

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

August 5, 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; Project Coordinator Melanie Sharp; and Attorney Ken Woodrich.

MINUTES:

- Commissioner Esch made a **motion** and Commissioner Gale **seconded** to approve the July 15, 2013 minutes. **Motion passed unanimously.**

PUBLIC COMMENT:

- None.

OLD BUSINESS:

- **Highway 14 Reconductor Project** - Auditor McEathron reported that the Highway 14 Reconductor Project was recently completed. The project spanned from 2007 to 2013 with a total cost of \$1,700,000. Upfront costs were \$450,000 for the initial contracted tree trimming work. The remaining costs were primarily for PUD crew work except minor activities such as flagging and excavation work. The project cost approximately \$160,000 per mile with tree trimming and \$114,000 per mile without tree trimming. The commissioners did not believe there was an initial cost projection for the project. Manager Bischoff stated that completing the work in house provided many benefits including developing the line crew's construction skills and knowledge.

DISCUSSION ITEMS:

- Commissioner Gale noted that there would be a benefit to having more in-depth discussions about certain issues during the board meetings. Commissioner Gale gave an example of a discussion about the possibility of bringing the treasurer work in-house. Manager Bischoff suggested that the Commissioners provide staff discussion items for inclusion in the agenda.

MANAGER'S REPORT:

- **WECC Deregistration Request** - Manager Bischoff reported that the request for deregistration with the WECC was denied based on the PUD having a peak load of 37MW (>25 MW requirement) and being directly connected to the bulk electric system at five 115 kV (> 100 kV) interconnection points with BPA. All other utilities that filed this same request for deregistration were also denied and sent the same email. Manager Bischoff stated that he submitted an appeal to NERC that includes the deregistration request and the denial. One of the main arguments stated in the appeal was the lack of effort by WECC to thoroughly evaluate our request. The new definition of a bulk electric system that will go into effect in 2014 would support our deregistration efforts.

ATTORNEY'S REPORT:

Entered into Executive Session at 9:30 a.m. to discuss Potential Litigation per RCW 42.30.110(1)(i) and Agency Enforcement Actions per RCW 42.30.110(1)(i) for a duration of 30 minutes. Executive Session was extended 40 additional minutes.

There was a break at 10:40 a.m. for 3 minutes.

- **Collective Bargaining Agreement – IBEW Local 125**– Commissioner Gale made a **motion** and Commissioner Esch **seconded** to ratify management's version of the Collective Bargaining Agreement – IBEW Local 125 contingent on minor language changes. Commissioner Gale noted that there was not an equipment operator classification listed in the agreement and Auditor McEathron replied that the position could be added in the future through an amendment to the contract. There was discussion about job duties related to job classification. **Motion passed unanimously.**

MANAGER'S REPORT CONTINUED:

- **HVAC Project** -Manager Bischoff discussed the HVAC replacement project in the PUD headquarters building. The savings associated with the replaced units have been higher than original estimates. There was also a revised BPA incentive in the amount of \$17,078.17 for a net cost to the PUD of \$40,258.62. Commissioner Gale inquired about the recent repair of the unit and Auditor McEathron reported that the problem was caused by a plugged condensate drain that was not part of the HVAC warranty.
- **Three Phase Transformer Update** – Manager Bischoff reported that the PUD owns a pad mount transformer bank that services Silver Star Cabinets located within a Port of Skamania facility. The transformer bank currently consists of three pad mount single phase transformers with a grounded neutral that provides three phase service. This configuration is causing circulating currents resulting in overheating. The PUD will be replacing the transformer bank with a new three phase transformer with an ungrounded neutral to alleviate the problem. The project is estimated to cost \$19,000 and a cost split with the Port is still being discussed. There was a discussion regarding whether there were any other instances of this specific transformer bank configuration and Manager Bischoff would investigate the issue further.
- **Large Load Policy** – Manager Bischoff discussed the need for a New Large Load Policy in view of the BPA Tiered Rate Methodology. Commissioner Gale commented that he is aware of other utilities creating a simple policy stating that new loads that exceed a determined MW/kWh threshold will be subject to a rate analysis before a rate structure will be set for that load.
- **Underwood Water System Gap Evaluation** – Manager Bischoff reported that Wallis has completed design work for water main installation along Cook-Underwood Rd and Cooper Ave. to improve service in that area of the water system. The PUD is evaluating what components may be constructed in 2013.
- **Bear Creek Mitigation** - Manager Bischoff reported that the mitigation letter has been sent to WDFW. Mitigation activities outlined in the letter were trap and haul, upgrading fish screens, and prioritizing groundwater withdrawal during baseflow conditions. He expects WDFW to send a letter of concurrence that can then be provided to the USFS to obtain the PUD's Special Use Permit.
- **BPA Contract & Residential Exchange status**- Manager Bischoff reported that he will inquire about the status of the BPA contract and residential exchange during the next WPAG meeting and then report back to the Commissioners.
- **Establish Financial Performance & Capital Improvement Targets**- Manager Bischoff reported that financial performance and capital improvement targets will be addressed by Auditor McEathron this summer during the 2014 budget preparations.

- **Call Center Communications** – Manager Bischoff reported that there has not been a regular method of coordination with the afterhours call center once the crew has completed a service restoration. The new policy will be for the crews to check back in with the call center after finishing a job to make sure no new information has come in and to make the call center aware of the status of crew activities.
- **Laurel Lane** – Manager Bischoff reported that the recent faults on Laurel Lane were in a section where the original underground cable is still in service. Laurel Lane underground cable will likely be replaced in 2014.

AUDITOR’S REPORT:

- **Conservation Program Update:** Auditor McEathron reported that the conservation program budget for FY14-15 is \$245,831. Auditor McEathron presented a recommendation to reinstate the residential and commercial/industrial incentives. Commissioner Esch made a **motion** and Commissioner Gale **seconded** to accept staff’s recommendation regarding the conservation program. Commissioner Leach requested clarification regarding the proposed rebate amounts and it was identified that the rebates were developed by BPA and based on calculated savings of the improvements. **The motion passed unanimously.**
- **Credit Card Limits:** Auditor McEathron presented a recommendation to update the credit card payment terms to accept credit card payment for all purposes, from all customers, and without limitations. Current fees paid by the PUD for credit card processing average \$920 a month. Commissioner Esch requested that Auditor McEathron investigate the use of American Express for credit card payment. Commissioner Esch made a **motion** and Commissioner Gale **seconded** to accept staff’s recommendation regarding the credit card limits and requested an annual report of costs of the program. **The motion passed unanimously.**
- **BPA Power & Transmission Rate Increase:** Auditor McEathron reported that overall BPA rates have increased 9% for power and 11% for transmission. Rates increases specific to Skamania PUD are 9.24% for power and 9.3% for transmission. He will continue investigating what attributes of our PUD drive our specific rates.

COMMISSONER’S REPORT:

- **General Manager Evaluation** – Commissioner Gale made a **motion** and Commissioner Esch **seconded** to adopt the General Manager Evaluation. **The motion passed unanimously.**

Break at 12:10 p.m. for lunch.

ATTORNEY’S REPORT:

Meeting reconvened and entered into Executive Session at 1:00 p.m. to discuss Employee Performance per RCW 42.30.110(1)(g) for a duration of 30 minutes. Executive Session was extended an hour and fifteen minutes until 2:45 p.m.

COMMISSONER’S REPORT CONTINUED:

- Commissioner Gale provided a summary of his attendance at the WUPDA meeting. He reported about the discussions related to the challenges and benefits of having audio recordings of board meeting. He also discussed liability for vehicle accidents, fleet washing, EMT training for personnel, and large load policies.
- Commissioner Leach attended the Energy Northwest meeting.

CALENDAR:

- Manager Bischoff will attend the WPAG meeting on August 8, 2013. He needs to verify a meeting is still scheduled.
- Commissioner Esch will be attending the PPC meeting on September 5, 2013.
- Commissioner Gale will be attending the WPUA meeting on September 18 – 20, 2013.
- The next scheduled board meeting is August 19, 2013. Manager Bischoff will be absent. Commissioner Leach will attend by phone.

VOUCHER APPROVAL:

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	49397-49469	\$570,725.97
Carson Water	6159-6167	\$33,956.61
Underwood Water	3636-3639	\$14,461.98

PUBLIC COMMENT:

- None.

Meeting adjourned at 3:00 p.m.

Clyde Leach, President

Dennis Gale, Secretary

The next regular scheduled Board of Commissioners' Meeting will be
Monday, August 19, 2013 at 9:00 a.m.