

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

August 15th, 2011

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

NEW BUSINESS

- **BPA Rate Increase-Kevin Farleigh, BPA Account Executive:** Kevin Farleigh from BPA attended the meeting to do a presentation and answer questions regarding the projected rate increase to the District's wholesale power rates. The draft projected rates in November were 10.6%, but the final rates that BPA has projected for the District breaks down to a 13.8% rate increase. The average increase for all BPA customers was a 7.8% increase. Mr. Farleigh explained what is driving Skamania PUD's rate above the average. He discussed the heavy load factor and the 6 year period of historical data. A load forecasting model was used, but BPA will look at actual use and this can be updated accordingly; referred to as load shaping and this true-up is utility specific.

Break at 9:55 a.m. for 5 minutes and the Commission will enter into Executive Session. Dick Rodruck from Pacific Underwriters joined the meeting for Executive Session.

Entered into Executive Session at 10:00 a.m. for 1 hour to discuss potential litigation (RCW 42.30.110 (1)(i)).

Executive Session ended to 11:00 a.m.

There was no action taken in Executive Session.

Break at 11:00 a.m. for 5 minutes.

Meeting reconvened at 11:05 a.m.

OLD BUSINESS

- **Cost of Service Study-Steve Andersen, EES Consulting:** Steve Andersen presented the Draft Cost of Service Results to the Commission. He reviewed the rate setting process, the result of the study and recommended rate options.

DISCUSSION ITEMS

- **Schedule Budget Workshop** – Discussion was held about a proposed budget workshop. Manager Gentry gave a timeline on the budget; September 6, 2011 will be the first reading of the budget. The second reading will be September 19, 2011 with the final presentation being October 3, 2011, the approval date. Manager Gentry suggested a possible workshop date for Thursday, September 8, 2011. Auditor Jasen McEathron welcomed the Board to phone staff with input in the meantime. Commissioner Esch commented that the report from Steve Andersen, EES

Consulting was very helpful and that he appreciated the work done from both Steve and staff. Commissioner Gale would like staff to review the Rate Stabilization Fund and determine how this fund will be used. Commissioner Gale suggests a budget workshop be set after the first reading in September.

- **SawNet Request** - A letter was received from Brian Adams of SawNet requesting the PUD to complete estimated work in advance of payment. SawNet would then submit the invoices to their federal funding source with a time period not to exceed 30 days and pay the PUD when the funds are received. Discussion will be held further after lunch.

Attorney Woodrich announced that a joint meeting was in the planning stage regarding water rights for the Carson Water System with the Port District, Skamania County and the PUD. The goal is to set the meeting the week of September 12th, 2011. This is a vision-brainstorming meeting and would like to know which of the commissioners would like to attend. If two commissioners attend, it will be a special meeting. He would also like staff members Robert Gentry, Manager, Jasen McEathron, Auditor and Tom Vance, Water Distribution Manager in attendance.

Break for lunch at 12:27 p.m. for 45 minutes.

Discussion Items Continued

- **SawNet Request** - A discussion was held regarding work being done in advance of payment and it was the conclusion from the Board to follow the current line extension policy, requesting payment in advance.

MANAGER'S REPORT

- **Outage Report** - Manager Gentry presented the outage report for the month of July 2011 and reported on the Highway 14 Reconductoring project.

AUDITOR'S REPORT:

- **Financial Reports:** Auditor Jasen McEathron presented financials to the Board. Commissioner Gale asked for a copy of the year end 2010 financials. The Commission reviewed the financials and Auditor McEathron answered questions presented.
- **Bad Debt Write-offs:** Auditor Jasen McEathron presented the Bad Debt Write-offs in the amount of \$1,676.05. Commissioner Esch made a **motion** to accept the list of bad debts. Commissioner Gale **seconded** the motion and the **motion was approved unanimously**.

COMMISSIONER'S REPORT

- Commissioner Esch attended the PPC meeting.
- Commissioner Gale expressed his concern over the federal government's debt reduction plan of the market based rates of the public marketing agencies (PMA's) and the impact it will have on the District and feels this needs to be watched closely.

CALENDAR

- WPAG meeting August 25, 2011 in Tacoma.
- PPC meeting September 1, 2011.
- WPUDA Association meeting September 14-16, 2011.
- WPUDA Water Workshop September 28-30, 2011. Tom Vance will be attending.

VOUCHER APPROVAL

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

Voucher	Number	Amount
Electric System	46670-46728	\$ 172,697.82
Carson Water	5813-5816	\$ 1,291.47
Underwood Water	3449	\$ 941.60

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

PUBLIC COMMENT:

- **Liz Green** - Commented on the May 24, 2011 Special Meeting and Commission comments regarding the meeting legality. Commission Esch and Commissioner Gale discussed the meeting and staff was directed to obtain an opinion from legal counsel.
- **Sherry Esch** – Offered questions about old business items and commented on a conversation overheard in the PUD lobby.

Commissioner Esch asked staff about grant expiration for the Carson Water System fish by-pass on Bear Creek. Manager Gentry reported that the grant expired without action and after conversations with Fish and Wildlife the District will have to reapply. Before this is done research is being done by Biologist, Mark Yinger and conversations with an engineering firm for a proposed design of the fish bypass.

Commissioner Gale inquired about the status of WRIA 29 and the services from George Laing, HR Consultant.

Meeting adjourned at 2:15 p.m.

Dennis Gale, President

Curt Esch, Secretary

The next regular scheduled Board of Commissioner's Meeting will be:

Tuesday, September 6th, 2011 at 9:00 a.m.