

COLUMBIA RIVER PEOPLE’S UTILITY DISTRICT
Regular Meeting
December 19, 2017

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 6:01 p.m. The following individuals were present:

Directors:

Jake Carter
Rob Mathers
Craig Melton
Harry Price
Debbie Reed

Staff:

Libby Calnon, Community & Public Relations
Rick Calnon, IT
Eli Crape, Operations
Kristen Dean, Customer Accounts
Tim Lammers, Energy Services
John Nguyen, General Manager
Rachel Swanson, Accounting & Finance
Heidi Ralls, Administration
Branden Staehely, Engineering
Sonia Wendelschafer, Human Resources

Consultants:

Chad Stokes, Cable Huston
Chuck Daughtry, CCET

Public:

Jack Carter	Sharon Carter	Lewis Cutler
Kathleen Hoffman	Jared Motherway	Jennifer Nelson
Annie Nguyen	Leonard Peterson	Rigmor Soerensen, Chronicle
Courtney Vaughn, Spotlight		

- 1. Pledge of Allegiance:** President Carter led the Board in the pledge of allegiance.
- 2. Agenda – Requests for Additions or Deletions:** Add #10: Authorize Purchase of 1/0 UG wire. President Carter announced the Board would break for Executive Session at about 6:30 when the attorney from Cable Huston arrives.
- 3. Public Hearing 2017 Operating & Capital Budget**

Open: President Carter opened the Public Hearing at 6:03 P.M.

Staff Comments: R. Swanson provided the background and summary of the proposed 2018 Operating and Capital Budget. The total budget of \$38,837,359 includes a planned cash decrease of \$1,691,695 bringing the anticipated 2018 year-end balance to \$8.04 million which is approximately \$660,000 below the minimum cash balance set forth under Policy 2-23. Two major factors to the cash decrease include the allocation of \$305,528 to keep the overall rate increase in 2017 at 5.1% and, to build the new Betsy Johnson Substation.

Public Testimony/Comments/Questions: L. Peterson inquired if funds are budgeted for any increase with the union negotiations that are taking place. He also asked the Board if there is a plan to bring cash levels back up to the minimum cash balance as set forth in Policy 2-23. The Board concurred they were comfortable with going below the minimum and that it would be revisited at the mid-year review, at which time, they could decide to finance the substation construction instead of paying cash. J. Nguyen added that there are several options to increase the minimum when it falls below the suggested level and that according to policy, the Board has three years to make the correction.

Proponents: None

Opponents: None

Close: President Carter closed the Public Hearing at 6:13 p.m.

Deliberation: R. Mathers asked for clarification on the PERS subject salary. He also shared his appreciation to staff for the hard work on the budget document.

B. ITEMS FOR ACTION

- 1. 2018 Operating and Capital Budget:** R. Swanson reviewed the options. Directors Mathers/Price moved to adopt the 2018 Operating and Capital budget, which includes compensation, training, and expense reimbursement for Board Members, in its entirety. The Board thanked the General Manager and staff, acknowledging the challenges over the last few years noting that it was good to see vacant positions being filled. *Vote: Unanimously approved.*
- 2. 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)(f) to consider information or records exempt by law from public inspection.

A brief recess was called at 6:22 p.m. The Board reconvened in executive session at 6:24 p.m. The following were present: Directors: Carter, Melton, Price, Reed, and Mathers; Staff: J. Nguyen, H. Ralls; Counsel: Chad Stokes; Press: C. Vaughn, Spotlight and R. Soerensen, The Chronicle.

The Board reconvened in regular session at 7:03 p.m.

No Action was taken.

President Carter asked to move Action Item 5: Adopt Changes to the General Terms & Conditions up in the schedule to accommodate Counsel.

- 3. Adopt Changes to General Terms and Conditions:** J. Nguyen reviewed the background of the proposed changes. Clarification on the formatting of the action form versus the red-line version of the document was provided. It was suggested to have legal review every two years to avoid severe and numerous changes. Director Carter expressed his concern for completely changing the Disputes/Appeals process, favoring the opportunity to explore other options for that process. After additional discussion, Directors Melton/Reed moved to adopt updates to the General Terms after making additions or changes based on Board/Staff input and comments, keeping Section 21 as current in the General Terms and Conditions. *Vote: Unanimously approved.*
- 4. Minutes, November 21, 2017 Regular Meeting:** Directors Melton/Reed moved to approve the Minutes of the November 21, 2017 Regular Meeting as presented. *Vote: Unanimously approved.*
- 5. Financial Reports for November 2017:** R. Swanson reviewed the financial report for November 2017, noting total cash balances, less long-term debt were equal to \$11,002,792. The money held in the LGIP is also included in that balance. Directors Melton/Mathers moved to approve the Financial Reports for November 2017 as presented. *Vote: Unanimously approved.*
- 6. Accounts Payable Report for November 2017:** R. Swanson reviewed total cash disbursements and clarified several individual payments. Directors Mathers/Reed moved to approve the Accounts Payable report for November 2017 as presented. *Vote: Unanimously approved.*
- 7. Adopt New Rate Schedule 91 – Transfer Rate:** B. Staehely reviewed the background for the proposed new transfer Rate Schedule 91. After little discussion, Directors Melton/Reed moved to adopt Transfer Rate Schedule 91 effective for all bills rendered after January 1, 2018. *Vote: Unanimously approved.*
- 8. Amend Health Care Policy for CRPUD Retirees:** J. Nguyen reviewed the background of the request to amend the health care policy for CRPUD Retirees and the options. Discussion occurred regarding sustainability of the plan and the value for retaining employees. After considerable discussion, Directors Melton/Price moved to amend the 2006 Health Care Policy for CRPUD Retirees as follows:

 - a. Change the age eligibility requirement to 55 to align with PERS retirement age.
 - b. Add the eligibility option for employees with 30 continuous years of service at CRPUD, who retire under PERS, regardless of age.
 - c. Remove the Age Factor.
 - d. Service Factor will be less than, equal to, but no more than 1.0.
 - e. Retain all other requirements of the 2006 Plan, including the minimum 10 continuous years of service at age of retirement.
 - f. Employees hired before 1988 will be defaulted to the 2006 policy.

Vote: Unanimously approved.

9. **Bid Authorization – 2018 Line Construction Materials:** B. Staehely reviewed the background for purchasing annual line construction materials. Directors Melton/Mathers moved to authorize staff to solicit sealed bids for purchasing line construction materials for 2018 with the bid opening to be held at the office Columbia River PUD on January 18, 2018 at 3:30 pm pacific prevailing time. *Vote: Unanimously approved.*
10. **Appoint 2018 Voting Delegates for OPUDA:** H. Ralls reviewed the OPUDA bylaws which outline the requirements for voting delegates. Directors Mathers/Melton moved to appoint Jake Carter and Debbie Reed as voting delegates with Harry Price as the alternate. *Vote: Unanimously approved.*
11. **Authorize Purchase of 1/0 UG Wire:** B. Staehely discussed the request to purchase 1/0 wire indicated the purpose for bringing it before the Board is to receive authorization for the General Manager to sign for an amount exceeding \$50,000 as required in CRPUD Purchasing Policy 2-25. Directors Melton/Reed moved to authorize the General Manager to purchase 20,000 feet of 1/0 UG primary wire. *Vote: Unanimously approved.*

C. ITEMS FOR DISCUSSION

5. **Economic Development Incentives:** L. Calnon introduced Chuck Daughtry, Executive Director of CCET. The purpose of their presentation was to provide options and benefits of offering economic incentives to incoming industries without negatively impacting existing customers. The types of incentives other utilities offer range from rate discounts, up-front capital cost discounts, or capital cost reimbursements. The incentives with the greatest potential could be to provide a reimbursement of initial capital or to provide interest-free installments of up-front costs to spread the payment over one year. The qualification and calculation factors for the reimbursement option could include a reimbursement being distributed annually based on actual energy sales; a cap at a percentage of the initial capital investment for electrical facilities; as well as other factors to be determined by the Board. Discussion occurred, the topic will be revisited at a later date. No action was taken.
6. **Reports:**
 - a. **Outages:** E. Crape pointed out that 10 of the 16 outages in November occurred during business hours.
 - b. **Write-offs:** K. Dean reported an unusual situation, the Customer Accounts department collected \$635.02 in write-offs leaving a net positive balance of \$256.88 for November.
 - c. **Staff:** S. Wendelschafer announced the November Employee of the month was Josh Tallman. She also reported that Annette Looney was promoted to Customer Accounts Rep II.

B. Staehely provided an update on the Betsy Johnson substation. The conditional use permit was unanimously approved at the Scappoose Planning Commission hearing. He

shared that the sidewalk repair project is complete; and finally, on December 7, we received a letter that CRPUD is no longer registered with NERC retroactive to July 2016.

H. Ralls announced that premiums for the property/liability insurance are down nearly \$25 thousand from what was budgeted.

L. Calnon shared that employees raised over \$11 thousand during the United Way Campaign. She added that with the pending closure of Armstrong, we may become the largest participant in Columbia County.

Director Mathers commended Kyle Boggs for his article in the NWPPA Bulletin about our Community Heroes.

- 7. Board Comments:** Director Price shared safety information from the OPUDA Board meeting about the importance of carrying cash and fix-a-flat in your vehicle emergency kits. He also reported that Director Reed will be making a presentation on her trip to Sheffield at the next OPUDA Board meeting in January.

Director Reed reported she will present the information on her trip at the January CRPUD Board Meeting. She shared her reflections of Board accomplishments over the last year and thanked her fellow Board members, General Counsel, General Manager, the Management team, and the Employees who are out there every day making it easier for the Board.

Director Carter wished everyone a Merry Christmas and Happy New Year, thanked staff for making it easy to do the work of the Board.

J. Nguyen, on behalf of staff, extended his appreciation to the Board and their commitment and guidance. He wished everyone happy holidays.

- 8. Public Comment:** None.

There being no further business to come before the Board, the meeting was adjourned at 9:05 p.m.

Columbia River People's Utility District

By  _____
Heidi Ralls, Board Secretary