

**COLUMBIA RIVER PEOPLE’S UTILITY DISTRICT**  
**Special Meeting – Budget Advisory Committee**  
**November 17, 2016**

**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 5:30 p.m. The following individuals were present:

**Directors:**

Jake Carter  
Craig Melton  
Harry Price

**Staff:**

John Nguyen                      Branden Staehely                      Libby Calnon  
Tracy Pinder                      Rick Calnon                      Heidi Ralls  
Tim Lammers                      Eli Crape                      Mikka Mullican  
Sonia Wendelschafer

**Committee:**

Jack Carter                      Bill Eagle                      Matt Brown                      Grant Gillis

**Public:**

Rob Mathers

**B. DISCUSSION ITEMS**

President Carter advised that the special meeting was called to discuss the proposed 2017 Operating and Capital Budget. He welcomed the Committee members. Introductions were made.

J. Nguyen thanked the Committee & Board. He also thanked staff, especially T. Pinder, for all their hard work over the last two months preparing the proposed budget. He invited any and all input from those present.

T. Pinder reviewed the agenda and provided some housekeeping information requested from the last meeting.

An update was provided on the BPA rate increase and an update on healthcare premium rates. T. Pinder noted payroll reflects a cost of living adjustment of three percent for represented employees and two percent for non-represented employees; this is a change from previous years.

T. Lammers reviewed the five-year facility maintenance plan which includes routine maintenance on the headquarters building and grounds and substation grounds outside of the fence.

R. Calnon reviewed the five year IT Plan and overall goals. He reiterated CRPUD is moving toward industry standard tools instead of in-house solutions and moving to the cloud where practical.

R. Calnon reviewed the need for GIS conversion explaining that the costs are spread out over several budgets. Staff will be re-evaluating the enterprise system used by the utility. There is a substantial increase in current and future upgrade costs to the existing system. Also included in the five year plan are new servers, PC upgrades, and iPad replacements.

B. Staehely reviewed the general replacement criteria for vehicles and what can be anticipated over the next five years. E. Crape reviewed the operations vehicles and equipment that will be replaced or purchased over the next five years. He advocated for an additional review of the condition of the vehicle once it becomes eligible instead of strictly going off the criteria list. There is potential for savings if the vehicle is still reliable.

E. Crape reviewed operations facilities improvements including another covered storage area in the warehouse yard which is accessible from all sides. He also discussed the possibility of an above-ground, 1,000 gallon fuel dock on site which could fuel the line trucks for nearly a month in the event a disaster renders all other fueling sites inoperable.

B. Staehely discussed the substation transformer replacement plan and the proposed Scappoose substation.

S. Wendelschafer discussed staffing levels for 2016 and beyond. She shared a customers per employee chart comparing other PUD's. Currently CRPUD has 410 customers per employee.

T. Pinder reviewed the 2017 Budget by Department worksheet noting the final revision will be included in the proposed budget for Board consideration on December 20 and discussed the options to make up the \$576,000 difference.

J. Nguyen explained to the group that the PUD is scheduled to be debt free in 2020. He suggested financing the land purchase for the new substation over a three-year period to keep the utility on track to be debt free in 2020 and to preserve the cash balance.

T. Pinder provided information on the cash management policy (2-23) and gave a high level review of the purpose and process showing the methodology utilizes numbers readily available at any time. She clarified the target number is not a fixed amount, rather an amount that reflects the number of days of cash on hand the Board would choose to maintain. A typically acceptable amount ranges from 90 to 120 days. A low end balance with 90 days cash would be \$7 million and a high end balance of 103 days would be \$8.1 million, noting that if the cash balance fluctuated between 90 - 103 days, it would not be cause for concern.

B. Eagle questioned the BPA rates, and the potential for privatization.

T. Pinder reported the utility will be conducting a Cost of Service Analysis (COSA) in the spring. She urged the committee to contact her with any questions, comments, and suggestions.

J Carter commended staff for their efforts at keeping things in the budget, and noted the utility can't always be as lean as it has been the last couple of years suggesting we need to think about how rates are being designed and the need to be realistic in order to keep the utility healthy.

B. Eagle commended staff on the budget and presentation indicating it is clear and understandable; the public can be supportive of it.

Looking toward the future, H. Price would like to see funds put into the 2018 budget for resource and development activities to deal with anticipated growth.

In an effort to provide information to the committee, L. Calnon distributed a copy of the letter being mailed to voters in Subdivision 1 regarding the recent election.

No action was taken.

The meeting was adjourned at 7:06 p.m.

**Columbia River People's Utility District**

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