

COLUMBIA RIVER PEOPLE’S UTILITY DISTRICT
Regular Meeting
May 12, 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 Secretary called the roll of the Board. 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
Sonia Wendelschafer, Human Resources

Consultants:

Philip Griffin, Attorney

Public:

Joe Baker	Jack Carter	Sharon Carter
Kathy Hoffman	Jennifer Nelson	Annie Nguyen
John Odenthal	Debbie Reed	Courtney Vaughn – Spotlight
Andrew Wendelschafer		

- 1. Pledge of Allegiance:** President Carter led the Board in the pledge of allegiance.
- 2. Agenda – Requests for Additions or Deletions:** President Carter noted Action Item number six would be added: Bid award - Purchase Voltage Regulators.
- 3. Public Comment:** President Carter read the rules for the public comment period from Policy 1-11: Board of Directors Governance.

Jennifer Nelson, an employee of Columbia River PUD, read a statement signed by many office staff, in support of J. Nguyen being appointed as permanent General Manager.

B. ITEMS FOR ACTION

- 1. Minutes, April 19, 2016 Regular Meeting:** Directors R. Simpson/D. Baker moved to approve the Minutes of the April 19, 2016 Regular Meeting as presented. *Vote: Unanimously approved.*
- 2. Financial Reports for April, 2016:** T. Pinder explained that due to the early date of this meeting, the Board was receiving an abridged version of the finances for April. She continued with the review of the financial reports. Power costs are trending below budget; cash reserves, less long-term debt reserves were at \$7.46 million. T. Pinder reminded the Board of the

extenuating circumstances that have contributed to low cash reserves including the windstorm pay out and the Rose Hill Substation transformer purchase. Cash reserves are expected to return to desired levels in the near future. Discussion occurred on the FEMA reimbursement status. J. Nguyen indicated there would be a mid-year budget review. If cash reserve levels remain low, staff will be looking at budget cuts in order to preserve rates. Directors D. Baker/H. Price moved to approve the Financial Reports as presented. *Vote: unanimously approved.*

- 3. Accounts Payable for April, 2016:** T. Pinder reviewed several payments. Director Baker expressed his concern with the high monthly cost of legal fees noting Tillamook PUD, a utility similar in size, only paid \$3,000 in non-electrical related legal fees last year. President Carter reported that staff looked into legal fee trends from all Oregon PUD's. With the review of a six year average ranging from \$83 thousand to \$232 thousand, CRPUD's average is mid-range at \$141 thousand. Directors R. Simpson/C. Melton moved to approve the Accounts Payable as presented. *Vote: unanimously approved.*
- 4. Selection Process – General Manager:** J. Nguyen reviewed the process and options, indicating Staff had no recommendation. Director Baker stated the Board owes it to the community and rate payers to open up the process to hire the most qualified so his choice is Option 1. Director Price suggested Option 3. C. Melton inquired what process was used with the previous General Manager recruitment. J. Nguyen and Director Simpson provided information on the last selection process handled in-house, noting the time was quite lengthy, five to seven months, and the process was quite involved. President Carter expressed an interest in continuing with J. Nguyen based on his performance thus far and the letter of support from employees. He noted the last recruitment through a headhunter did not have a favorable outcome; he would prefer to see recruitment from within. After considerable discussion, Directors H. Price/C. Melton moved to approve Option 3: Do nothing and review the General Manager Selection process at the August Board Meeting. *Vote: Yes: Melton, Price, Carter; No: Baker; Abstain: Simpson (undecided). Motion approved.*
- 5. Policy 2-26 Power Sales Contract Requirements:** J. Nguyen reviewed the policy. Currently, eight customers would fall under the requirements of this policy, two of which have contracts. After brief discussion, Directors C. Melton/R. Simpson moved to rescind Policy 2-26: Power Sales Contract Requirements. Discussion: None. *Vote: Unanimously approved.*
- 6. Award Bid - Voltage Regulators:** B. Staehely reviewed the bid process, definitions, and options. Directors C. Melton/H. Price moved to approve Option 4: Award the bid for the purchase of six (6), single-phase, pole-mounted voltage regulators to Anixter for the Cooper Power Systems Regulators in the total amount of \$65,894.16. Discussion: None *Vote: unanimously approved.*

C. ITEMS FOR DISCUSSION

1. Reports:

- a. Outages:** E. Crape reported on the one large outage out of the Rosehill Substation which lasted about 20 minutes.

- b. **Write-offs:** T. Lammers expounded on write-off #1 as it was a larger than normal write-off amount.
- c. **Staff:** J. Nguyen reported his participation in a recent BPA workshop for rate period 2018-2019. The Tier 1 allocation decreased our head room from 2.1 aMw to 1.3aMw for 2018-2019. He has been in discussions with NRU and is suggesting a Board workshop in August to consider the options for future load growth and the potential to lock in a long term contract with a rate close to the current Tier 1 rate.

B. Staehely indicated the new Rose Hill transformer has been serving customers as of April 28. He reported filing two self-determinations to WECC and NERC, one for the transmission facilities and one for the transformers, to get out of the bulk electric system. WECC accepted both, NERC accepted one. An approval for deactivation from distribution plan was submitted as well. Upon acceptance of both self-determinations by WECC and NERC, the PUD will no longer be regulated by bulk electric system which is regulated by WECC and NERC.

L. Calnon attended a resource management committee meeting last week. It was reported that a Coop in Idaho completed an above high water mark purchase from the open market through the NESC Coop Group, a subsidiary of NEMS. The process proved to be a positive experience for the utility.

T. Lammers reported on current energy efficiency projects.

S. Wendelschafer provided an update on recruitments. R. Swanson will start Monday, May 16 as an Accountant 1. Testing will resume for the Energy Specialist 1 position. Applications are being reviewed for the Systems Support Specialist 1 and the Community/Public Relations Coordinator. We expect to make an offer for the Customer Accounts Supervisor soon. Grady Groom of Scappoose, who attends George Fox University, started May 9 as an intern.

T. Pinder reported several external reports have been submitted. She is looking forward to having a couple of months to regroup and update the budget-to-actual reports.

H. Ralls noted the utility is looking to take advantage of the state purchasing contract to begin using an armored car service in an effort to mitigate risk to employees.

E. Crape noted the crews are preparing to work on the third feeder out of the fairgrounds substation. In an effort to avoid damaging old water lines, staff is obtaining pricing to have a contractor vacuum dig the holes.

He also reported there may be an opportunity to purchase a used hole-digger from Tillamook PUD. The options are being explored.

- 3. **Board Comments:** Director Simpson asked about the progress of the low service violation corrections.

Director Baker asked about a statement in the Annual Report regarding litigation contingencies. J. Nguyen noted it cannot be discussed in public session due to current litigation.

- 4. Public Comment:** John Odenthal of Warren commented on the qualifications of the current Interim General Manager and expressed his support of John Nguyen as General Manager. He also reminded the Board of the possible costs associated with a recruitment process.

Debbie Reed of Scappoose commented on current and previous General Counsel billings, suggesting current bills are at an appropriate level. She expressed her support of both the current General Counsel and the Interim General Manager.

Andrew Wendelschafer of Scappoose asked Director Baker why he was recording Ms. Reed's comments when there was already a recording of the meeting being made.

- 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 7:06 p.m. The Board reconvened in executive session at 7:09 p.m. The following were present: Directors: Richard Simpson, Harry Price, David Baker, Jake Carter, Craig Melton; Staff: John Nguyen, Heidi Ralls; General Counsel: Philip Griffin; Press: Courtney Vaughn, Spotlight.

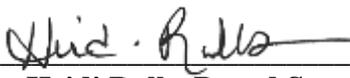
The Board reconvened in regular session at 7:39 p.m.

P. Griffin read a portion out of the Attorney General's Public Records and Meetings Manual indicating the public cannot be prohibited from recording the proceeding of a public meeting.

Debbie Reed asked to be put on record that she felt Director Baker's recording of her public comment was intimidation, there were four other people who spoke and she was the only one he recorded. Ms. Reed stated she is officially putting a complaint on file.

There being no further business to come before the Board, the meeting was adjourned at 7:43 p.m.

Columbia River People's Utility District

By  _____
Heidi Ralls, Board Secretary