

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

April 15, 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; HR Coordinator Shonna Taylor; and Attorney Ken Woodrich.

MINUTES:

- Commissioner Gale made a **motion** and Commissioner Esch **seconded** to approve the April 1, 2013 minutes. **Motion passed unanimously.**

PUBLIC COMMENT:

- Liz Green – Questioned the amount the PUD is spending on legal services.

OLD BUSINESS:

- Commissioner Gale inquired about the email changes to be done by Radcomp. Auditor McEathron has not scheduled this yet.

NEW BUSINESS:

- **Wallis Engineering Professional Services Contract** –Manager Bischoff presented a Professional Services Contract between the PUD and Wallis Engineering for the Bear Creek source evaluation. The scope of work includes four tasks.
 - Task 1- Project Management component.
 - Task 2 - Bear Creek Source Transmission System Evaluation and Workshop to include corrosion evaluation with Cascade Corrosion Consulting Services, Structural Vulnerability Analysis by Peterson Structural Engineers on the trestle crossing; Geologic Hazard Vulnerability Analysis by Ash Creek Associates; and Field Evaluation Workshop with PUD staff and consultants to review.
 - Task 3 - Groundwater/Alternative Source Development, Mark Yinger Associates will do an evaluation analysis on test wells and document past history related to decisions combining all past work that he has done into one report.
 - Task 4 – Preliminary Bear Creek source Condition and Alternatives Summary to include, Summary of the evaluations and study results. Commissioner Esch inquired if the analysis would include the service life of the transmission line. Manager Bischoff explained this will be in the report. Manager Bischoff further explained this evaluation is information gathering to help in planning for future long-term water source for the Carson Water. Commissioner Gale inquired on the completion date. This project will commence in the May/June timeframe and

completed in the summer. After discussion, Commissioner Esch made a **motion** and Commissioner Gale **seconded** to approve the Professional Service Agreement with Wallis Engineering in the amount of \$27,836. **Motion passed unanimously.**

- **Transition Planning – Water Department Staffing** – Manager Bischoff announced that it will be necessary to begin transition planning for the retirement of Tim Ellis of the water department. There is interest from an internal employee or possible employees moving into this position, one is the meter reader. Manager Bischoff proposes an internal vacancy announcement to fill behind Tim Ellis with a contingency that the individual who is chosen does not start in that position until Tim Ellis retires. What that will allow, assuming it is the meter reader who fills in behind Tim, is to identify the next step in the transition plan. In this particular scenario, it looks like it will be hiring another meter reader. A two month overlap is desired to work through one complete billing cycle with the existing meter reader for a smooth transition. Manager Bischoff would like to move forward with an internal vacancy announcement contingent upon Tim Ellis' retirement and would like approval to post a vacancy. Attorney Woodrich clarified that the General Manager does not need approval and has authority provided the funds are in the budget.

ATTORNEY'S REPORT: None.

MANAGER'S REPORT:

- **Leak Detection:** Manager Bischoff reported on the recent leak detection contract, most work will be done primarily on the Carson Water System and if any time is left on the contract, the remaining will be used in Underwood. Commissioner Leach inquired about water loss updates. Manager Bischoff will gather the first quarter information to be provided to the Commission.

Project Coordinator Vacancy: Interviews have been completed and the final process should be completed by the end of the week.

Outage Report: Not many outages were experienced in March, no specifics to bring up. We did have a recent outage on Highway 14 out of the North Bonneville Substation, heading west. One of the circuit breakers did not function properly. With further investigation involving Triaxis, it was discovered the breaker was overstressed and failed. The breaker was too small for the fault capacity on the line. This event reemphasizes the need to complete the mapping project and do a follow-up engineering study of the electric plant to identify problems in the system.

AUDITOR'S REPORT:

- **Financial Reports:** Auditor McEathron presented 2012 Additions to Plant comparisons on capital improvements to what was budgeted. On the electric system for 2012 there are significant fluctuations in the budget. Underwood substation improvements that were originally planned were not done and in lieu of doing the substation improvements, work was done on the Highway 14 reconducting. This change and the January storm created some large variances from the budget. The overhead replacement variance was due to a significant amount of pole change outs. These tie in with the strategic planning discussion about planning, managing, and prioritizing work.

Commissioner Gale inquired about the line truck that was in the 2012 budget. Auditor McEathron explained the purchase was deferred to the 2013 budget to explore options to utilize the state contract. Commissioner Leach inquired if the old line truck will be retired. Manager Bischoff reported it will be retired.

Commissioner Leach inquired above the overage on mapping. Auditor McEathron explained a lineman was available to work with the Project Coordinator and there was a lot of progress made.

Attorney Woodrich explained that isolating an agency's capital projects typically shows the most variance. This is essentially a wish list that is subject to change. It would be different if this sort of variance was in operations and maintenance.

Break at 9:54 a.m. and then will enter into Executive Session at 10:00 a.m. to discuss potential litigation in accordance with RCW 42.30.110(1)(i) until 10:30 a.m.

Meeting reconvened at 10:30 a.m.

Auditor's Report Continued:

The Carson Water 2012 Additions to Plant compared to budget – Auditor McEathron explained there were some changes from the budget. Some of the items like line replacement and plant mixer were not done. The key component is the reservoir rehabilitation. Commissioner Esch inquired if there are deadlines with the Department of Ecology on the plant mixer and waste filter. Auditor McEathron understands from discussions with Tom Vance other items were more pressing and there was not an urgency to do that work.

Commissioner Leach asked for clarification of how projects that are not done carry over into the 2013 budget.

The Underwood Water 2012 Additions to Plant compared to budget – Auditor McEathron reviewed the capital improvements with the Commission. The Scoggins Rd to Little Buck replacement was completed. The Galligan Pump motor was purchased under budget. All the funds have not been used on the plan update, but will carry over to the 2013 budget. There was no line replacement due to the leak detection. Commissioner Esch inquired about the recent leak detection contract signed if the time on each system will be tracked. Auditor McEathron explained that the time will be tracked separately for each system and charged appropriately.

- **Bad Debts:** Auditor McEathron presented a list of bad debts. After discussion Commissioner Esch made a **motion** and Commissioner Gale **seconded** the motion to approve the bad debts in the amount of \$2,549.20. **Motion passed unanimously.**

COMMISSIONER'S REPORT:

- Commissioner Esch reported that he had attended the PPC meeting and will provide informational copies to the other Board members.
- Calendar Review

Commissioner Gale may not be able to make all the WPUDA meetings April 17-19. Manager Bischoff reported he will be going.

Commissioner Leach will attend the Energy Northwest Board Meeting April 24, 2013.

Commissioner Esch will attend the PPC meeting May 2, 2013.

VOUCHER APPROVAL:

Commissioner Gale inquired about check 49019 to L & I; all systems are on one check. He wanted to be sure this will be charged back to the other systems. Auditor McEathron advised these are charged to each system, but sent on one check, but will review the process. Commissioner Leach questioned check 49033. After discussion Commissioner Esch made a **motion** and Commissioner Gale **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	48996-49054	\$221,360.91
Carson Water	6109-6115	\$18,991.96
Underwood Water	3615-3616	\$ 9,926.06

PUBLIC COMMENT:

- Sherry Esch – Commented on the importance of financial reporting, reviewing policies, and suggested a collection policy.

Auditor McEathron explained that the overall collection efforts have shown very good results.

- John Goodman questioned the Project Coordinator hiring process.

Meeting adjourned at 11:00 a.m.

Clyde Leach, President

Dennis Gale, Secretary

The next regular scheduled Board of Commissioners' Meeting will be
Monday, May 6, 2013 at 9:00 a.m.