

Special Meeting – Rate Advisory Committee
June 22, 2017

The Special Meeting of the Board of Directors of the Columbia River PUD was called to order by Vice-President, Harry Price, at the Deer Island District Office at 5:00 p.m. Notice was provided to the press and interested parties. The following individuals were present:

Directors:

Jake Carter
Rob Mathers
Harry Price
Debbie Reed

Staff:

John Nguyen
Libby Calnon
Mikka Mullican
Branden Staehely
Rick Calnon

Tracy Pinder
Heidi Ralls
Tim Lammers
Sonia Wendelschafer

Consultants:

Steve Andersen, EES Consulting

Committee Members:

Jeff Mapes
Bill Eagle
Kyle Stonelake

Jack Carter
Matt Brown

Dan Garrison
Dave Lawrence

Grant Gillis
John Bob

Public:

Sarah Black Rachel Swanson

Rob Mathers advised that the Special Meeting was called to discuss the 2017 Cost of Service Analysis and proposed BPA rate increase. He welcomed the Rate Advisory Committee and thanked them for attending. Introductions were made.

DISCUSSION OR ACTION ITEMS

- 1. 2017 Cost of Service Analysis (COSA):** J. Nguyen shared information about the importance of being a 100% BPA preference and load following customer. He reviewed the cost of power noting there is an anticipated Power and Transmission rate increase of 5.5% from BPA effective October 1. J. Nguyen also provided a history of rate increases back to 2009 and followed up with a review of the retail rate process. He emphasized the financial challenge of aligning revenues with costs when there is a decrease in energy usage by consumers and a need to maintain the transmission and distribution system to meet demand and the level of service expected by customers.

The meeting continued with President Carter in attendance.

T. Pinder provided information on the similarities and differences in the language of Budget and COSA. She reviewed the PUD's 2017 year end budget projections, revenue requirements, and cash reserves along with expected power purchases.

Steve Anderson, EES Consulting, reviewed the preliminary COSA results, key issues, and possible rate designs with the committee.

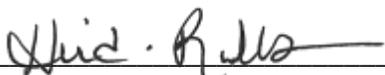
Discussion ensued regarding the various scenarios provided through the COSA. Of largest concern was the inequity between the rate classes. Multiple questions, comments and suggestions were offered by committee members including a desire to see the potential impact on the customer of the various models presented.

The committee as a whole understood an increase in the monthly basic customer charge is required to properly cover the fixed costs of providing quality service to each customer. There was discussion regarding the role of the committee to both provide input to the Board and to fulfill a role as ambassador to help provide information to the community and relay input to the utility. The committee agreed that if rate changes are necessary, clear communication with the public is paramount.

The Board and Staff extended their appreciation to the Committee for their invaluable time and contributions and notified the Committee there is a second meeting scheduled for August 1, 2017 at 5:00 p.m.

There being no further business to come before the Board, the meeting was adjourned at 8:05 p.m.

Columbia River People's Utility District

By  _____
Heidi Ralls, Board Secretary