

**COLUMBIA RIVER PEOPLE’S UTILITY DISTRICT**  
**Regular Meeting**  
**December 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

**Consultants:**

Philip Griffin, Attorney

**Staff:**

Libby Calnon, Community & Public Relations  
Rick Calnon, IT  
Eli Crape, Operations  
Tim Lammers, Energy Services  
Mikka Mullican, Customer Accounts  
John Nguyen, Interim General Manager  
Tracy Pinder, Accounting & Finance  
Heidi Ralls, Administration  
Branden Staehely, Engineering  
Sonia Wendelschafer, Human Resources

**Public:**

Riley Baker	Coleen Belisle	Joe Burks	Jack Carter
Sharon Carter	Candy Chapman	Annie Christensen	Bill Eagle
Claudia Eagle	Dave Ehrenkranz	Barbara Fail	Kay Fail
Earl Fisher	Georgia Gorton	Ramona Granath	Patrick Hart
Kathy Hoffman	Judi Kellar	Joann Lammers	Peter Leonard
Alta Lynch	Dwight Matney	Tammy Maygra	Wayne Mayo
Ronda Melton	Jennifer Nelson	Annie Nguyen	Pete Peterson
Brady Preheim	Ron & Connie Quick	Debbie Reed	Bob Salisbury
Mike Sheehan	MaryJo Simpson	Rachel Swanson	Nancy Ward

Courtney Vaughn, Spotlight News

1. **Pledge of Allegiance:** President Carter led the Board in the pledge of allegiance.
2. **Agenda – Requests for Additions or Deletions:** Director Baker requested to add items 5a and 5b to grandfather all PUD customers in floating homes then seat Nancy Ward. President Carter and P. Griffin advised that to seat Ms. Ward would result in a violation of ORS 261 and the Oregon Constitution; the motion to seat her would be unlawful. Considerable discussion occurred. President Carter requested Item 2A - Annexation Process be added to the discussion section. Director Baker inquired if the floating homes be grandfathered in as whole customers. P. Griffin advised there was no procedure that could legally accomplish the grandfathering of the homes.

### 3. **Public Hearing 2016 Operating & Capital Budget**

**Open:** President Carter opened the Public Hearing at 6:13 P.M.

**Staff Comments:** J. Nguyen thanked staff, especially T. Pinder, for the hard work on 2017 budget. He reviewed Columbia River PUD's Mission statement and indicated staff will be working on a Cost of Service Analysis in 2017. T. Pinder provided an overview of the proposed 2017 Budget process beginning with the mid-year review in July and a revision to Cash Management Policy 2-23. She reiterated the 2017 proposed budget was prepared with a philosophy of conservatism: to err on the side of underestimating revenues and overestimating expenditures and a philosophy of consistency. The proposed budget includes a projected rate increase of 5% starting in October upon Board approval. The proposed budget also reflects a cost of living increase: three percent for represented employees as outlined in their contract and two percent for non-represented employees which will be presented to the Board for approval in January. Staff presented highlights for each department. T. Pinder concluded with noting a planned decrease in cash levels of about \$400 thousand in 2017 which would result in a projected 2017 year end cash reserve level of \$8.16 million which meets the target of \$8.1 million as set through Cash Management Policy 2-23 to meet both anticipated and unexpected financial commitments and obligations.

**Public Testimony/Comments/Questions:** Leonard Peterson questioned where the PUD was with Tier 1 allocation usage. J. Nguyen advised with the anticipated growth, the utility could move into Tier 2 as soon as year-end 2017. Mr. Peterson also questioned the projected cost of legal expenses.

Tammy Maygra requested clarification on how line items were categorized.

**Proponents:** None

**Opponents:** None

**Close:** President Carter closed the Public Hearing at 7:14 p.m.

**Deliberation:** None.

### 4. **Public Comment:** President Carter asked for show of hands of those wishing to provide public comment in order to assure there is ample time.

Candy Chapman provided a statement regarding her position on filling the vacancy.

Peter Leonard commended staff on the budget presentation. He provided his opinion that the person elected should be appointed.

Annie Christensen voiced concern for the appointment process.

Brady Preheim offered his opinion on the appointment process and urged the Board to begin the annexation process.

Tammy Maygra offered her opinion regarding the appointment process. She also suggested more detail be provided regarding payment to legal counsel.

Wayne Mayo requested the sanction against Director Baker be lifted.

## **B. ITEMS FOR ACTION**

- 1. 2017 Operating and Capital Budget:** T. Pinder reviewed action item and options. Directors H. Price/C. Melton moved to adopt the 2017 Operating and Capital Budget, which includes compensation, training and expense reimbursement for Board Members, in its entirety. *Vote: Unanimously approved*
- 2. Minutes November 15, 2016 Regular Meeting:** Directors D. Baker/R. Simpson moved to approve the Minutes of the November 15, 2016 Regular Meeting as submitted. *Vote: Unanimously approved*
- 3. Minutes November 17, 2016 Special Meeting – Budget Committee:** Directors D. Baker/R. Simpson moved to approve the Minutes of the November 17, 2016 Special Meeting as submitted. *Vote: Unanimously approved*
- 4. Financial Reports for November 2016:** T. Pinder reviewed financial reports for November. Directors C. Melton/H. Price moved to approve the Financial Reports for November 2016 as presented. *Vote: Unanimously approved*
- 5. Accounts Payable for November 2016:** T. Pinder reviewed cash disbursements and several payments. After little discussion, Directors C. Melton/H. Price moved to approve the Accounts Payable for November 2016 as presented. *Vote: Unanimously approved*
- 6. Resolution 16-06: Canvassing the Vote and certifying the Results of the November 8, 2016 Election for CRPUD Board of Directors:** President Carter read Resolution 16-06: Canvassing the Vote and Certifying the Results of the November 8, 2016 Election for CRPUD Board of Directors. Director Baker made a statement that he will vote no for this resolution and the next as well and believes the PUD has every right to seat Ms. Ward. Director Simpson suggested the Board can change policy to accept the vote of the people. Director Melton asked P. Griffin when he was notified of the ineligibility issue, he indicated he was notified by the county concurrent with the October Board meeting. Director Melton indicated he was reluctant to make a motion to adopt Resolution 16-06, but would do so with the intent that the Board proceed to get the annexation issue taken care of. Directors C. Melton/H. Price moved to adopt Resolution 16-06: Canvassing the Vote and Certifying the Results of the November 8, 2016 Election for CRPUD Board of Directors as presented. *Vote: In favor: H. Price, J. Carter, C. Melton; Opposed: R. Simpson; D. Baker. Motion passes.*

Director Melton asked the Board if they would consider adding an agenda item to direct staff to begin the annexation process. President Carter reminded the Board that an item had already been added to the agenda for the purpose of discussing the annexation process.

- 7. Resolution 16-07: Declaring a Vacancy for Board Position Subdivision 1:** President Carter read Resolution 16-07 out loud. Directors C. Melton/H. Price moved to accept Resolution 16-07: Declaring a Vacancy for Board Position Subdivision 1 as submitted and listed. *Vote: In favor: J. Carter, C. Melton, H. Price; Opposed: R. Simpson, D. Baker. Motion carries.*

It was noted letters of interest will be taken through the PUD website: [www.crpud.net/BoardVacancy](http://www.crpud.net/BoardVacancy) from Noon December 21, through close of business on December 29 at 5:00 pm.

- 8. Call for Special Meeting – January 3, 2017:** Directors C. Melton/J. Carter moved to call for a special meeting on January 3, 2017 for the purpose to seat elected directors into their elected positions and to discuss and begin the appointment process for Subdivision 1. *Vote: In favor: J. Carter, H. Price, C. Melton; Opposed R. Simpson, D. Baker. Motion carries.*
- 9. Award Bid – Tree Trimming Services:** Eli Crape reviewed the results of the bid for tree trimming. He pointed out all three bids show a significant increase from the annual total for 2017 versus the annual totals for 2018 and 2019. The increase includes an additional crew for the two later years but would be at the discretion of the PUD. Directors D. Baker/C. Melton moved to award the bid to the lowest responsible bidder, which is Asplundh Tree Expert Co. in the amount of \$2,817,131.00. *Vote: Unanimously approved*
- 10. Award Bid – Annual Line Materials:** B. Staehely reviewed the bid for the purchase of annual line materials and the options. After little discussion, Directors D. Baker/R. Simpson moved to award the bid to the lowest responsible bidder for each item per the attached bid evaluation. *Vote: Unanimously approved*
- 11. Substation Property:** J. Nguyen reviewed the background for the land purchase. The tentative agreed upon purchase price of \$290,313 is subjected to multiple provisions which must be met prior to closing. The provisions include: survey of the property; removal of any existing easements that would impede the substation construction; partition of the lot; a Title Insurance Policy with exceptions removed or approved; if necessary, an environmental assessment; Warranty Deed issued by Sellers to the PUD upon successful sale; financial approval; and FAA approval if applicable. Directors D. Baker/C. Melton moved to authorize the Interim General Manager to sign the Purchase and Sales Agreement with Sellers, subject to the conditions outlined herein, with a purchase price of \$290,313. President Carter commented the property is in a good location for growth for hook up to PGE's 115kv line. *Vote - Unanimously approved*

## C. ITEMS FOR DISCUSSION

### 1. Reports:

- a. **Outages:** E. Crape noted November had very few weather related outages.
- b. **Write-offs:** M. Mullican reported a net write off of \$118.19 for November, and commended Customer Accounts staff on their diligence with collections.
- c. **Staff:** E. Crape reported the second hole digger has been purchased and picked up.

S. Wendelschafer provided an update on recruitments and announced the Employee of Month for November is Kyle Boggs. Patrick Hart, new Utility Worker, introduced himself to the Board. President Carter welcomed him.

L. Calnon noted the utility is sending out extra customer communications this month to alert them that their bills could be higher than expected due to a 15 degree difference between November and December. The communications will also provide ways for lowering bills. She reported the employees just completed the United Way Campaign raising \$11,285 for Columbia County United Way.

T. Lammers reported an increase in high bill complaints.

B. Staehely provided an update on construction projects.

On behalf of employees and the PUD, J. Nguyen thanked Director Baker and Director Simpson for their many years on the Board; we owe them a lot of gratitude for their dedication and service and wish them the very best in their new endeavors.

- 2. a. **Annexation Process:** President Carter indicated under ORS 261 the Board is allowed to initiate the annexation process. The Board requested General Counsel to draw up a resolution to begin the process for next month's meeting.

**b. Board Comments:** Director Price wished everyone a Merry Christmas and a Happy New Year.

Director Baker to the people of District 1: "thank you from the bottom of my heart, I have totally enjoyed representing them, I've learned and I've grown and I thank them very much."

Director Simpson thanked the people who have supported him through his 28 years of service. He shared one bit of advice for the Board: Good communication is key, let everyone know what is going on so they are not blind-sided. Thank you!

On behalf of the Board, President Carter presented Director Baker and Director Simpson with monogrammed Pendleton blankets in appreciation for all they've done for the

community, employees, and for the PUD over the years: Director Baker from 2001 – 2016 and Director Simpson from 1989 - 2016.

- 3. Public Comment:** Nancy Ward read a statement to the Board and provided written statements as well from Candace Chapman and Nancy Ward.

Brady Preheim reiterated his opinion that the Board should seat Nancy Ward for Subdivision 1.

Alta Lynch, Scappoose, requested staff speak louder and utilize the microphones for public comments.

Dave Ehrenkranz, Warren, reiterated the thanks to Directors Baker and Simpson. He expressed his disappointment in how the election process has been handled.

Tammy Maygra offered her opinion to hold the vacant seat open until the annexation process is complete then seat Nancy Ward.


- 4. 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.

A brief recess was called at 8:44 p.m. The Board reconvened in executive session at 8:50 p.m. The following were present: Directors: J. Carter, C. Melton, H. Price; Staff: J. Nguyen, H. Ralls; General Counsel: P. Griffin; Press: C. Vaughn, Spotlight.

The Board reconvened in regular session at 9:17 p.m.

There being no further business to come before the Board, the meeting was adjourned at 9:17 p.m.

**Columbia River People's Utility District**

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