

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

September 16, 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 noted that the minutes should reflect that he recused himself after the August 29, 2013 Special Meeting started. Commissioner Gale made a **motion** and Commissioner Esch **seconded** to approve the August 29, 2013 Special Meeting with the changes noted. **Motion passed unanimously.**
- Commissioner Gale made a **motion** and Commissioner Esch **seconded** to approve the September 3, 2013 Regular Meeting minutes. **Motion passed unanimously.**

PUBLIC COMMENT:

- None.

ATTORNEY'S REPORT:

Entered into Executive Session at 9:05 a.m. to discuss Potential Litigation per RCW 42.30.110(1)(i) for a duration of 15 minutes. Commissioner Esch recused himself from the meeting. Executive Session was extended 10 additional minutes.

Meeting reconvened at 9:30 a.m.

NEW BUSINESS:

- **PSC Master Software & Licensing Agreement – Professional Computer Systems, Co. (renewal)** – Auditor McEathron presented a contract renewal for the PSC Master Software and Licensing Agreement that established 5% cap to annual fee adjustments. Commissioner Esch asked staff to update the Board annually on the costs associated with the contract. Commissioner Gale made a **motion** and Commissioner Esch **seconded** to approve the contract renewal with Professional Computer Systems, Co. based upon the calculated 2013 fees for licensing and estimated hosting fees but not including any new module purchases or any substantial changes to the system for 2014 that are not currently covered in the contract. **Motion passed unanimously.**
- **Monaghan Road (CW) & Scenic Heights (UW) Water Projects Bid Award – Halme Excavating** – Auditor McEathron presented the bid recommendation from Wallis Engineering for the Monaghan Road and Scenic Heights Water Projects. After discussion, Commissioner Gale made a **motion** and Commissioner Esch **seconded** to award the contract to Halme Excavating in the amount of \$162,357.75. **Motion passed unanimously.**

- **Resolution No. 2435 – Auditor Salary** –Manager Bischoff presented the proposed resolution. The Commissioners asked staff to revise Resolution No. 2435 Auditor Salary.
- **Legal Counsel Retainer** - Attorney Woodrich asked the Board to approve retention of Attorney Ramsey Ramerman as additional counsel for an ongoing lawsuit. Commissioner Gale made a **motion** to allow Attorney Woodrich to retain Ramsey Ramerman of on behalf of the district. Commissioner Esch recused himself from the vote. Commissioner Leach stepped down and **seconded** the motion. **Motion passed with two votes in favor.**

There was a 15 minute break at 10:50 a.m. The meeting reconvened at 11:05 a.m.

OLD BUSINESS:

- **Resolution No. 2434 – District Official & Employee Indemnification** – The Board discussed the proposed resolution and applicable statutes. The Commissioners directed staff to revise Resolution No. 2434 District Official & Employee Indemnification.

There was a 1 hour lunch break at 12:00 p.m. The meeting reconvened at 1:00 p.m.

NEW BUSINESS CONTINUED:

- **Resolution No. 2435 – Auditor Salary** – Manager Bischoff presented the revised proposed resolution incorporating the Commissioners’ earlier comments. Commissioner Gale made a **motion** and Commissioner Leach stepped down and **seconded** to approve Resolution No. 2435 regarding the Auditor Salary. **Motion passed with two votes for and Commissioner Esch voting against.**

DISCUSSION ITEMS:

- **Separate Water Service Issue** – Manager Bischoff reported on the separate water service issue. Manager Bischoff will gather more information on the specifics of the other identified cases.

OLD BUSINESS CONTINUED:

- **2014 Proposed Budget – Second Draft** – Auditor McEathron presented the second draft of the 2014 proposed budget. The Board discussed several line items with management and financial health factors considered by rating agencies. Auditor McEathron also presented information regarding the factors that influence our BPA power costs. Manager Bischoff presented information on Arc Flash policies and expenses for flame retardant clothing. The Commissioner’s requested scenarios of electric rate revenue increases be presented at the next meeting to improve the cash position of the PUD.

AUDITOR’S REPORT:

- **Bad Debts-** Auditor McEathron presented bad debts in the amount of \$4,975.51. After discussion, Commissioner Gale made a **motion** and Commissioner Esch **seconded** to approve the Bad Debts. **Motion passed unanimously.**

MANAGER’S REPORT:

- **BPA Outage** - Manager Bischoff reported on the 8 hour BPA outage planned for September 22, 2013.
- **Outage Report – August 2013** - Manager Bischoff presented the August 2013 outage report. There were 4 URD faults, 2 varmint faults, 1 tree/branch fault, 1 insulator failure, and 1 faulted cable.
- **BPA Contract and Residential Exchange** – Manager Bischoff discussed that BPA is treating customers who refused to sign the settlement agreement the same as those customers who did sign the agreement. The PUD is being treated as though we did sign the agreement including receiving the REP refund.
- **Large Load Policy** - Manager Bischoff reported that the Large Load Policy still needs to be added to the Strategic Plan.
- **Establish Financial Performance & Capital Improvement Targets** - Manager Bischoff reported that they are working on establishing financial performance and capital targets as part of the budgeting process and that it is also an Action Priority in the Strategic Plan.
- **Three Phase Transformers** - Manager Bischoff reported that the Silverstar three phase transformer has been changed out. There are approximately five or six other installations of that specific configuration in the system. There is no factor driving replacement of these pad mounted 3-phase transformer banks.
- **Leak Detection** - Manager Bischoff reported that the leak detection planned for Underwood will occur in an area previously surveyed. The age and condition of the waterline in this area contribute to ongoing leaks.

COMMISSONER’S REPORT:

- None.

CALENDAR:

- The WPUDA Meetings are scheduled for September 18-20, 2013.
- The WPUDA Water Workshop is scheduled for September 25-27, 2013.
- The PPC Meeting is scheduled for October 3, 2013.

VOUCHER APPROVAL:

After discussion 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	49587-49650	\$284,715.38
Carson Water	6187-6191	\$ 5,319.72
Underwood Water	3650-3655	\$ 4,707.47

PUBLIC COMMENT:

- None.

Meeting adjourned at 3:10 p.m.

Clyde Leach, President

Dennis Gale, Secretary

The next regular scheduled Board of Commissioners' Meeting will be
Monday, October 7, 2013 at 9:00 a.m.