

COLUMBIA RIVER PEOPLE’S UTILITY DISTRICT
Regular Meeting
December 19, 2006

The Regular Meeting of the Board of Directors of the Columbia River PUD was called to order by President, Carol Everman, at the Deer Island District Office at 6:00 p.m. The following individuals were present:

Directors:

Dave Baker
Carol Everman
Darrel Purkerson
Richard Simpson
Loren Tarbell

Staff:

Kevin Owens
Rick Lugar
Steve Hursh
Valarie Koss
Thad Roth
Brent Barclay
Dwight Matney

Consultants:

Stacey Mark, Ater Wynne

Public:

John Odenthal
Pat Harbison
Lonny Welter
Karen Voss
Judy Taylor
Nyla Pilon
Kyle Hausner
Carl Lang

Public continued:

Rich Voss
George Taylor
Fergus Pilon
Shawn Mollenhour
Bette Lang

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 Hearing 2007 Operating and Capital Budget:

C. Everman opened the Public Hearing at 6:05 p.m.

Staff Comments: R. Lugar provided an overview of the 2007 Budget.

Public Testimony/Comments/ Questions: None

C.Everman closed the Public Hearing at 6:15 p.m.

Board Deliberation: L. Tarbell thanked the Advisory Committee for participating in the Budget Meetings and asked Staff to extend the Board’s thanks and appreciation for their participation and thoughtful questions. D. Purkerson thanked Staff for the change in presentation of information.

K. Owens echoed his thanks to the Advisory Committee, Board and Staff.

Public Comment: Lonny Welter addressed the Board regarding a recent hiring decision. Fergus Pilon, John Odenthal, Pat Harbison, Rich Voss, George Taylor and

Bette Lang addressed the Board with concerns about the Retiree Healthcare Benefit for existing retirees.

L. Tarbell read a letter from shop steward, J. Carter, requesting the Board defer discussion and action on changes to the Retiree Healthcare Policy into the record.

DISCUSSION OR ACTION ITEMS

1. **Policy 1-5 Director's Expenses and Compensation:** The Board took action to approve Policy 1-5, Director's Expenses and Compensation, L. Tarbell voted Nay.
2. **2007 Operating and Capital Budget:** The Board reviewed the Staff summary presented. The Board adopted the 2007 Operating and Capital Budget as presented.
3.
Minutes, November 14, 2006 Special Meeting Budget Advisory Committee: The Board took action to approve the minutes of the November 14, 2006 Budget Advisory Meeting as submitted.
Minutes, November 21, 2006, Regular Meeting: The Board took action to approve the minutes of the November 16, 2006 Regular Board Meeting.
Minutes, November 28, 2006 Special Meeting Budget Advisory Committee: The Board took action to approve the minutes of the November 28, 2006 Budget Advisory Committee as submitted.
Minutes, December 5, 2006 Special Meeting: The Board took action to approve the minutes of the December 5, 2006 Special Board Meeting as submitted.
4. **Financial Reports for November 2006:** R. Lugar advised that electric sales were up and margins were strong. The Board took action to accept the Financial Reports for November 2006 as presented.
5. **Accounts Payable for November 2006:** The Board took action to approve the Accounts Payable for November 2006 as presented.
6. **Outage Report for November 2006:** The Board took action to accept the Outage Report for November 2006 as presented.
7. **Write-Offs for December 2006:** After some discussion, the Board took action to approve the Write Off list for December 2006 as presented.
8. **Award Bid – 2007 Line Construction Materials:** The Board took action to award the bid for 2006 Line Construction Material for individual items to each vendor as follows: Western States Electric in the amount of \$42,696.48; General Pacific in the amount of \$27,007.05; WESCO in the amount of \$22,088.94; and Platt Electric in the amount of \$7,621.10 as it represents the lowest cost to the District.

9. Resolution 6-08 Canvassing the Vote and Certifying the Results of the November 7, 2006 Election: The Board took action to authorize Resolution 6-08, Canvassing the Vote and Certifying the Results of the November 7, 2006 Election .

10. Amend Retiree Healthcare Policy: Following considerable discussion, the Board took action to amend the Retiree Healthcare Policy as follows as recommended by Staff:

- Change the age eligibility requirement to 58 and retain the other eligibility requirements;
- Create a benefit subsidy for retirees who have reached age 58 at the time of retirement from the PUD which would be equal to a payment to a VEBA-like account upon retirement as follows:
 - The benefit subsidy for a retiree who has 30 years of service with the PUD is equal to sixty months (five years) of the Premium Cost in effect as of the first day of the month coincident with or following the date of retirement.
 - The Premium Cost will represent a level of benefit comparable to 100% for the retiree and 50% for their spouse.
 - No spouse benefit will be included if the retiree is not married at the time they retire.
 - No spouse benefit will be included if the retiree is a spouse of a PUD employee/retiree.
 - The benefit subsidy will be reduced for a retiree who has less than 30 years of service but who meets all the other eligibility requirements by an age factor and a service factor.
- Allow the retiree the ability to purchase access to healthcare coverage through the PUD for the retiree and eligible dependants until the retiree becomes eligible for Medicare coverage, the spouse of the retired employee becomes eligible for Medicare coverage and the child turns 18 years of age;
- Make the healthcare coverage subject to the terms and conditions of eligibility and changes in coverage that may change from time to time; and
- Eliminate the service factor discount for retirees that were hired in 1984.

11. Executive Session: The president advised that after a brief recess, the Board would reconvene in executive session under ORS 192.660 (2)(h), consultation with legal counsel. Instructions were read to the public and press. A brief recess was called at 8:00 p.m. The Board reconvened in executive session at 8:05 p.m. The board reconvened in regular session at 8:15 p.m.

Amend Retiree Healthcare Policy: Following the Executive Session, discussion occurred regarding the elimination of the 1984 service factor discount. The Board took further action to make the amendment to the Retiree Healthcare Policy subject to legal review and that only that item found to be out of legal compliance would be separated and removed from the amendment.

12. **Current Retiree Healthcare:** Following considerable discussion, the Board took action to offer a package to current retirees as follows:
- Make a financial contribution to a VEBA account for the retiree that represents the equivalent of the current COBRA rate of \$540 per month per eligible participant to age 65 or a minimum of 60 months (at the rate of \$540 per month per eligible participant through age 65 and \$150 per month per eligible participant past age 65) to a VEBA account for the retiree;
 - Assume a 7% annual escalation factor;
 - Offer the equivalent of an additional 84 months of supplemental coverage at the rate of \$150 per month per eligible participant for retirees who are currently retired;
 - Applies a service factor of 20 years at 100%;
 - Provides access to healthcare coverage through the PUD upon payment of the COBRA rate for the coverage selected for the retiree and dependants until the retiree becomes eligible for Medicare coverage, the spouse of a retired employee becomes eligible for Medicare coverage and the child turns 18 years of age.
 - Makes the healthcare coverage subject to the terms and conditions of eligibility and changes in coverage as changed from time to time; and
 - Implements the changes effective January 1, 2007.
13. **Armstrong Stock Certificate:** R. Lugar advised the Board that a stock certificate had been issued to the PUD as resolution of their bankruptcy. The Board took action to authorize Staff to take action to negotiate the stock certificate and deposit the funds in to the general account.
14. **Public Comment:** G. Taylor thanked the Board for their consideration.
15. **Board Report:** L. Tarbell reported that he attended the PPC Annual Meeting with K. Owens and D. Simpson and that the results of the elections for the Executive Committee would be good representation for the PUD's interests. D. Simpson reported that he attended the Watershed Council Meeting and that concerns were expressed on the impact of the proposed LNG Plant on fish. D. Baker expressed concerns about the tree trimming crew. C. Everman reported that the trees left as a buffer on Parkdale Road continue to be a problem in her area during wind storms.
16. **Staff Report:** K. Owens reported that the tree trimming crew and Staff did outstanding work during the recent wind storm and that once power was restored to PUD customers, the crews assisted Clatskanie PUD and West Oregon Electric Co-Op under our mutual exchange agreement. K. Owens commended Staff for their dedication to the customers.
- S. Hursh reported that the system would be undergoing the annual Infrared Scan. R. Lugar advised that IRS updated the mileage for 2006 and it would decrease to 48.5 cents per mile.

17. Resolution 6-09 Setting the Salary of the General Manager: The Board deferred action on the evaluation and resolution to the January meeting due to the time constraints.

There being no further business to come before the Board, the meeting was adjourned at 8:40 p.m.

Columbia River People's Utility District

By _____
Valarie L. Koss