

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

June 20th, 2011

A regular meeting of the Board of Commissioners was called to order by President Dennis Gale at 9:00 am at the PUD office in Carson, WA. The following persons were present: Commissioner Curt Esch; Commissioner Clyde Leach; Commissioner Dennis Gale; Interim Manager, Robert Gentry; Auditor, Jasen McEathron; Attorney, Ken Woodrich; Work Order Specialist/HR Coordinator, Shonna Taylor.

MINUTES

- Commissioner Esch made a **motion** to approve the June 6th, 2011 regular meeting minutes. Commissioner Leach **seconded** the motion and the minutes were **approved unanimously**.
- Commissioner Esch made a **motion** to approve the June 8th, 2011 special meeting minutes. Commissioner Leach **seconded** and the minutes were **approved unanimously**.

PUBLIC COMMENT

- Sherry Esch – Offered her concerns of potential employment of the PUD attorney and settling matters with the former Manager.
- Liz Green – Inquired of staff pay raises.
- Mary Repar – Offered her views governance.
- Commissioner Leach advised that the Board was in the process of drafting a governance policy.
- Liz Green – Requested Attorney Woodrich explain executive sessions.

Attorney Woodrich explained the statutory provisions for executive sessions.

- Mary Repar – Offered her views on transparency and accountability.

ATTORNEY'S REPORT

The Commission went into Executive Session at 9:20 a.m. to discuss potential litigation (RCW 42.30.110 (1)(i)), consideration of candidate for public employment (RCW 42.30.110 (1)(g)), & real estate acquisition (RCW 42.30.110(1)(b))for a duration of 1 hour. Executive Session attendees: Commissioner Clyde Leach; Commissioner Curt Esch; Commissioner Dennis Gale; Auditor, Jasen McEathron; Interim Manager, Robert Gentry, and Attorney, Ken Woodrich.

Executive Session was extended until 11:00 a.m.

Executive Session was extended until 11:30 a.m.

Executive Session concluded at 11:30 a.m.

Public Meeting reconvened at 11:32 a.m.

Commissioner Gale discussed the Wind Generators' litigation regarding the non-dispatch issue and loss of production. Commissioner Esch made a **motion** to notify WPAG group of the District's intention to intervene in the group lawsuit. Commissioner Leach **seconded** the motion and the motion was **approved unanimously**.

Commissioner Gale directed management to contact WPAG of the District's intention to join the group filing.

NEW BUSINESS

- **Interim General Manager Agreement:** A **motion** was made by Commissioner Leach to approve the Interim General Manager Agreement. Commissioner Esch **seconded** the motion and the motion was **approved unanimously**.
- **Resolution No. 2376 to Appoint an Interim Manager:** A **motion** was made by Commissioner Leach to introduce Resolution #2376 to appoint Robert Gentry as Interim Manager. Commissioner Esch **seconded** the motion and the motion was **approved unanimously**.
- **Authorize Robert Gentry to Act as Interim Manager:** A motion was made by Commissioner Esch to authorize Interim Manager, Robert Gentry, to act as manager under 54.16.100 and the managerial authority given to Jasen McEathron is hereby repealed during the interim until Resolution #2376 is re-introduced and approved at the next regular meeting to be held July 5, 2011. Commissioner Leach **seconded** the motion and the motion was **approved unanimously**.
- **Carson Water Expansion – Stabler/USFS:** Jasen McEathron reported the District had been approached to add Stabler to the Carson Water System. This would involve other parties such as Skamania County and the Port of Skamania County and if this is a desire the Board would like to explore, an inter-local agreement could be done and explore a feasibility study.

Tom Vance, Water Distribution Manager, gave information to the Board and answered questioned on this issue and noted this would be a long-term project.

Attorney Woodrich spoke about water.

Commissioner Esch would certainly be in favor of securing water rights.

Jasen McEathron further explained that this was only at the feasibility phase and we have our interests as a utility that we would want as part of that study and suggested we set up a meeting with the county, port and other parties to further discussions.

Commissioner Gale would like staff to move forward with a preliminary investigation of this.

- **Connie Reservoir – Paint Failure:** Jasen McEathron reported to the Board that a paint failure of the interior of the reservoir had been discovered and it is still under warranty. Tom Vance explained the repair work would be done in time for fire season and he is asking that the warranty be extended for one more year.

OLD BUSINESS

- **Resolution No. 2371, Carson Water Use Efficiency Goals:** Jasen McEathron presented Resolution #2371, Carson Water Use Efficiency Goals. Commissioner Esch made a **motion** to accept Resolution #2371. Commissioner Leach **seconded** the motion and the motion was **approved unanimously**.

Break for lunch at 12:30 p.m. for 1 hour.

Meeting reconvened at 1:30 p.m.

DISCUSSION ITEMS

- **Underwood Community Council Meeting Request for July 21, 2011:** This date does not work for the full Board. Commissioner Leach would be willing to go as their representative if he was invited. Commissioner Leach will make contact with the Underwood Community Council regarding this. Commissioner Esch suggested Commissioner Leach find out the specifics they would like information on before attending the meeting.

Old Business Cont.

- **Hiring of Part-time Meter Reader/Water System Impacts:** Auditor, Jasen McEathron explained to the Board the need to move forward with hiring the part-time mechanic and would like to fill this position with our current meter reader and hire a part-time meter reader. The two current employees that work part-time on the mechanic side would go full time on water. He further explained the fiscal impact and need for the Carson Water System to get projects completed and John Shields could free up time for Tom Vance on regulatory relief, allowing Tom to focus on the projects needed to be done.

Tom Vance answered questions and concerns for the Board. Commissioner Esch expressed his concerns.

Commissioner Gale would like the management staff to present a preliminary report and move forward on this issue. Commissioner Leach would like to see the costs and justification and let management move forward as they see necessary.

Discussion Items Continued:

- **PUD Representation at Association Meetings:** Commissioner Esch will be attending the WPAG meeting on July 1, 2011. Commissioner Gale will be attending WAPUDA Water Committee Meeting and attend WPAG as well. Jasen McEathron will attend the PPC meeting on July 7, 2011 in Portland.
- **BPA Renewable Energy Credits (RECs):** Jasen McEathron discussed with the Board the need to make a decision for the management of its share of Renewable Energy Certificates (RECs). After discussion Commissioner Leach made a **motion** to authorize the Interim Manager, Robert Gentry, to sign the agreement on behalf of the utility with BPA to manage the District's portion of RECs. Commissioner Esch **seconded** the motion and the motion was **approved unanimously**.
- **Next Regular Board Meeting:** The next regular board meeting falls on July 4, 2011 a holiday. The next board meeting will be held Tuesday, July 5, 2011.

MANAGER'S REPORT

Interim Manager, Robert Gentry, introduced himself and did a brief biography. Explaining his last position was a contract worker for BPA helping write project management plans for project managers who do capital projects. Prior to this he was the District Auditor at Clark County PUD, retiring after 28 years. He also was the Energy Contract Administrator for Clark, monitoring credit compliance of contract counterparties for power and gas commodities. He was an officer of the Joint Operating Agency, working with retired PUD employees Bill Yee and Dennis Gale from Skamania County PUD.

AUDITOR'S REPORT

- **Cost of Service Study:** The meeting with the consultant from EES Consulting went very well. Accountant, Salvie Stevens did an outstanding job on pulling the information together for the consultant.
- **Bad Debt Write-offs:** - Jasen McEathron presented the Bad Debt Write Offs in the amount of \$3,285.33. Commissioner Esch made a **motion** to approve the bad debts as listed. Commissioner Leach **seconded** the motion and the motion was **approved unanimously**.

Old Business Continued

- **Attorney Healthcare:** This item was tabled to review the information provided by Sherry Esch.

COMMISSIONER'S REPORT

- Commissioner Gale reported the pay increase for the Project Manager was reviewed by the Board and the increase will not be reversed. The Project Manager has given notice to terminate employment as of July 5, 2011.
- Commissioner Esch inquired about WECC Compliance and the possibility of joining in with other utilities to de-register small utilities. Jasen McEathron reported he has moved forward with this and spoke with EES Consulting. This was a primary duty of our Project Manager and the consultant is checking into our status.

Liz Green questioned the Board on the raise given the Work Order Specialist. Commissioner Gale advised the Board is not going to address this issue.

VOUCHER APPROVAL

Vouchers were approved for payment by a **motion** made by Commissioner Esch.

Voucher	Number	Amount
Electric System	46454-46510	\$ 255,663.80
Carson Water	5792-5798	\$ 2,764.41
Underwood Water	3440-3441	\$ 98.68

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

The Commission entered into Executive Session at 2:55 p.m. for one half hour for potential litigation.

The meeting reconvened at 3:24 p.m.

Commissioner Gale directed Interim Manager, Robert Gentry, Auditor, Jasen McEathron and Attorney, Ken Woodrich to proceed as discussed.

Meeting adjourned at 3:25 p.m.

Dennis Gale, President

Curt Esch, Secretary

The next regular scheduled Board of Commissioner's Meeting will be:
Tuesday, July 5th, 2011 at 9:00 a.m.