

COLUMBIA RIVER PEOPLE'S UTILITY DISTRICT
Special Meeting – Retreat
September 18, 2018

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 1:00 p.m. Notice was provided to the press and interested parties. The following individuals were present:

Directors:

Rob Mathers
Craig Melton
Harry Price
Debbie Reed

Staff:

Eli Crape, Operations
Kristen Dean, Customer Accounts
Lil Guisinger, Accounting & Finance
Tim Lammers, Energy Services
Lonny Lee, IT
John Nguyen, General Manager
Heidi Ralls, Administration/Public Relations
Branden Staehely, Engineering
Sonia Wendelschafer, Human Resources

Consultants:

None

Public:

None

- 1. Draft – 2019 Operating & Capital Budget/5-Year Strategic Plan:** J. Nguyen advised the purpose of the meeting is for Staff to engage the Board with the budgeting process for 2019. He reviewed the discussion topics indicating staff would address the major cost drivers in both PUD General and within their individual department budgets. He also indicated that a six percent rate increase beginning October 1, 2019 had been built into the budget. While we are losing the third largest customer, we are seeing an increase in small and mid-size general service customers.

Staffing levels were discussed including the potential to add a Field Engineer. The permanent part-time Janitor position was reviewed and K. Dean addressed the Billing Analyst/Customer Accounts position that will help our current Billing Analyst as well as backfill in Customer Accounts.

S. Wendelschafer and L. Guisinger reviewed Payroll & Benefits noting the 2.75% increase for non-represented employees is only an estimate. We rely on market numbers and will have additional information as we move closer to December. L. Guisinger discussed the projected PERS rate increases for 2019.

S. Wendelschafer reported the 2019 medical stop loss premium coverage rate increased by 1.87% compared to last year's 12.3%. Cobra rates increased just over 11%; we continue to monitor and evaluate this plan.

The NISC conversion carryover is expected to be approximately \$140,000. T. Lammers spoke of the building and grounds projects, specifically the water system, flooring in restrooms/locker rooms as well as some other maintenance highlights.

Discussion occurred regarding the Betsy Johnson Substation Dedication budget which is tentatively scheduled for spring.

The Economic Development Grant program was discussed. The Board may consider increasing the amount available for recipients. Staff will gather additional information and report back to the Board at a future date.

L. Lee continued with the IT budget, noting staff is exploring the purchase of a new phone system late in 2019. There are several cost benefits with securing a phone subscription service through Comcast. A Document Management System is being explored with implementation scheduled toward the latter part of the year. The IT budget also includes funding for the purchase and replacement of the SAN and servers.

T. Lammers reviewed the building and grounds maintenance schedule which includes a new fire alarm system, a fire suppression water tank heater, emergency exit doors, refinishing critical areas of the exterior walls, and refurbishing the existing yard irrigation sprinkler system.

E. Crape reviewed the vehicle replacements scheduled for 2019 along with other capital equipment. He discussed the recent trends for tree trimming.

B. Staehely covered the substation transformer ages as well as other capital and construction projects according to the five-year plan.

L. Guisinger completed the preliminary budget review, including other deductions and income such as bond principal and interest payments, property taxes, and franchise fees.

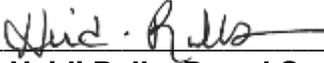
After a short break, the Board and Staff discussed the possibility of rate-basing the cost of the transformer for WR3 and the cost to redo the steel in the St. Helens circuit breakers. If the Board was so inclined, the cost would be included in the COSA for 2019.

J. Nguyen provided information on the potential need to build a new substation in Rainier. The expected timeline would be about five years which would include coordination with BPA. Now is the time to begin that dialogue. After considerable discussion, staff was directed to gather additional information for future conversation.

J. Nguyen reviewed the proposed changes to the five-year strategic plan set to be adopted at the December 2018 Board meeting.

There being no further business to come before the Board, the meeting was adjourned at 3:53 p.m.

Columbia River People's Utility District

By  _____
Heidi Ralls, Board Secretary