

COLUMBIA RIVER PEOPLE'S UTILITY DISTRICT
Regular Meeting
March 16, 2004

The Regular Meeting of the Board of Directors of the Columbia River PUD was called to order by president, Darrel Purkerson, at the Deer Island District Office at 7:00 p.m. The following individuals were present:

Directors:

Dave Baker
Carol Everman
Darrel Purkerson
Richard Simpson
Loren Tarbell

Staff:

Rick Lugar
Steve Hursh
Valarie Koss
Connie Quick
Libby Amerman
Thad Roth
Brent Barclay
Susan Schwirse

Consultants:

Darren Born, Auditor
Scott Mueller, Auditor

Public:

Arielle Sullivan, Student

The following proceedings were had (all action being first duly moved and seconded, and all action taken being upon the unanimous vote of the Board or without dissenting vote or abstention, unless otherwise stated):

Public Comment: None

DISCUSSION OR ACTION ITEMS

1. **Minutes, February 17, 2004 Regular Meeting:** The Board took action to approve the Minutes of February 17, 2004 as presented.
2. **Financial Reports for December 2003, January and February 2004:** R. Lugar reviewed the graphs with the Board and presented the current financial reports. He also reported there would be a new look to the Financial Reports beginning in March 2004. The Board took action to approve the December 2003, January 2004 and February 2004 Financial Reports as presented.
3. **Accounts Payable for February 2004:** R. Lugar reported that the check to the State of Oregon for Unclaimed Property was \$5,765.58. He also reported that checks totaling \$442,000 had been paid to the cities for Franchise Fees in accordance with

the Franchise Fee Agreements. The Board took action to accept the Accounts Payable for February 2004 as presented.

4. **Outage Report for February 2004:** S. Hursh presented the Outage Report. The Board took action to accept the Outage Report for February 2004 as presented.
5. **Write-Offs for March 2004:** The Board took action to approve the Write Offs for March 2004 as presented.
6. **Resolution 04-02, Accepting the Independent Auditor's Report:** Scott Mueller and Darren Born from Kenneth Kuhn & Co presented the 2003 Audit. S. Mueller advised that they were issuing a clean, unqualified opinion – which is the best opinion that can be given. R. Lugar reported that Management Staff would prepare a response to the Management Letter prepared by the Auditors addressing how Advanced Benefits Administrator's will be audited in the future to meet the new audit requirement. The Board took action to approve Resolution 04-02, Accepting the Independent Auditor's Report.
7. **BPA CRAC Adjustment:** R. Lugar advised that staff's recommendation is to increase the CRAC Adjustment from \$0.0062 to \$0.007 beginning April 1, 2004 to allow the PUD to recover the BPA CRAC charges and to begin collecting \$297,000 that was under-collected in 2003 on CRAC charges. He advised that staff is recommending applying the Williams Settlement when it comes in to offset the amount under-collected in 2003. The Board took action to set the CRAC Adjustment at \$0.007 for all bills rendered after April 1, 2004.
8. **Internet Pricing Options:** B. Barclay presented the Board with the information reviewed by the in-house team. Considerable discussion occurred. The Board took action to approve staff's recommendation to implement Rate Schedules 100, 101, 102, and 110 and directed staff to provide an update on the Internet Business at the August Board Meeting.
9. **Joint Use Agreements - Cancellation:** S. Hursh reviewed each of the contract terms with the Board. The Board took action to direct staff to terminate the joint pole agreements with Comcast, Century Tel, Qwest and USA Media as recommended by staff and to offer new agreements to them for joint pole contacts.
10. **9th Circuit Litigation – CRPUD v. BPA:** The Board took action to direct Legal Counsel to withdraw Columbia River PUD from the 9th Circuit Litigation, CRPUD v. BPA – WP-02 Wholesale Power Rates as recommended by K. Gibson.
11. **Special Meeting – April 6, 2004:** The Board took action to call for a Special Meeting on April 6, 2004 from 1:00 p.m. to 4:30 p.m. to discuss the 2004 Work Plan in a Workshop setting along with any other business that may come before the Board.

12. **Customer Accounts Presentation:** S. Schwirse presented the Board with 2003 Statistics.

DISCUSSION ONLY ITEMS

13. **Public Comment:** None

14. **Information Agenda:** None

15. **Board Report:** L. Tarbell reported on the meeting with Senator Cantwell and Senator Smith's staff regarding Bonneville, the Army Corp of Engineerings and their coordination with the D.C. Delegation. The emphasis for the meeting was on reducing rates.

L. Tarbell reminded the Board of the OPUDA Meeting on March 19th and NRU Meeting on March 31st.

D. Purkerson reported on the OPUDA Strategic Planning Meeting on March 5th and he advised that the meeting was shorter than expected and the action taken would be reviewed at the next OPUDA Board Meeting on the 19th of March.

16. **Staff Report:** B. Barclay advised that a correction to the Internet Report in the Staff Agenda needed to be made to reflect the YTD Dial-up loss is 78 customers. He also advised that graphs are provided at the end of the Staff Report showing how the money is being spent for C&RD and how much has been discounted off the power bill representing BPA credits and CRPUD expenses are nearly in balance.

L. Amerman advised she is working with R. Freeman to create a new website for OPUDA.

S. Hursh reported that we have installed 900 TWACS meters and we are reading about 500 TWACS meters. Additional meters have been ordered.

There being no further business to come before the Board, the meeting was adjourned at 10:15 p.m.

Columbia River People's Utility District

By _____
Valarie L. Koss