

COLUMBIA RIVER PEOPLE’S UTILITY DISTRICT
Regular Meeting
February 16, 2016

A. CONVENE MEETING

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

Directors:

David Baker
Jake Carter
Craig Melton
Harry Price – via telephone
Richard Simpson

Staff:

Libby Calnon, Communications Specialist
Rick Calnon, IT
Tim Lammers, Energy Services
John Nguyen, Interim General Manager
Tracy Pinder, Accountant II
Heidi Ralls, Administration
Branden Staehely, Engineering
Sonia Wendelschafer, Human Resources

Consultants:

Philip Griffin, Attorney
Kenneth Kuhns, Kenneth Kuhns & Co.
Darren Born, Kenneth Kuhns & Co.

Public:

Monica Cannon	Danette Carter	Jack Carter
Sharon Carter	Dave Ehrenkranz	Debbie Esterline
Mary Fawcett	Jerry Hickey	Kathy Hoffman
Ian Lamma	Michelle Lamma	Joanne Lammers
Joe Lewis	Jim Marquardt	Ronda Melton
Jared Motherway	Spencer Muller	Annie Nguyen
Brady Preheim	Connie & Ron Quick	Debbie Reed
Mary Jo Simpson	Debbie Wanke	Nancy Ward
Sherry Welter	Andrew Wendelschafer	Courtney Vaughn – Spotlight

1. **Agenda – Requests for Additions or Deletions:** President Carter called for changes to the published Agenda. He noted Action item #9 will be moved to the top of agenda and also noted there will be no Executive Session. No other additions or deletions were made to the agenda.
2. **Public Comment:** President Carter apologized for the mistakes he made at the last Board meeting. He thanked Joe Lewis for pointing out the error of not properly announcing the Executive Session. J. Carter also indicated he contacted Mr. Lewis to let him know how the errors will be avoided in the future noting the bold asterisk next to Executive Session on the Agenda directing the reader to the back of the page where the notice will be. It will be read prior to going into Executive Session from here on out.

Debbie Esterline commented on an article published in the February 12 edition of the Spotlight and how it had a negative impact on employees. She expressed her concern that the article reported on a small portion of a large report and failed to publish BOLI findings in favor of

Interim General Manager J. Nguyen. She encouraged the public to speak with employees in regard to the current status within the office.

Joe Lewis questioned if PUD employees needed to be discussed in Executive Session rather than in the public.

Brady Preheim had concerns with Director Price's physical absence from two Board meetings and felt he should possibly resign. Mr. Price was in attendance via telephone. His daughter indicated he was physically absent due to mobility issues, not health issues. Mr. Price echoed her statement specifying he was in good health.

Mr. Preheim also asked for an update on the Employee Survey that was suggested at the last two meetings. S. Wendelschafer responded that Actidyne, a third party agency, will administer the survey. The goal is for 100% participation. To ensure confidentiality there will be 30 close ended questions and no demographics will be collected. Employees will respond directly to Actidyne. The survey is expected to be done soon.

Mr. Preheim expressed concern with how the Board is to move forward. He suggested the entire Board resign and be replaced with an entirely new Board.

Debbie Reed, speaking on behalf of herself and her husband Mark, publically recounted an interaction her elderly mother-in-law had with Director Baker's son Riley, after she allowed an anti-recall sign to be posted in her yard. This interaction left her feeling afraid and intimidated. The interaction resulted in a complaint filed with the state elections division against Director Baker.

B. ITEMS FOR ACTION

- 1. Resolution 16-02: Adopting Regulatory Accounting for Pension Expenses:** Ken Kuhns explained how applying Governmental Accounting Standards Board (GASB) statements No. 62 and 68, through adopting Resolution 16-02, could benefit the PUD. As an entity allowed to set its rates, the PUD is required to record the effects of the rate-making process in the financial statements. GASB No. 68 requires reporting changes in the net pension liability to be expensed in the year the change occurs and No. 62 would allow the PUD to capitalize costs or revenues as a regulatory asset or liability and recognize when those costs were recovered from or refunded to customers. Darren Born indicated the new practices do not change how information is being reported to PERS, it only changes how it is reflected in financial statements.

Mr. Kuhns indicated reports from PERS would not be available until March so the audit report would not be available for presentation until the April Board Meeting. Director Melton asked if this resolution has been reviewed by staff. T. Pinder acknowledged it had been reviewed and staff recommends adopting the resolution in order to provide a more accurate reflection of our financial position. Directors C. Melton/R. Simpson moved to adopt Resolution 16-02: Adopting Regulatory Accounting for Pension Expenses. No further discussion.

Vote: Unanimously approved

2. **Minutes, January 11, 2016 Special Meeting - Workshop:** Directors D. Baker/C. Melton moved to approve the Minutes of the January 11, 2016 Special Meeting - Workshop as presented. No discussion. *Vote: Unanimously approved*
3. **Minutes, January 21, 2016 Regular Meeting:** Directors D. Baker/R. Simpson moved to approve the Minutes of the January 21, 2016 Regular Meeting as presented. No discussion. *Vote: Unanimously approved*
4. **Financial Reports:** T. Pinder noted the reports do not include a Balance Sheet or Income Statement. She indicated that due to the new accounting treatment there is a delay with PERS so the audit will not be ready until April but staff is hopeful to present complete financial reports for December 2015, January 2016, and February 2016 at the March Meeting. T. Pinder pointed out January month-end total cash balances less long-term debt reserves was at \$8.5 million. This amount is a bit high as BPA was late in drafting the January payment yet it is strongly above the minimum cash reserve limits. Directors C. Melton/D. Baker moved to accept the financial report as presented. No further discussion. *Vote: unanimously approved*
5. **Accounts Payable:** T. Pinder provided descriptions on a number of payments. Directors C. Melton/R. Simpson moved to approve the Accounts Payable as presented. President Carter thanked Tracy for the proactive explanations of certain payments. *Vote: Unanimously approved*
6. **Board Management Advisory Team:** J. Nguyen pointed out that early last year the Board took action to appoint a Board Management Advisory Team for the purpose of meeting with staff when Board interaction is needed. Last year the team consisted of the President and one other member. President Carter suggested it was a good idea to have two directors to set the agenda so all the burden was not on one person. After some discussion, staff was directed to create a resolution or policy for the Board to annually set a Board Management Advisory Team consisting of the President and one other Director along with an alternate. This will be addressed at the March Meeting.
7. **Rate Schedule 60 – Street and Highway Lighting (Update LED Lighting):** B. Staehely reviewed the background of this request indicating some cities would like to install LED lighting to reduce monthly energy and maintenance costs. Directors C. Melton/H. Price moved to approve the change to Rate Schedule 60 – Street and Highway Lighting to include a monthly energy cost for LED lighting. Discussion: The Board inquired if the PUD would set the standard and set the type of fixture? B. Staehely indicated that is the expectation. *Vote: unanimously approved*
8. **Rate Schedule 90 – Miscellaneous Services & Fees (Update GenerLink Charges):** T. Lammers provided background on the existing GenerLink program and the differences between it and the new program. There was some discussion on the benefits of a GenerLink, most importantly, the safety provided to our Crews in outage situations. After additional discussion, Directors R. Simpson/C. Melton moved to approve the change to Rate Schedule 90–Increase the charge to \$11.00 for all new GenerLink Transfer Switch Lease Agreements signed on, or after, March 1, 2016. No further discussion. *Vote: unanimously approved*

- 9. Bid Authorization – Correcting Low Clearance Service Violations:** B. Staehely reviewed the background for the bid. Directors C. Melton/R. Simpson moved to authorize staff to solicit sealed bids for electrical contractors to repair remaining low services for 2016, with the bid opening to be held at the office of Columbia River PUD on April 1, 2016 at 3:30 pm pacific prevailing time. No further discussion. *Vote: unanimously approved*

C. ITEMS FOR DISCUSSION

1. Reports:

- a. **Outages:** B. Staehely reported significantly fewer outages in January than in December.
- b. **Write-offs:** T. Lammers reported a total of \$1,285.75 in write-offs for February. T. Pinder noted a change to the report, all write-offs under \$20 will be aggregated.
- c. **Staff:** J. Nguyen reported staff participated in BPA's Focus 2028. He gained a greater understand of the challenges BPA is facing in the upcoming years and noted they are working hard to streamline their processes and looking at where they can cut costs. He indicated staff will continue to be actively involved in the process.

T. Lammers added that he was pleased with BPA's eye on the long range plan and encouraged the PUD Board and staff, as budgets are reviewed, to think about what makes sense in the long term for our customers.

R. Calnon reported the IT department is still upgrading servers, new exchange servers & sequel servers. He noted the new mapping program appears seamless on the iPads.

H. Ralls stated that beginning with the March meeting there will be an audio recording of the meetings which will be used as a tool to aid in preparing minutes. She indicated these recordings will be preserved according to proper records retention schedules.

S. Wendelschafer reported the position of Sr. Accountant was posted with a deadline of March 17.

- 2. Board Comments:** Director Price thanked the Board for allowing him to work out of the rehabilitation facility in Longview. He expects to be in Deer Island at next month's meeting.

Director Simpson attended the NRU Meeting on February 3. He reported that John Saven is retiring. Roger Gray from EWEB will be the new CEO. He also reported that there is an OPUDA Board meeting this Friday.

President Carter reminded guests to sign the attendance sheet before leaving if they hadn't already.

- 3. Public Comment:** Debbie Wanke stressed how upsetting the recall effort was for her and questioned information heard on a local call in radio show regarding why Craig Melton was chosen for the recall.

Dave Ehrenkranz addressed Ms. Wanke's questions admitting that the recall committee decided to attempt one recall instead of three and since he was a resident in Director Melton's district that is who was chosen.

Debbie Esterline questioned Director Baker on the reasoning behind each listed point for the recall. Director Baker responded with no comment.

Nancy Ward expressed concern with a lack of respect for the recall process by the group against the recall.

Debbie Esterline rebutted Ms. Ward's concerns.

Debbie Reed asked Director Baker what to tell her mother-in-law when asked why he feels Director Melton is a liar & criminal. Director Baker responded to tell her he didn't say that.

Brady Preheim urged the public to ask questions of the Chief Petitioner, not Director Baker.

Dave Ehrenkranz volunteered, as Chief Petitioner, to answer the questions posed to Director Baker.

After considerable discussion regarding the recall effort, President Carter indicated the meeting would come to an end as the current discussion was not related to CRPUD Board business.

4. Executive Session: None

There being no further business to come before the Board, the meeting was adjourned at 7:30 p.m.

Columbia River People's Utility District

By 
Heidi Ralls, Board Secretary