

COLUMBIA RIVER PEOPLE’S UTILITY DISTRICT
Regular Meeting
September 20, 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
Monica Cannon, Administration
Eli Crape, Operations
Tim Lammers, Energy Services
Mikka Mullican, Customer Accounts
John Nguyen, Interim General Manager
Tracy Pinder, Accounting & Finance
Heidi Ralls, Administration
Sonia Wendelschafer, Human Resources

Consultants:

Philip Griffin, Attorney

Public:

Heather Arnis	Joe Baker	Colleen Belisle	Jack Carter
Sharon Carter	Dave Ehrankranz	Mary Fawcett	Kathy Hoffman
Judi Kellar	Mark Larson	Tammy Maygra	Ronda Melton
Elva Mills	Jennifer Nelson	Annie Nguyen	Debbie Reed
Brady Preheim	Connie Quick	Mike Sheehan	Mary Jo Simpson
Debbie Wanke	Nancy Ward	Sherry Welter	Andrew Wendelschafer
Courtney Vaughn, Spotlight			

1. **Pledge of Allegiance:** President Carter led the Board in the pledge of allegiance.
2. **Agenda – Requests for Additions or Deletions:** President Carter had two additions: Item 11: Board Governance Policy Complaint Procedures; and Item 12: Board Governance Policy Complaint/Hearing.
3. **Public Comment:** None

B. ITEMS FOR ACTION

1. **Minutes, August 16, 2016 Special Meeting – Workshop:** Directors C. Melton/R. Simpson moved to approve the Minutes of the August 16, 2016 Special Meeting – Workshop as presented. *Vote: Unanimously approved.*

2. **Minutes, August 16, 2016 Regular Meeting:** Directors D. Baker/H. Price moved to approve the Minutes of the August 16, 2016 Regular Meeting as presented. *Vote: Unanimously approved.*
3. **Financial Reports for August 2016:** T. Pinder presented the August 2016 Financials Reports. She noted, as a reminder, the graphs are specified as Kilowatt usage and the revenues are the dollar amounts. She reported a Net operating margin of \$1,820,725. Pinder noted the Operating expenses reflect a steep decline due to the FEMA reimbursement. Directors C. Melton/R. Simpson moved to approve the Financial Reports for August 2016 as presented. *Vote: Unanimously approved.*
4. **Accounts Payable for August 2016:** T. Pinder reviewed several payments. After little discussion, Directors C. Melton/H. Price moved to approve the Accounts Payable for August 2016 as presented. *Vote: Unanimously approved.*
5. **Resolution 16-05: Extend Interim General Manager Contract:** President Carter reminded the Board they took action to extend the Interim General Manager Contract at the August Board Meeting. H. Ralls indicated the Resolution needed to be adopted as a follow up to the Board action. Directors C. Melton/R. Simpson moved to Adopt Resolution 16-05: In the Matter of Extending the Employment Contract for Interim General Manager of the District. *Vote: Unanimously approved.*
6. **Policy 1-12: Certification of Board Candidate Eligibility:** H. Ralls provided background information on the Certification of Board Candidates. General Counsel P. Griffin explained he is responsible for screening and contacting the candidates to make sure they meet the requirements to serve on the Board as outlined in ORS 261. He will report his findings to the Board. Directors C. Melton/H. Price moved to take action to adopt Policy 1-12: Board Policy – Certification of Board Candidate Eligibility as presented. *Vote: Unanimously approved.*
7. **Policy 2-15: Deferred Compensation Program - Amend:** T. Pinder reviewed the background of the Retirement Plans offered to employees. The purpose of the review was to ensure that the plans are clearly outlined, administered appropriately, and are in compliance with current IRS regulations. Staff worked with Jeffrey Robertson of the firm, Barran Liebman, to amend and restate the District’s 401(a) defined contribution. Staff also updated the handbook to clearly define the difference between the 457(b) Deferred Compensation Plan and the 401(a) Defined Contribution plan. Directors D. Baker/R. Simpson moved to adopt the Retirement Plans – Policy 2-15 revision as presented. *Vote: Unanimously approved.*
8. **BPA 3rd Purchasing Period Election:** J. Nguyen provided background on the BPA Load Service Notification. He noted that this election would not prevent the PUD from purchasing additional load from the open market if rates remain at or below Tier 1 pricing. Directors C. Melton/H. Price moved to Notify BPA by September 30, 2016 that CRPUD’s A-RHWM’s loads established in September 2020 through 2024 for periods detailed above will be met as follows:

FY 2020- FY 2024

Less than 1 aMW: BPA Load Shaping Charge
 Greater than 1 aMW: BPA Short Term Rate

The “up to” amounts of Dedicated Resources that CRPUD elects to use to serve its A-RHWM loads for each year of the third Purchase Period is as shown in the table below:

Third Purchase Period Dedicated Resource Elections					
FY	2020	2021	2022	2023	2024
Election (aMW)	0	0	0	0	0

Vote: Unanimously approved.

9. Bid Authorization: Tree Trimming: E. Crape reviewed Tree Trimming request for bid. After some discussion, Directors R. Simpson/C. Melton moved to authorize staff to solicit sealed bids for a tree trimming contractor for a three-year contract, which can be extended year-to-year by mutual agreement. The bid opening will be held at the office of Columbia River PUD on December 9, 2016 at 3:30 p.m. pacific prevailing time. *Vote: Unanimously approved.*

10. Appoint 2017 Budget Committee: H. Ralls noted the Committee list presented to the Board is the same as last year with the exception of the South County position which is currently open. Directors C. Melton/D. Baker moved to appoint the Budget Advisory Committee as presented with the intent to try to fill the South County position prior to the Budget meetings. *Vote: Unanimously approved.*

11. Board Governance Policy Complaint Procedures: P. Griffin handed out the proposed Board Governance Policy Complaint Procedures to the Board. He explained the procedures are written as a follow up to further define how a complaint under the Board Governance Policy is actually heard. D. Baker suggested the changes be reviewed for a month prior to taking action. P. Griffin noted that if action was postponed, it would be his recommendation to postpone the hearing scheduled for this meeting until action is taken on the procedures. After some discussion, Directors H. Price/C. Melton moved to accept the Board Governance Policy Complaint Procedures as written. *Vote: In favor: H. Price, J. Carter, C. Melton, R. Simpson; Opposed: D. Baker.*

12. Board Governance Policy Complaint Hearing: President Carter reviewed the process indicating the complaints would be read out loud and entered as exhibits into the Board minutes. The Board will decide if Director Baker violated the Board Governance Policy; if not, nothing will occur. If violations are found, they will be considered according to the Policy. P. Griffin reminded the Board if any comments or opinions are in relation to anything said in Executive Session, the hearing will need to continue in Executive Session for discussion.

President Carter read the following Exhibits into the record:

Exhibit 1: June 28, 2016 Complaint from John Nguyen against Director Baker for disclosing confidential information. Redacted version.

Exhibit 2: July 26, 2016 Supporting statement for June 28, 2016 complaint from John Nguyen against Director Baker.

Exhibit 3: September 2, 2016 Second Complaint from John Nguyen against Director Baker for disclosing confidential information.

President Carter asked if either party would like to speak. J. Nguyen indicated he had nothing to add. Director D. Baker denied all allegations stating he wanted nothing more than the best for PUD. He indicated his comments at the OPUDA meeting were from information in the newspaper. It is his opinion that there is an attempt to intimidate and silence him.

13. 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 7:10 p.m. The Board reconvened in executive session at 7:16 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 7:34 p.m.

President Carter asked if there were any relevant witnesses or additional questions. None were brought forward.

The Board began deliberation on the allegations. Director Simpson stated he did not recall any information given at OPUDA other than what was reported in the newspaper. President Carter reported on what he had heard at the specific meeting referenced.

President Carter noted the Board went into executive session regarding a comment Director Baker had made regarding employee statements made to him. The statements may have not been framed as complaints, but when the information was received, an investigation was done finding the statements were unsubstantiated.

President Carter called for a vote on if the Board Governance Policy was violated. Those who found violations: H. Price, J. Carter, C. Melton; Those Opposed – R. Simpson, D. Baker. The Board concluded the Board Governance Policy was violated.

Section 3.13.4 of the Board Governance Policy requires if a violation is found, the Board may take one or more of the following actions:

- a) Publicly admonish on record, with the severity of the admonishment reflecting the severity, if any, of the violation
- b) Public reprimand in the form of a written statement signed by the Board
- c) Public reprimand by passing a motion of no confidence

- d) Censure with a written statement signed by Board and read to the Board member and audience
- e) Suspend or revoke stipend or other compensation that would otherwise be conveyed by the PUD to the Board member
- f) Suspend or revoke the membership of the Board member in any organization other than the PUD in which the Board member represents the PUD in an official capacity

Director Melton suggested b) public reprimand in the form of a written statement signed by the Board.

President Carter suggested c) no confidence and e) revoke stipend due to several violations.

Director Price agreed with c) no confidence.

Directors J. Carter/H. Price moved to take the following actions against Director Baker: option c) a public reprimand by passing a motion of no confidence, and e) Suspend or revoke stipend or other compensation that would otherwise be conveyed by the PUD to the Board member. Those in favor: H. Price, J. Carter, C. Melton; those opposed: R. Simpson. Abstain: D. Baker

C. ITEMS FOR DISCUSSION

1. **Policy 1-11: Board Governance - Amend:** J. Nguyen reviewed the items to be added in an effort to strengthen and facilitate orderly meetings. No action was taken.

2. **Reports:**

a. **Outages:** E. Crape reported the only odd event was on Tide Creek Road. There was no apparent cause for the outage.

b. **Write-offs:** M. Mullican reported the net write-off for September is \$1,684.58 noting a large percentage is from one account. She is hopeful this can be addressed with suggested changes to the General Terms & Conditions.

c. **Staff:** S. Wendelschafer provided an update on recruitments and reported that Lonny Lee was selected as Employee of the Month for August.

T. Pinder reported the Leadership Team had a 2017 budget workshop. There is much work yet to do but will be ready for the October 11 Board workshop.

L. Calnon reported attending the NWPPA Communications conference where the PUD received six Excellence in Communications Awards. One notable award was the Wildcard, awarded for our efforts in requesting the two weather events last year be combined into one event.

E. Crape noted the rock-hole work started Tuesday. A new feeder out of the Scappoose substation is slated to start next week.

3. **Board Comments:** Director Baker publicly thanked Don Nys, Agnes Peterson, the Tarbells, Evermans, Sahagians, and Director Simpson and the others not named for this PUD that saves rate payers over \$8 million each year.
4. **Public Comment:** D. Ehrenkranz of Warren voiced his concern that a search for a permanent General Manager has not been started.

M. Sheehan of Scappoose reminded the Board that they work for the people who are the voters/ratepayers and it is important for the ratepayers to know if there are problems.

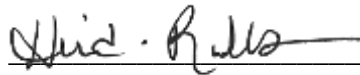
Brady Preheim of Scappoose commented on the Board Governance Policy procedure which took place. He urged the Board to find a permanent general manager.

Tammy Maygra of Deer Island voiced concern with the decision made earlier and reminded the Board that sometimes people misspeak and to remember to have some respect.

Mark Larson of Warren spoke about working for the PUD for more than 30 years knowing what went on inside, the employees are happy and the utility is on the right track.

There being no further business to come before the Board, the meeting was adjourned at 8:16 p.m.

Columbia River People's Utility District

By  _____
Heidi Ralls, Board Secretary