

COLUMBIA RIVER PEOPLE’S UTILITY DISTRICT
Special Meeting – Budget Advisory Committee
October 26, 2017

A. CONVENE MEETING

The Special 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 5:15 p.m. The following individuals were present:

Directors:

Jake Carter
Rob Mathers
Craig Melton
Harry Price
Debbie Reed

Staff:

John Nguyen	Branden Staehely	Libby Calnon
Rick Calnon	Heidi Ralls	Kristen Dean
Tim Lammers	Eli Crape	Sonia Wendelschafer

Committee:

Jack Carter	Bill Eagle	Grant Gillis	Jeff Mapes
Rita Bernhard	Dave Lawrence	Chuck Daughtry	

B. DISCUSSION ITEMS

President Carter advised that the special meeting was called to discuss the proposed 2017 Operating and Capital Budget. He turned the meeting over to J. Nguyen. Introductions were made.

Chuck Daughtry asked to make a brief presentation to L. Calnon for her involvement in CCET and Keep It Local.

J. Nguyen thanked the Committee & Board for coming. He announced that an unexpected staffing change in the Finance department prevented the distribution of an updated budget at this meeting. The updated budget will be sent out to the committee prior to the December Board Meeting when the cash management review will be discussed.

As a follow-up to a question from the last meeting, J. Nguyen presented information showing the cost to outsource bill printing and mailing is approximately \$0.60. R. Bernhard expressed what a great resource the newsletter is and hopes to see it continue. J. Nguyen complimented Libby on the excellent job of keeping costs down. The utility was given a quote of over \$100,000/year to join Rural-lite – an organization that sends out monthly customizable publications for utilities. Currently, we budget \$18,000 per year for the same type of service done in-house. Discussion ensued regarding various options for savings to customers.

T. Lammers reviewed the overall goals for the 5-year Facility Maintenance plan including the routine inspections and maintenance of the headquarters building and grounds, outside the fence at substations, and any emergency repairs as required.

J. Nguyen addressed questions regarding the budgeting process in relation to contingency funds and unexpected costs.

R. Calnon reviewed the 5-Year plan goals for IT including GIS Conversion, Enterprise System replacement or upgrade, hardware and software upgrades, and top 20 critical security controls. The plan also includes server, PC, and iPad replacements or upgrades.

J. Nguyen discussed the advantages of moving storage to the cloud, one of which includes the cost-effectiveness of disaster recovery. It was noted the review process for an Enterprise System ensures the utility is doing its due diligence in obtaining the best service with the features we need for the least cost to the customers.

Branden Staehely reviewed the 5-Year Capital plan for vehicle replacement emphasizing the replacement criteria utilized by staff. E. Crape reviewed the vehicle and equipment replacement for the line crews. He continued on with information on an above-ground fuel dock and outside covered storage in the warehouse yard.

J. Nguyen added information on the clean-diesel bill that failed in the last legislative session which is expected to be revitalized during the 2019 legislative session. Looking at a “worst-case” scenario, it could cost the utility close to \$1,000,000 to replace the vehicles if a retro-fit option is not available.

B. Staehely continued with the long-range plan to replace substation transformers, the construction of the new Betsy Johnson Substation, and general upgrades throughout the substation system. Of note, the substations are replaced purely on age as they are well maintained. Discussion occurred on the lifecycle and purchase of substation transformers.

J. Nguyen provided an update for the Betsy Johnson Substation. The conditional use permit is under review. Once it’s approved, construction can begin. The goal is to have it up and running in 2018.

S. Wendelschafer reviewed a snapshot of 2018 staffing levels, noting the budget includes 47.3 employees. She revealed the customer count per employee shows we serve 404 customers per employee, over 100 more per employee than any other PUD in the state.

J. Nguyen reminded the committee that the budget was still undergoing revisions. Once completed, it will be sent out to the committee.

C. Daughtry indicated it appears the utility has enough revenue, is investing in capital equipment, and still has close to \$8M in cash reserves. From an external viewpoint, the utility looks pretty solid.

C. Melton reminded the Committee that the Board chose to utilize some cash reserves to offset the October rate increase.

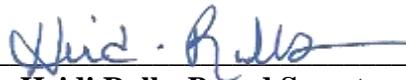
The pole replacement plan was briefly discussed. B. Staehely offered to provide more details during the 2019 budget process. Discussion on vegetation management occurred.

President Carter thanked the committee on behalf of staff and Board.

No action was taken.

The meeting adjourned at 6:55 p.m.

Columbia River People's Utility District

By  _____
Heidi Ralls, Board Secretary