

**COLUMBIA RIVER PEOPLE’S UTILITY DISTRICT**  
**Regular Meeting**  
**July 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 following individuals were present:

**Directors:**

David Baker  
Jake Carter  
Craig Melton  
Harry Price  
Richard Simpson

**Staff:**

Libby Calnon, Community & Public Relations  
Eli Crape, Operations  
Tim Lammers, Energy Services  
Mikka Mullican, Customer Accounts  
John Nguyen, Interim General Manager  
Tracy Pinder, Accounting & Finance  
Heidi Ralls, Administration  
Branden Staehely, Engineering  
Sonia Wendelschafer, Human Resources

**Consultants:**

Philip Griffin, General Counsel

**Public:**

Kyle Boggs	Jack Carter	Sharon Carter	Dave Ehrenkranz
Kathy Hoffman	Judi Kellar	Joann Lammers	Mark Larson
Jennifer Nelson	Annie Nguyen	Kathy Odenthal	Debbie Reed
MaryJo Simpson	Courtney Vaughn, Spotlight		

1. **Pledge of Allegiance:** President Carter led the Board in the pledge of allegiance. The Board observed a moment of silence for the fallen officers in Dallas, Texas and their families.
2. **Agenda – Requests for Additions or Deletions:** None
3. **Public Comment:** None

**B. ITEMS FOR ACTION**

1. **Minutes, June 21, 2016 Regular Meeting:** Directors C. Melton/R. Simpson moved to approve the Minutes of the June 21, 2016 Regular Meeting as presented.  
*Vote: Unanimously approved*
2. **Financial Reports for June 2016:** The June 2016 Financial Reports were distributed and reviewed. T. Pinder reported net operating margin for June was a loss of \$27,100 with the year to date net margin at \$1.6 million. She indicated because of the early timing of the Board meeting, the BPA Transmission Bill for June is an estimate. T. Pinder reported at June month-end, total cash balances were at \$8.6 million. Directors R. Simpson/H. Price moved to approve the financial reports for June as presented. *Vote: unanimously approved*

3. **Accounts Payable for June 2016:** T. Pinder reviewed the cash disbursement cover page and several payments. After little discussion, Directors D. Baker/C. Melton moved to accept the Accounts Payable as presented. *Vote: unanimously approved*

C. **ITEMS FOR DISCUSSION**

1. **2016 Budget: Mid-Year Review:** J. Nguyen provided a 2016 Mid-Year Report. He reported on transformer replacement, testing and maintenance for safe, reliable service. Feeder tie construction between substations and various upgrades occurred in preparation for growth in the community. He indicated the PUD has been helping customers lower their electric bills with \$191,891 in energy efficiency rebates so far this year and low-income Senior Discounts. Energy Education programs in our local schools have been well received. Planning is underway for construction of a solar PV system in the Rainier School District. The Board adopted a Board Governance Policy in January 2016, and internally, an Employee survey scored an 8.42 out of ten, the highest marks compared to other PUDs surveyed. J. Nguyen noted staffing levels have increased and IT projects are underway to aid in ensuring the PUD operates properly, effectively and securely. He continued that the budget is on track and the utility received a clean audit. Staff coordinated a request from Columbia County to combine the two storms in December resulting in an expected FEMA refund of \$379,600. J. Nguyen thanked all staff, the Board and the public for the support.

T. Pinder followed with a comprehensive report reviewing the 2016 budget through June. She noted that in preparing the year-end forecast, an attitude of conservatism was used by underestimating revenues and overestimating expenses. Power sales and power costs were reviewed. Residential usage has decreased by 3.5% due to unseasonable weather. All other rate classes remain near or at the budgeted levels. T. Pinder reviewed the budget by department providing highlights for large variances. In summary, the financial condition of the PUD is positive. There is no anticipated need for budget cuts for 2016. The Leadership team will continue assessing the monthly budget to actual reports. The tentative 2017 budget schedule was reviewed.

2. **Policy 2-23 Cash Management:** T. Pinder reported in accordance with Policy 2-23 Cash Management, the cash reserve levels are to be reviewed annually. In preparation for the mid-year review and the 2017 budget season, she attended a class sponsored by the APPA Academy where she learned a simplified approach to the development of cash reserves policies. She is proposing an update of the methodology for Policy 2-23: Cash Management, using readily available information from the Annual Budget, Annual Audit Report and Monthly Financial Statements.

T. Pinder provided a detailed review of risk factors to consider: Operations & Maintenance; Power Costs; Historical Asset investment; Annual Debt Payment; Capital Plan. The new methodology does not result in a big difference from the current Policy. Using current numbers and the new methodology, the minimum cash balance should be \$7,968,878. This amount reflects Days Cash on Hand at 103 days, meaning how long, in days, the district could meet operating expenses without receiving new income. The typical target range is 90 - 120 days. T. Pinder suggested that with the simplified approach, anyone could calculate

the required cash minimum utilizing existing information. It is a strong and defensible methodology. Staff will present the amended Policy 2-23: Cash Management for adoption at the August Board meeting.

### **3. Reports:**

**a. Outages:** E. Crape reviewed the outages for June 2016.

**b. Write-offs:** M. Mullican indicated the net write off for the month of July is \$185.60.

**c. Staff:** S. Wendelschafer provided an update on recruitments. She reported on a meeting with the account representative from EBMS discuss health care renewal, and announced Darin Smith as Employee of the Month for June. S. Wendelschafer reported there are two new hires, Daniel Avrit, Systems Support Specialist I; and Kyle Boggs, Community/Public Relations Coordinator. Kyle Boggs introduced himself to the Board. President Carter welcomed him.

M. Mullican reported the PUD is now utilizing a courier service for bank deposits reducing risk to employees.

B. Staehely anticipates a refund from FEMA within the week. He reported the five year system maintenance and inspection has been completed for two substations. He plans to go out for bid for a couple of projects including rock holes and customer work.

E. Crape reported the Fairgrounds substation work was completed two days ago. This is a big deal. Reliability has increased; this substation can handle any load from either substation in St. Helens and secures the area for growth for a long time.

L. Calnon reported attending a Homeland Security and Emergency Management Meeting for Columbia County today. She reported on the PPC meeting held last week noting their participation with the Columbia River Treaty and with BPA's rate setting process. L. Calnon noted it is nice to have Kyle on board, he led the effort in the Rainier Days parade receiving a 1st place trophy for our float.

T. Lammers indicated land and site work is progressing for Cascades Tissue. He met with the corporate energy manager to discuss lighting, variable speed drives, and dust collection for Phase 1. Cascades is very interested in the energy savings incentives.

J. Nguyen reported that he and B. Staehely are looking for possible substation sites to accommodate growth in South Columbia County.

**3. Board Comments:** Director Melton assured staff that the Board hadn't forgotten about a needed hole-digger truck. E. Crape reported the mechanic that works on our equipment had an opportunity to see the truck we are hoping to purchase from Tillamook PUD. It's a good truck that has been well maintained.

President Carter reported on the July 15 OPUDA Board meeting. He also thanked staff on behalf of the Board for the mid-year review reports.

**4. Public Comment: None**

- 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; and ORS 192.660 (2)(b) to consider the dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent who does not request an open hearing.

A brief recess was called at 7:54 p.m. The Board reconvened in executive session at 8:00 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 8:22 p.m.

There being no further business to come before the Board, the meeting was adjourned at 8:22 p.m.

**Columbia River People's Utility District**

By  \_\_\_\_\_  
**Heidi Ralls, Board Secretary**