has adequate capacity to accommodate the project’s transmission needs and requested the PUD provide a one-line diagram of the distribution system. Mr. Ward described the biomass fuel potential of the USFS Mt. Saint Helens and Mt. Adams National Forests. The project generation capacity is estimated to be 2 megawatts per year. Commissioner Leach inquired what would be the PUD’s involvement in the project. Mr. Spencer stated just transmission. Manager Bischoff confirmed that a preliminary assessment of the PUD electric system indicates sufficient transmission capacity to deliver power from the Wind River Business Park to the Carson substation. Commissioner Gale inquired what price the project expects to sell its power. Mr. Spencer stated this will be part of the feasibility study and the price will be dependent upon the market. Mr. Ward indicated utilizing the exhaust heat is key to the projects feasibility. Commissioner Leach inquired how water intensive the project would be. Mr. Spencer stated not much since it is a closed loop system. Manager Bischoff asked whether they needed engineering studies from the PUD as to the capacity and protections for interconnection to the system. Mr. Spencer stated the project would fund

those studies and all that is needed from the PUD at this time is the one-line diagram. Commissioner Gale inquired what amount of staff time is needed. Manager Bischoff estimated staff time commitment to be 15-20 hours and a contract for drafting the one-line system diagram. Commissioner Esch inquired whether a budget amendment was necessary. Attorney Woodrich stated the one-line diagram would be funded using the outside service budget. Commissioner Esch requested a cost estimate from the Manager. Commissioner Gale suggested this topic be part of the upcoming strategic planning sessions. Manager Bischoff stated the PUD would have a potential transmission revenue source from the project and the one-line diagram is a small investment of \$1,500 to \$2,000. Commissioner Esch inquired of the PUD's liability exposure. Attorney Woodrich indicated the PUD could adequately protect itself with contract provisions. The Commissioners directed staff to proceed with acquiring a one-line system diagram.

The Commissioners requested an exempt meeting after the public meeting to discuss union negotiations.

MANAGER'S REPORT:

- **BPA 115kV Underwood Tap** – Manager Bischoff provided an overview of the temporary shoo fly structures BPA is installing as a bypass of a vulnerable section of the Underwood tap. The temporary bypass would reduce outage time from days to hours for Klickitat and Skamania PUD customers.
- **Bear Creek Permit** – Manager Bischoff provided a briefing of the USFS issuance of a two year temporary use permit to December 2014. The USFS wants to see progress towards meeting the fish passage condition. The USFS remains flexible and willing to work with the PUD.
- **Fish Passage Engineering** – Manager Bischoff stated he continues to evaluate the proposals and timing of such services.
- **Port Feasibility Study** – Manager Bischoff discussed his continued efforts with the Port of Skamania to develop the scope of work for the feasibility study of the Wind River Nursery site becoming a new water source for the Carson system.
- **Timeline of Engineering Services** – Manager Bischoff discussed the need to coordinate the sequence of the fish passage engineering, Port feasibility study, and Bear Creek Transmission study. He would like to finish scoping the transmission study and expects the revised estimate for these services to be \$15,500. Manager Bischoff recommends conducting the transmission study in advance of the fish passage engineering and the Commissioners Gale and Leach agreed. Manager Bischoff discussed the complexities surrounding water rights. Commissioner Gale suggested the PUD explore leveraging unused Cape Horn properties in exchange for securing a future water source at the Wind River Nursery. Commissioner Esch stated he also agrees with delaying the fish passage work to perform a study of the Bear Creek transmission infrastructure. Manager Bischoff stated the USFS seems to be satisfied as long as the PUD is making regular progress toward a solution for the Bear Creek diversion dam fish passage problem. Manager Bischoff discussed his continued efforts to seek fish passage funding with BPA and the Underwood Conservation District.
- **Project Coordinator** – Manager Bischoff updated the Board on the progress towards filling this vacant position.

- **Strategic Planning Workshop** – Manager Bischoff stated the workshop will be held the week of March 25th and recommended an off-site location.
- **Low Income Housing Project – Brooks Road** – Manager Bischoff discussed his research into providing water service to this new project. He has found the PUD can provide the water service without upgrading the system, provided certain hydrant restrictions and building conditions are met. Attorney Woodrich recommended the PUD’s handling of this project align with new legislation regarding hydrants.

Break at 10:45 a.m. for 5 minutes.

Meeting Reconvened at 10:50 a.m.

AUDITOR’S REPORT:

- **Billing Errors** – Auditor McEathron briefed the Board on billing errors identified and corrected with certain electric and water customers. The corrections made to customer accounts were:
 - Electric-Residential ~ 1,586 customers, \$20.15/customer average credit
 - Electric-Commercial ~ 137 customers, \$20.65/customer average credit
 - Electric-Yard Lights ~ 88 customers, \$6.70/customer average credit
 - Carson Water ~ 266 customers, \$3.03/customer average debit
 - Underwood Water ~ 42 customers, \$8.38/customer average debit
- **WPUDA Committee Delegates** – Auditor McEathron stated the resolution passed earlier in the year established the Manager or designee as committee delegates. Commissioner Gale requested the committee delegates be revisited by the Board the next meeting.
- **2012 Financial Reports, Statistics, & Graphs** – Auditor McEathron provided a summary of the 2012 yearend financial reports for the Electric, Carson, and Underwood systems.

COMMISSIONER’S REPORT:

- Commissioner Gale reported on his attendance at the WPUDA meetings. Clark PUD has returned as a member of WPUDA and their dues will be used to either pay debt service of the WPUDA building in Olympia or reduce the member dues. Clark PUD’s membership will equate to about \$200,000 per year and the outstanding debt service is approximately \$280,000 at 7% interest rate.

VOUCHER APPROVAL:

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	48842-48879	\$558,850.85
Carson Water	6093-9096	\$ 2,216.46
Underwood Water	3604-3607	\$ 2,140.59

PUBLIC COMMENT:

- John Goodman – Voiced concerns about the capital outlay costs of the water source options being researched by the PUD.

Meeting adjourned at 11:57 a.m.

Clyde Leach, President

Dennis Gale, Secretary

The next regular scheduled Board of Commissioners' Meeting will be
Monday, March 18, 2013 at 9:00 a.m.