

COLUMBIA RIVER PEOPLE’S UTILITY DISTRICT
Regular Meeting
April 19, 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
Richard Simpson

Staff:

Libby Calnon, Community & Public Relations
Rick Calnon, IT
Eli Crape, Operations
Tim Lammers, Energy Services/Cust Accounts
John Nguyen, Interim General Manager
Tracy Pinder, Accounting & Finance
Heidi Ralls, Administration
Branden Staehely, Engineering

Consultants:

Philip Griffin, Attorney
Kenneth Kuhns, Kenneth Kuhns & Co.
Scott Muller, Kenneth Kuhns & Co.

Public:

Jack Carter	Sharon Carter	Dave Ehrenkranz
Kathy Hoffmann	Judi Kellar	Joan Lammers
Sharin Lomnicky	Jim Marquardt	Jennifer Nelson
Annie Nguyen	John & Kathy Odenthal	Brady Preheim
Debbie & Mark Reed	Mary Jo Simpson	Courtney Vaughn – Spotlight

1. Agenda – Requests for Additions or Deletions: None

2. Public Comment: None

B. ITEMS FOR ACTION

1. Resolution 16-03: Accept Audit Report: Kenneth Kuhns and Scott Muller of Kenneth Kuhns and Company provided a detailed review of the 2015 Audit Report. Scott Muller provided a detailed explanation of new accounting standards in relation to pension liabilities, specifically PERS. The audit resulted in an unmodified clean opinion which is the best opinion any entity can earn. K. Kuhns complimented staff in their professionalism in providing records and assistance.

Mr. Kuhns noted the audit would have been distributed earlier but there was a delay in receiving additional information from the PUD’s insurance company. President Carter and J. Nguyen extended their thanks to Kenneth Kuhns & Company and to staff for doing fine job.

Directors C. Melton/R. Simpson moved to adopt Resolution 16-03: Accept Audit Report, as presented. *Vote: Unanimously approved*

2. **Minutes, March 15, 2016 Regular Meeting:** Directors D. Baker/R. Simpson moved to approve the Minutes of the March 15, 2015 Regular Meeting as presented. *Vote: Unanimously approved*
3. **Financial Reports for December 2015, January, February, March 2016:** T. Pinder reviewed the financial reports from December 2015 through March 2016. After some discussion, Directors R. Simpson/C. Melton moved to approve the Financial Reports for December 2015, January, February, and March 2016 as presented. *Vote: unanimously approved*
4. **Accounts Payable for March 2016:** T. Pinder reviewed several payments, emphasizing the amount paid out in franchise fees totaled \$576,877. Directors C. Melton/R. Simpson moved to accept the Accounts Payable for March 2016 as presented. Discussion: None *Vote: unanimously approved*
5. **Selection Process - General Counsel:** J. Nguyen indicated a Request For Proposal (RFP) was issued in 1999; in 2010 when General Counsel, K. Gibson, changed law firms, the Board took action to retain him as PUD's General Counsel. According to Policy 2-25: Purchasing and Contracting, this would qualify as a personal services contract which is not exempt from the competitive Bid/Proposal process.

Director Baker commented on the cost comparison of another PUD for legal services. J. Nguyen reviewed the average fees paid by CRPUD from 2008 through 2015. In light of the past practices of the Board, Director Carter suggested the Board review the Purchasing Policy and consider changing it to reflect the past practice of the Board and to allow more flexibility in choosing General Counsel.

After further discussion, Directors C. Melton/H. Price moved to continue to use Philip S. Griffin of Clarke Griffin, LLC as Interim General Counsel for the PUD, and review the selection for an Attorney of Record–General Counsel at the June Meeting. *Vote: unanimously approved*

6. **Policy 1-11: Board Governance–Amendments:** Director Baker remarked that amendments to the Board Governance Policy should be done by the Board, not the President and General Counsel. The remark was duly noted. P. Griffin indicated that the revisions provided additional structure in regard to the conduct of meetings. He also noted the revisions were circulated to Board about four weeks ago. After little discussion Directors C. Melton/H. Price moved to adopt Policy 1-11: Board of Directors Governance, Revision 1 as presented. *Vote: Yea: Melton, Price, Carter; No: Simpson and Baker. Motion approved*
7. **Selection – Board Management Advisory Team:** Director Carter indicated that the newly adopted revisions to the Board Governance Policy require a 2nd member on the Board Management Advisory Team. Director Melton volunteered. Director Simpson volunteered as an alternate. Directors H. Price/C. Melton moved to appoint Director Melton as the second

selected member of the Board Management Advisory Team with Director Simpson as the alternate. *Vote: unanimously approved*

8. **Policy 2-23 – Cash Management–Amend:** J. Nguyen reported the cash reserves level is below the \$8.2 million target as set in June 2015. He cited two reasons: the outage in December which cost approximately \$550 thousand, and the payment of \$577 thousand for franchise fees in March. A reimbursement of nearly \$375 thousand is expected from FEMA which will bring the reserve levels above the targeted \$8.2 million. After considerable discussion, Directors C. Melton/R. Simpson moved to do nothing and directed staff to continue evaluating revenues and expenses on a monthly basis. *Vote: unanimously approved*
9. **Award Bid: Correct Low Clearance NESC Violations:** B. Staehely reviewed the bid process. The Board questioned the language in the bid on changes; B. Staehely indicated change orders can be submitted once PUD staff verifies and authorizes the changes. B. Staehely reported that staff met with the low bidder at some of the worst case addresses to ensure the extensive work was accounted for in the bid. After further discussion, Directors R. Simpson/C. Melton moved to award the bid to the lowest responsible bidder, Eagle Electric LLC, in the amount of \$56,788.00. *Vote: unanimously approved*
10. **Request for Bid – Voltage Regulators:** B. Staehely reviewed the request for bid. After little discussion, Directors D. Baker/C. Melton moved to authorize staff to solicit sealed bids for the purchase of six (6) voltage regulators, with the bid opening to be held at the office of Columbia River PUD on May 12, 2016 at 3:00 pm pacific prevailing time. *Vote: unanimously approved.*

C. ITEMS FOR DISCUSSION

1. **Selection Process–General Manager:** President Carter indicated the subject of a permanent General Manager requires evaluation prior to August and is looking for comments or suggestions from the Board. Director Melton expressed a desire to start the process of looking for a general manager. Director Simpson echoed the sentiment to have an application process. Director Baker commented that Northern Wasco is very happy with their new General Manager. President Carter commented on the support J. Nguyen has from the staff and reminded the Board of the high marks received from the Acti-dyne employee survey. He would like to keep the option open to appoint J. Nguyen as General Manager. Director Price thanked J. Nguyen for his hard work, fair treatment of employees and overall integrity. No action was taken.
2. **Reports:**
 - a. **Outages:** E. Crape reported on the outages from March. He noted it is common for Osprey and other bird nests to create outages this time of year.
 - b. **Write-offs:** T. Lammers indicated the write off amount for April is higher than normal. He provided explanation for certain write-offs and praised the Customer Accounts department for being diligent in collecting write-offs when individuals move back into the service territory.

- c. **Staff:** J. Nguyen reported that he, B. Staehely, and L. Calnon will be attending the Celilo Ribbon Cutting Ceremony in The Dalles on Thursday. He provided an update on the various open recruitments.

B. Staehely provided an update on the Rosehill Substation project, noting the transformer manufacturer was in process of testing. Once testing is complete and satisfactory, the transformer will be energized.

- 3. **Board Comments:** Director Simpson mentioned receiving three different notices recently. He has given them to H. Ralls to share with J. Nguyen.

Director Baker remarked how valuable the Romain Group is to the rural communities.

Director Carter shared that he was invited to Career Day at the St. Helens High School next week and asked if any line PUD staff would be available to attend.

- 4. **Public Comment:** MaryJo Simpson inquired about the annual Spaghetti Dinner.

Dave Ehrenkranz asked for the definition of RFQ's or RFP's.

Brady Preheim asked about the PUD's policy on drug testing in relation to marijuana. He asked about the deposit policy for small commercial businesses. Mr. Preheim also requested information on the declaratory judgement process.

Debbie Reed inquired on the status of the election complaint status. P. Griffin indicated it is a State decision.

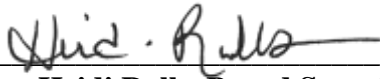
- 5. **Executive Session:** The President advised that after a brief recess, the Board would reconvene in executive session under ORS 192.660(2)(h), consultation with counsel concerning legal rights and duties regarding current litigation or litigation likely to be filed.

A brief recess was called at 8:04 p.m. The Board reconvened in executive session at 8:07 p.m. The following were present: Directors: H. Price, R. Simpson, D. Baker, J. Carter, C. Melton; Staff: J. Nguyen, H. Ralls; General Counsel: P. Griffin; Press: C. Vaughn - Spotlight.

The Board reconvened in regular session at 8:25 p.m.

There being no further business to come before the Board, the meeting was adjourned at 8:25 p.m.

Columbia River People's Utility District

By 
Heidi Ralls, Board Secretary