



AGENDA

QLife Regular Board Meeting

Thursday, May 23, 2019 | 12:00 pm

Wasco County Courthouse, 511 Washington Street, The Dalles, Oregon
Deschutes Room – BO8

- 12:00 Call to Order
- 12:00 Approval of Agenda
- 12:00 [Consent Agenda](#) (*items of a routine nature: minutes, documents, items previously discussed*)
- [April 18, 2019 Minutes](#)
- 12:05 [Financial Report](#) – Mike Middleton
- [April Financial Report, Analysis and Reconciliation](#)
- 12:15 [Discussion Items](#)
- [Aristo Technical Management Report](#) – John Amery
- [Northern Wasco PUD Pole Attachment Increase](#)
- [Northern Wasco PUD Board Packet](#)
- [Oregon Connections Conference](#) – Stephanie Krell
- [Oregon Business Magazine Article](#) – Stephanie Krell
- [South County Fiber Build Proposal](#) – Carrie Pipinich
- 12:20 [Port Build Update](#) – Dan McNeely
- [Bid Results](#)
- [Change Order](#)
- 12:30 [Lone Pine Update](#) – Dan McNeely
- 12:35 [St. Mary's Update](#) – John Amery
- 12:40 [Maupin Update](#) – Dan McNeely
- [Commstructure Work Order #15 Amendment 5](#)
- 12:50 [Executive Session \(2\)\(m\)\(D\) & \(E\) Discuss information regarding security of telecom systems and data transmission; \(2\)\(h\) Consult with counsel regarding litigation.](#)

Old/New Business

Next Board Meeting Date: Thursday, June 27, 2019 at 12:00 PM

Adjourn

**Agenda subject to change*

**Executive Session held as needed*

An executive session may, in the discretion of the presiding officer, be called based on one or more of the following: ORS 192.660 (2)(a) Consider employment issues; (2)(e) Real property' (2)(f) Consider exempt records or information; (2)(g) Competitive trade or commerce negotiations; (2)(h) Consult with counsel re litigation; (2)(m)(D) & (E) Discuss information regarding security of telecom systems and data transmission.



Consent Agenda

- [April 18, 2019 Minutes](#)



MINUTES

QLife Regular Board Meeting
Thursday, April 18, 2019
511 Washington St, Deschutes Conference Room

Call to Order President Hege calls the meeting to order at 12:11 PM (3:22)

Roll Call Tyler Stone, Stephanie Krell, Mike Middleton, Mayor Lynn Ewing, John Amery, Lee Weinstein, Scott Hege, Rod Runyon, Dale Lepper, Carrie Pipinich, Erik Orton (via Skype) and Dan McNeely (via Skype).

Approval of the Agenda

There are no changes needed to the agenda.

[Mr. Weinstein moves to approve the agenda. Mr. Lepper seconds the motion, which passes unanimously.]

Approval of the Consent Agenda

There are no changes or comments regarding the consent agenda.

[Mr. Weinstein moves to approve the consent agenda. Mr. Lepper seconds the motion, which passes unanimously.]

Financial Report

Mr. Middleton presents his financial report to the board and notes that there is not a significant change from last month's analysis. The Operations fund is holding at about \$12K ahead of where we plan to be at year-end. Receivables are coming in for this month and only three remain outstanding, one of which is the customer in collections. The bills will be reviewed on a monthly basis, so we do not predict a situation like this to occur in the future. Interest is doing well, but not as well as was budgeted for which is due to the majority of the money sitting in the Capital fund. Spikes in the expenses are leveling out and we are reviewing expenses that will be moved to the Capital fund. Those moves are expected to be finalized this month. Transfers out are going along as budgeted and we are able to continue doing that because revenues are coming in as anticipated.

Mr. Middleton continues with an update of the Capital fund. The main revenue is the transfer in and interest. All in all, the fund is looking good because expenses are at 7.7% budget execution. As mentioned before, we expect to see about a \$10K increase due to the journal entries moving from Operations to Capital in the April analysis. This will increase the execution rate but not significantly and the fund balance will continue to grow.

The Maupin fund continues to get closer to end of the project. This month, there was no revenue other than interest. The only expenses that have changed since February was a \$745 charge. This indicates to Mr. Middleton that most invoices have been paid. Mayor Ewing adds that there is a final invoice that will be coming in from Van Dorn. The Maupin project is only stressing itself and not the Capital fund so that is a good sign. Mr. Middleton mentions that the Maupin fund may be a bit tighter this coming fiscal year which will be assessed at the budget committee meeting. Mr. Runyon asks Mr. Middleton to elaborate on "the stress" of the fund. Mr. Middleton explains that the fiscal stress is from anticipation of incoming revenue which is neither transferred in nor grant related. The stress will be reduced once the franchise fees from LS Networks and fees paid by Gorge Networks begin to flow in. Mayor Ewing adds that according to the Maupin recorder, there is still \$190K from the original grant that has not been tapped into. Mr. Middleton notes that he plans to have an update on the remaining grant financials in time for the budget committee presentation.

Mayor Ewing is hoping to utilize roughly \$120K to go toward networking the Civic Center and installing a security system. Mr. Stone expresses his feeling that the remaining balance does not seem accurate but Mr. Middleton assures the board that he will sit down with Angie Wilson at the City of The Dalles to go over the grant fund.

Mr. Middleton reminds the board that the budget committee meeting is scheduled for April 30, and that he plans to have the budget book ready and emailed to the committee by April 23.

Action Items

Budget Committee Appointments

Mr. Stone updates the board that we have gathered names of laypeople willing to volunteer their time to QLife; Taner Elliot who was a previous QLife board member, Carrie Pipinich of MCEDD, Jacob Dunaway of IT Solutions, and Steve Lawrence. Doug Quinsenberry was appointed in 2018, and agreed to continue serving on the committee. President Hege asks if the board has any questions on the nominations but there are none.

[Mr. Ruynon moves to approve Order 19-001, Order 19-002, Order 19-003 and Order 19-004 to appoint Mr. Elliott, Ms. Pipinich, Mr. Dunaway and Mr. Lawrence to the QLife Budget Committee. Mr. Weinstein seconds the motion, which passes unanimously.]

Discussion Items

Aristo Technical Management Report

Mr. Amery informs the board that there is not a lot to update since the last meeting. The failing fiber project is still in the scheduling process but the project is moving forward. Mr. Stone adds that he has left three voicemails with the staff at OSPInsight regarding the issues that have arisen and has yet to hear back from them. It is likely that next year we will look into alternative options. President Hege asks Mr. Amery if OSPInsight has been responsive to his inquiries and Mr. Amery informs him that they are usually timely in their responsiveness with his support requests.

Oregon Connections Telecommunications Conference

Mr. Stone informs the board that registration for the Oregon Connections Telecommunications Conference is open and will be located in Ashland, Oregon. Previous years, the conference was located in Hood River, which kept the cost low. Mr. Stone suggests that the entire board not attend due to the added expense of hotels, meals and travel to Ashland. He notes that it is a valuable conference and if one to two board members would like to attend, that would be reasonable. Mr. Mobley will also be attending under Columbia Gorge Broadband Consortium. No board members are able to commit at this time so we will revisit it soon.

President Hege adds that QLife has historically been a \$500 sponsor and asks the board if we would like to continue that relationship. Mr. Runyon understands that with the conference in Hood River it made sense to sponsor. Now that it is in Ashland, he wonders what other benefit sponsoring would add. President Hege notes that the benefit would be exposure because sponsorship comes with a table but that also means we would need materials and someone to staff it. Mr. Lepper wonders if there is a benefit to having our name in the Ashland area. President Hege does not believe with the conference being in Ashland, our target market would benefit since it is mostly "big players" attending. He expresses that he is not overly eager to sponsor due to these facts. Mr. Amery adds that as long as the public knows who we are and where we are located, that is all that we need to accomplish. Mr. Stone thinks we could forgo sponsoring this year and see how it goes. Ms. Pipinich believes that QLife has done a good job getting their name out there and notes that the location change may impact attendance. She agrees that QLife should adjust their involvement this year based on the increase in cost to attend and would better utilize those resources elsewhere.

Outstanding Project Updates

Mr. Orton and Mr. McNeely call in to the meeting via Skype at 12:37 PM and update the board on outstanding projects. Mr. McNeely notifies the board that Northsky completed the new cable placement on the St. Mary's project and Mr.

Amery is working with splicers to get that component completed. Once the splicing is done, Northsky will go in and pull out the old cable. He continues with an update that Lone Pine which is still on hold with no new news to report.

Mr. McNeely updates the board on the Maupin project and confirms that the conduit was placed in Grant Alley. He reached out to Van Dorn for a construction schedule to coordinate with splicers and will update the board once that happens. Mr. McNeely notes that this last install is the final piece for the project. Mr. Stone asks Mr. McNeely if he has an idea as to how much Van Dorn's final invoice will be. Mr. McNeely estimates that it will be a few thousand dollars because they are up to date on all of their invoices.

Mr. Orton adds that Commstructure has maxed out their budget but still have some residual costs that need to be resolved. He wonders if Commstructure should prepare a change order for the additional costs. President Hege suggests Mr. Orton and Mr. Stone discuss the details offline and update the board next month.

Mayor Ewing asks Mr. McNeely for his thoughts on the Grey Eagle street connection. Mr. McNeely notes that this is the first time he has heard of the issue but will look into it and give more feedback after that point. Mr. Orton adds that he believes at the beginning of the project there were some outlying areas that would require a substantial build for service and that they would be dealt with on a case by case business. This area may fall under that category.

Executive Session

The Board enters into Executive Session at 12:51 PM

The board exits Executive Session at 1:13 PM

President Hege wants to know if the construction for the St. Mary's project is done and Mr. Amery confirms that it is and everything going forward is back in his hands. President Hege asks how the project went overall and if they experienced any difficulties. Mr. Amery notes that the additional rock and the railroad crossing caused some challenges.

Mr. Stone adds that Ms. Pipinich, Mr. Amery and Ms. Krell are look at the USDA Reconnect America funds and serving rural areas. Ms. Krell and Ms. Pipinich are planning to attend the workshop to see if there are opportunities in Celilio Village or 7 Mile and get a better understanding of the program.

The meeting is adjourned at 1:18 PM

The next regularly scheduled board meeting is set for Thursday, May 23, 2019.

These minutes were approved by the QLife Board on _____.

Lee Weinstein, Secretary



Financial Reports

- [April Financial Report](#)
- [April Financial Analysis](#)
- [March Reconciliations](#)

Qlife Monthly Report Operations Fund - April 2019

Filters	
Fd	600
Cat	(Multiple Items)

Data

Account	Current Budget	Current Actual YTD	Prior Year Actual YTD	Current Year Budget Executed	Prior Year Budget Executed	Current FY - Prior FY YTD
Revenue						
Qlife Operations						
Qlife-R						
Qlife-R						
INVESTMENT EARNINGS-R						
INTEREST EARNED	2,000	806	1,442	40.3%	40.1%	(635.86)
INVESTMENT EARNINGS-R Total	2,000	806	1,442	40.3%	40.1%	(635.86)
MISCELLANEOUS-R						
MISC RECEIPTS	200	1,586	1,200	793.0%	600.0%	386.00
MISCELLANEOUS-R Total	200	1,586	1,200	793.0%	600.0%	386.00
CHARGES FOR SERVICES-R						
UTILITY SERVICE CHARGES	669,147	544,232	551,493	81.3%	83.8%	(7,261.38)
CONNECT CHARGES	1,000	100	1,700	10.0%	170.0%	(1,600.00)
CHARGES FOR SERVICES-R Total	670,147	544,332	553,193	81.2%	83.9%	(8,861.38)
PASS-THROUGH PAYMENTS-R	-	-	-	#DIV/0!	0.0%	-
Qlife-R Total	672,347	546,724	555,835	81.3%	77.9%	(9,111.24)
Qlife-R Total	672,347	546,724	555,835	81.3%	77.9%	(9,111.24)
Qlife Operations Total	672,347	546,724	555,835	81.3%	77.9%	(9,111.24)
Revenue Total	672,347	546,724	555,835	81.3%	77.9%	(9,111.24)
Expense						
Qlife Operations						
Qlife-E						
Qlife-E						
MATERIALS & SERVICES-E						
ADMINISTRATIVE COST	55,350	41,513	40,500	75.0%	75.0%	1,012.84

Qlife Monthly Report
Operations Fund - April 2019

Account	Current Budget	Current Actual YTD	Prior Year Actual YTD	Current Year	Prior Year	Current FY - Prior FY YTD
				Budget Executed	Budget Executed	
ADVERTISING & PROMOTIONS	1,500	1,240	2,837	82.7%	189.2%	(1,597.50)
BLDG REPAIR & MAINT	1,600	-	-	0.0%	0.0%	-
CONTR SRVCS - AUDIT CONTRACT	6,000	4,000	3,650	66.7%	51.8%	350.00
CONTR SRVCS - OTHER	15,100	1,110	7,998	7.4%	266.6%	(6,888.20)
CONTRACTED SERVICES	-	-	-	#DIV/0!	#DIV/0!	-
DUES & SUBSCRIPTIONS	3,000	1,576	3,525	52.5%	271.1%	(1,948.49)
EQUIPMENT - NON CAPITAL	5,000	-	1,504	0.0%	#DIV/0!	(1,504.00)
GENERAL GRANTS	2,000	2,000	3,000	100.0%	150.0%	(1,000.00)
INSURANCE & BONDS	21,000	16,087	15,242	76.6%	72.6%	845.00
LEGAL NOTICES & PUBLISHING	400	334	24	83.4%	6.0%	309.50
MEALS LODGING & REGISTRATION	2,000	2,152	904	107.6%	45.2%	1,248.64
MISC EXPENDITURES	1,000	1,907	299	190.7%	45.9%	1,608.48
NETWORK COMPONENTS	5,000	-	730	0.0%	14.6%	(729.53)
POSTAGE	200	106	312	52.8%	156.1%	(206.44)
SUPPLIES - OFFICE	200	80	260	40.2%	192.7%	(179.76)
TAXES/PERMITS/ASSESSMENTS	400	785	515	196.3%	128.8%	270.07
TELEPHONE	420	456	381	108.6%	90.8%	75.07
TRAINING & EDUCATION	700	-	-	0.0%	0.0%	-
UTILITIES - WALNUT ST	800	518	684	64.7%	97.7%	(166.19)
RENT - OFFICE	7,752	3,203	3,876	41.3%	50.0%	(672.75)
CONTR SRVCS - LEGAL COUNSEL CONTR	9,000	3,870	5,148	43.0%	57.2%	(1,278.00)
OUTSIDE PLANT MAINTENANCE	20,000	6,701	23,255	33.5%	54.1%	(16,554.73)
CONTRACTED SVCS - ENGINEERING	20,000	59,587	30,354	297.9%	60.7%	29,233.22
CONTRACTED SVCS - NETWORK SYSTEM MANAGEMENT	51,000	69,490	47,262	136.3%	69.5%	22,227.79
POLE CONNECTION FEES	10,500	12,392	15,088	118.0%	143.7%	(2,696.54)
RIGHT OF WAY FEES	20,075	12,014	20,442	59.8%	103.5%	(8,427.95)
SCHOLARSHIP	2,000	-	2,000	0.0%	100.0%	(2,000.00)
EASEMENTS - NON-CAPITAL	1,000	-	-	0.0%	#DIV/0!	-
MATERIALS & SERVICES-E Total	262,997	241,120	229,789	91.7%	73.6%	11,330.53
CAPITAL OUTLAY-E						
EASEMENTS	-	-	18,000	#DIV/0!	#DIV/0!	(18,000.00)
EQUIPMENT - CAPITAL	20,000	-	-	0.0%	0.0%	-
CAPITAL OUTLAY-E Total	20,000	-	18,000	0.0%	90.0%	(18,000.00)
TRANSFERS OUT-E	372,800	310,667	327,415	83.3%	83.3%	(16,748.30)
Qlife-E Total	655,797	551,786	575,204	84.1%	79.3%	(23,417.77)

**Qlife Monthly Report
Operations Fund - April 2019**

Account	Current Budget	Current Actual YTD	Prior Year Actual YTD	Current Year Budget Executed	Prior Year Budget Executed	Current FY - Prior FY YTD
Qlife-E Total	655,797	551,786	575,204	84.1%	79.3%	(23,417.77)
Qlife Operations Total	655,797	551,786	575,204	84.1%	79.3%	(23,417.77)
Expense Total	655,797	551,786	575,204	84.1%	79.3%	(23,417.77)

Qlife Monthly Report Capital Fund - April 2019

Filters

Fd	601
Cat	(Multiple Items)

Data

Account	Current Budget	Current Actual YTD	Prior Year Actual YTD	Current Year Budget Executed	Prior Year Budget Executed	Current FY - Prior FY YTD
Revenue						
Qlife Capital						
Qlife-R						
Qlife-R						
INVESTMENT EARNINGS-R						
INTEREST EARNED	1,072	24,293	13,676	2266.1%	1275.7%	10,617.28
INVESTMENT EARNINGS-R Total	1,072	24,293	13,676	2266.1%	1275.7%	10,617.28
TRANSFERS IN-R						
TRANSFER FROM QLIFE OPERATING FUND	372,800	310,667	327,415	83.3%	83.3%	(16,748.30)
TRANSFER FROM QLIFE MAUPIN FUND	10,000	-	-	0.0%	0.0%	-
TRANSFERS IN-R Total	382,800	310,667	327,415	81.2%	81.3%	(16,748.30)
CHARGES FOR SERVICES-R						
CONNECT CHARGES	19,000	-	-	0.0%	0.0%	-
CHARGES FOR SERVICES-R Total	19,000	-	-	0.0%	0.0%	-
Qlife-R Total	402,872	334,960	341,091	83.1%	80.6%	(6,131.02)
Qlife-R Total	402,872	334,960	341,091	83.1%	80.6%	(6,131.02)
Qlife Capital Total	402,872	334,960	341,091	83.1%	80.6%	(6,131.02)
Revenue Total	402,872	334,960	341,091	83.1%	80.6%	(6,131.02)
Expense						
Qlife Capital						
Qlife-E						
Qlife-E						
MATERIALS & SERVICES-E	23,000	(4,470)	4,068	-19.4%	13.1%	(8,538.00)
CAPITAL OUTLAY-E						
BUILDINGS	-	-	-	#DIV/0!	0.0%	-

**Qlife Monthly Report
Capital Fund - April 2019**

Account	Current Budget	Current Actual YTD	Prior Year Actual YTD	Current Year Budget Executed	Prior Year Budget Executed	Current FY - Prior FY YTD
EQUIPMENT - CAPITAL	80,000	-	-	0.0%	#DIV/0!	-
PRIMARY SYSTEMS	600,000	118,464	22,055	19.7%	11.3%	96,409.10
SECONDARY LINE EXTENSION	200,000	2,354	3,756	1.2%	5.0%	(1,402.04)
CAPITAL OUTLAY-E Total	880,000	120,818	25,811	13.7%	5.1%	95,007.06
TRANSFERS OUT-E	200,000	-	-	0.0%	0.0%	-
RESERVE FOR FUTURE EXPENDITURES-E	224,666	-	-	0.0%	0.0%	-
Qlife-E Total	1,327,666	116,348	29,879	8.8%	2.5%	86,469.06
Qlife-E Total	1,327,666	116,348	29,879	8.8%	2.5%	86,469.06
Qlife Capital Total	1,327,666	116,348	29,879	8.8%	2.5%	86,469.06
Expense Total	1,327,666	116,348	29,879	8.8%	2.5%	86,469.06

Qlife Monthly Report Maupin Fund - April 2019

Filters

Fd	602
Cat	(Multiple Items)

Data

Account	Current Budget	Current Actual YTD	Prior Year Actual YTD	Current Year Budget Executed	Prior Year Budget Executed	Current FY - Prior FY YTD
Revenue						
Qlife - Maupin						
Qlife-R						
Qlife-R						
INTERGOV'T REV - NON SINGLE AUDIT-R						
STATE GRANT	190,000	494,069	167,381	260.0%	43.3%	326,688.26
INTERGOV'T REV - NON SINGLE AUDIT-R Total	190,000	494,069	167,381	260.0%	43.3%	326,688.26
INVESTMENT EARNINGS-R						
INTEREST EARNED	-	1,396	1,812	#DIV/0!	#DIV/0!	(416.93)
INVESTMENT EARNINGS-R Total	-	1,396	1,812	#DIV/0!	#DIV/0!	(416.93)
MISCELLANEOUS-R	-	-	-	#DIV/0!	0.0%	-
TRANSFERS IN-R	200,000	-	-	0.0%	0.0%	-
CHARGES FOR SERVICES-R						
CITY OF MAUPIN	546,000	-	-	0.0%	#DIV/0!	-
UTILITY SERVICE CHARGES	-	-	-	#DIV/0!	0.0%	-
CITY OF MAUPIN FRANCHISE FEES	1,600	-	-	0.0%	#DIV/0!	-
CHARGES FOR SERVICES-R Total	547,600	-	-	0.0%	0.0%	-
Qlife-R Total	937,600	495,465	169,193	52.8%	27.4%	326,271.33
Qlife-R Total	937,600	495,465	169,193	52.8%	27.4%	326,271.33
Qlife - Maupin Total	937,600	495,465	169,193	52.8%	27.4%	326,271.33
Revenue Total	937,600	495,465	169,193	52.8%	27.4%	326,271.33

Expense

Qlife - Maupin						
Qlife-E						
Qlife-E						
MATERIALS & SERVICES-E						

Qlife Monthly Report Maupin Fund - April 2019

Account	Current Budget	Current Actual YTD	Prior Year Actual YTD	Current Year Budget Executed	Prior Year Budget Executed	Current FY - Prior FY YTD
ADMINISTRATIVE COST	14,160	494	-	3.5%	0.0%	494.07
INSURANCE & BONDS	1,000	-	-	0.0%	0.0%	-
CONTR SRVCS - LEGAL COUNSEL CONTR	2,000	2,106	648	105.3%	32.4%	1,458.00
CONTRACTED SVCS - ENGINEERING	-	1,815	279	#DIV/0!	#DIV/0!	1,536.25
POLE CONNECTION FEES	1,050	-	-	0.0%	0.0%	-
CONTRACTED SVCS - WIFI	1,000	384	11,909	38.4%	58.4%	(11,524.76)
BROADBAND SUPPORT	-	-	-	#DIV/0!	0.0%	-
MATERIALS & SERVICES-E Total	19,210	4,799	12,836	25.0%	24.2%	(8,036.44)
CAPITAL OUTLAY-E						
EQUIPMENT - CAPITAL	-	-	3,148	#DIV/0!	#DIV/0!	(3,147.50)
PRIMARY SYSTEMS	600,000	542,143	169,914	90.4%	#DIV/0!	372,229.39
SECONDARY LINE EXTENSION	-	-	433	#DIV/0!	0.1%	(433.00)
CAPITAL OUTLAY-E Total	600,000	542,143	173,494	90.4%	30.2%	368,648.89
TRANSFERS OUT-E	10,000	-	-	0.0%	0.0%	-
RESERVE FOR FUTURE EXPENDITURES-E	59,160	-	-	0.0%	0.0%	-
Qlife-E Total	688,370	546,942	186,330	79.5%	28.0%	360,612.45
Qlife-E Total	688,370	546,942	186,330	79.5%	28.0%	360,612.45
Qlife - Maupin Total	688,370	546,942	186,330	79.5%	28.0%	360,612.45
Expense Total	688,370	546,942	186,330	79.5%	28.0%	360,612.45

Qlife Monthly Report
Accounts Receivable - April 2019
Accounts Receivable Summary

Fund	Total Receivable	Current	30-59 Days	60-89 Days	90-119 Days	Over 120 Days
600	45,445.78	26,240.00	-	-	-	19,205.78
601	-	-	-	-	-	-
602	-	-	-	-	-	-
Mar	30,495.78	11,290.00	-	-	-	19,205.78
Feb	49,520.78	30,315.00	-	-	-	19,205.78
Jan	33,980.78	7,575.00	-	-	-	26,405.78
Dec	38,445.78	12,040.00	-	-	-	26,405.78
Nov	61,291.78	34,740.00	-	146.00	-	26,405.78

Qlife – Financial Analysis for April 2019 Financial Statements

The financial statements for March are presented. The information is unaudited and meant for Management use. As a metric, the year is 10/12 or 83.3% complete for a straight-line comparison of actual budget execution. For some expense/revenues, a straight-line assumption is not relevant but it is a good place to start the analysis.

Operations Fund

Revenues for the Operations fund are proceeding according to the budget plan. Current budget execution of Utility Service Charges is 81.3%. While this is not up to the 83.3% expected straight-line, it is close. Annualized, the difference could be about \$13K – this is consistent with prior months. Utility Service Charges are \$7,261 less than last fiscal year. Looking at all revenues, the total is \$9,197 less than last year at this date.

Accounts receivable are at \$45,446. Of this, \$26K is current and the remaining \$19K is over 120 days. The entirety of the delinquent amount (\$19K) is to one client and is in collection procedures. This has been an issue since last fiscal year. As of May 8th, only 1 of the billings from the April billing remain outstanding.

Interest continues to grow although below the budgeted amount in the Operations fund as stated in prior months. This is more than made up by the amount in the Capital fund. The full budget amount of interest entity wide has already exceeded the budgeted amount.

Overall expense budget execution is 84.1%. This is \$6K above the straight-line assumption – the margin has decreased \$4K since last month. The spikes in the expense cycle are leveling out and the primary driver at this point is the additional \$13K from FY18 that was paid out of FY19. Staff reviewed the expenditures in the Contracted Services - Engineering and Network System Management to determine if some of this expense should be moved to the Capital Fund. The amount now is fully reviewed. At this point, it just needs to be watched closely. The fund is approaching the legal level of control for the appropriation. When the May report is completed, there may need to be a request for a budget change.

Transfers Out are as budgeted. The transfers will continue as scheduled as the revenues are close to expectations.

Overall, the fund is doing well. Revenues are slightly behind the budget amount but that is not slipping any significant distance. Expenses are ahead of the straight-line assumption, but not far off. The rates appear to be close – a budget change may be necessary to accommodate the contracted services. This will be apparent in the next report and proposed at that time.

Capital Fund

Revenues for the Capital fund are strong and consistent. Budget execution is at 82.5%. The monthly transfer in from the Operations fund is right on target. The transfer from Maupin will not be happening anytime soon as discuss previously. The project will need to be completed before any real income is

seen here. This is no change from prior months' reports. Additionally the Connect Charges have not happened.

As briefly mention in the Operations section, interest is doing well past budget expectations. Currently the amount is \$24,293. The budgeted amount is \$1,072. So, Capital Interest revenue is only 2,266.1% of the budget in the 10th fiscal month. \$27K in interest by June 30th is not unrealistic of a projection.

Expenses have continued increasing – currently budget execution is up to 8.8%. This will stay low until there is progress on moving forward on other projects.

The fund is in good shape overall and the fund balance continues to grow. This is unchanged from the prior months. The Maupin project is finishing up and should start to generate revenue soon. This will enable repayment to the Capital Fund.

Maupin Fund

The only revenue growth in the last month has been a small amount of interest (\$145). Revenues are eagerly anticipated for when the project is completed and the system can work to be self-sufficient.

Expenses are unchanged from February. April added \$745 has been added to the expenses. It really feels the end of the project is near.

With the significant slowing of expense invoices, there is strong fiscal evidence the project is finishing. The intent is to start generating revenue soon. It has been indicated the residents are getting signed up for service so the franchise fees should start to flow. These will be the first steps to getting the Maupin fund to be self-supporting.

Summary

The organization is in good shape overall. Currently, the Maupin project is not stressing the other funds and only stressing itself. All expenditures are within budget authority.

Reconciliations for April have not been completed yet due to time constraints. These will be addressed before the end of the month. Reconciliations for March are completed and have been reviewed with the Wasco County Administrator and the Wasco County Treasurer. The March bank reconciliations are included in this report packet.

March 2019 Bank Reconciliation

Mike M - 4/23/19

	Main Checking Bank						LGIP Account Bank				
		Eden 600	Eden 601	Eden 602	Eden Total		Eden 600	Eden 601	Eden 602	Eden	
Begininng Balance	436,871.10	21,658.27	427,229.33	(15,222.07)	433,665.53	Beginning Balance	1,262,188.13	36,070.34	1,163,715.34	62,402.45	1,262,188.13
Credits	-					Deposits					
Deposits	82,285.41	77,534.83	39,166.91	-	116,701.74	Debit					
Withdrawals	100.00					Dividends/Interest	2,947.99	85.49	2,718.05	144.45	2,947.99
Checks	14,652.09	42,447.73	3,514.83	0.29	45,962.85	Credit					
						Other Decreases					
Ending Balance	504,404.42	56,745.37	462,881.41	(15,222.36)	504,404.42	Ending Balance	1,265,136.12	36,155.83	1,166,433.39	62,546.90	1,265,136.12
Deposits in Transit						Ending GL	1,265,136.12				
Outstanding Checks	\$0.00				-						
Adjusted Balance	504,404.42	56,745.37	462,881.41	(15,222.36)	504,404.42	LGIP Variance	-	2.9%	92.2%	4.9%	
Variance	-										

\$0.00



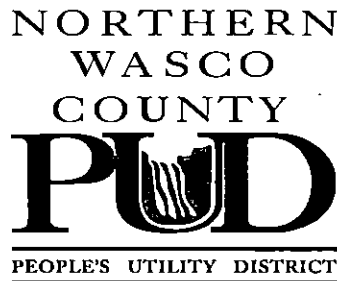
Discussion Items

- [Aristo Technical Management Report](#)
- [Northern Wasco PUD Pole Attachment Increase](#)
- [Northern Wasco PUD Board Packet](#)
- [Oregon Connections Conference](#)
- [Oregon Business Magazine Article](#)
- [South County Fiber Build Proposal](#)

Aristo Networks LLC
Technical Management Report
By
John Amery
05/20/2019

Items of Discussion:

- Damaged QLIFE fiber in the region around E. 15th and Jefferson.
 - Working on vegetation control plan
- Failing Fiber project (SW section previously referred to as St. Marys)
 - Scheduling splicing over live customers
- Considerable efforts are currently being made to improve OSPInsight quality of documentation. - ongoing
- Electronics
 - QLIFE experienced technical difficulties with electronics that have created multiple issues.
 - One event affected all QLIFE lit customers for approximately 1 hour as QLIFE experienced a broadcast storm
 - On-going issues are affecting one customer on what appears to be a random basis.
 - We are currently evaluating multiple options towards issue resolution.



May 8, 2019

Q Life
511 Washington St
Suite 101
THE DALLES, OR 97058

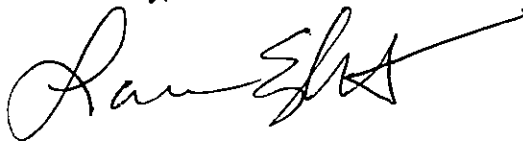
Pole Attachment Rental Rates FY 2019

Based on the financial statements for the year 2018, we have adjusted our pole contact rental rates. Pursuant to our Pole Agreement Contracts, Northern Wasco County PUD would like to advise you of a rate increase that will be effective July 1, 2019.

The annual rate will go from \$14.06 to \$16.47 per contact if the licensee is compliant; and from \$16.67 to \$19.84 per contact for those entities not in compliance.

Please consider this as written notice of the proposed changes with comments due within 60 days.

Sincerely,



Lana Egbert
Lead Sr. Financial Analyst
Lana-Egbert@nwascopud.org

Northern Wasco County PUD
2345 River Road
The Dalles OR 97058-3551
Direct (541) 506-3803
Office (541) 296-2226

AMENDED REGULAR SESSION AGENDA
NORTHERN WASCO COUNTY PEOPLE'S UTILITY DISTRICT
Board Room, 2345 River Road, The Dalles, Oregon
MAY 7, 2019 6:00 p.m.

<u>ITEM</u>	<u>REQUESTED ACTION</u>
<input type="checkbox"/> A. Public Comment Period	Presentation
<input type="checkbox"/> B. Consent Agenda <i>These items will be acted upon as a single item, unless any member of the board wishes to move an item to the regular agenda for separate consideration.</i> <ol style="list-style-type: none">1. Regular Session Minutes of April 2, 20192. Special Session Minutes of April 17, 20193. March Outage Report4. Energy Management/Marketing Report5. Checks/Vouchers6. March Financial Report7. March Write Offs	Motion
<input type="checkbox"/> C. 2018 Audit Report by Moss Adams	Motion
<input type="checkbox"/> D. Risk Appetite and Tolerance	Presentation
<input type="checkbox"/> E. Convene as Contract Review Board <ol style="list-style-type: none">1. Consideration and approval to award the Pole Attachment Audit Contract	Motion
<input type="checkbox"/> F. 2019 Quarter 1 Report:	Presentation
<input type="checkbox"/> G. New Business <ol style="list-style-type: none">1. Consideration of master power purchase and sale agreements2. Approval of Edison Electric Institute Master Power Purchase and Sale Agreement Cover Sheet template for Northern Wasco County People's Utility District3. Consideration and approval of eliminating the Post-Retirement Health Plan Policy and grandfathering the Post-Retirement Health benefit for participants4. Consideration and approval to amend the Personal Leave Policy5. Consideration and approval to amend the Workers Compensation Policy6. Consideration and approval to amend the Pole Contact Rates7. For information only, change to Energy Management's use of BPA Credits8. Approval of Amendment Number One to Northern Wasco County People's Utility District 401(K) Plan	Motion

- H. Old Business** **Motion**
 - 1. Consideration of the Requests for Proposals received for Retirement Planning Services

- I. Board Reports / Items from Board Members** **Discussion**
 - 1. Oregon People's Utility Districts Association (OPUDA)
 - 2. Other

- J. Approval of future meetings/travel/or related matters** **Discussion**

Future Meeting Dates:

 - 1. May 1: NRU Board Meeting, 9 am – 2:30 pm, Sheraton @ PDX
 - 2. May 1: PPC Forum, 3 pm – 5 pm, Sheraton @ PDX
 - 3. May 2: PPC Exec Comm, 8 am – 12 pm, Sheraton @ PDX
 - 4. May 7: PUD Board Meeting, 6 pm
 - 5. May 22: NWPPA Annual Conference, Sacramento, CA
 - 6. May 22: NRU Annual Breakfast Mtg, 9 am, Sacramento, CA
 - 7. May 24: OPUDA Board Meeting, 8:30 am, SDAO Office in Salem
 - 8. June 5: NEMS, NESC, NIES Board Mtg, 9 am, Sheraton @ PDX
 - 9. June 5: PPC Forum, 3 pm – 5 pm, Sheraton @ PDX
 - 10. June 6: PPC Exec Comm, 8 am – 12 pm, Sheraton @ PDX
 - 11. June 7: APPA Annual Conference, Austin, Texas
 - 12. June 7: PUD Board Meeting, 6 pm
 - 13. June 9-10: NRECA Financial Decision Making, Williamsburg, VA
 - 14. June 21: OPUDA Board Meeting, 8:30 am, SDAO Office in Salem

- K. Miscellaneous Information**

- L. Executive Session – ORS 192.660(2) (g) to consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations.**

*This Agenda is subject to last minute changes.
 Meetings are ADA accessible. For special accommodations please contact the
 Northern Wasco County PUD Office in advance, (541) 296-2226. TDD 1-800-735-2900.*

NORTHERN WASCO COUNTY PEOPLE'S UTILITY DISTRICT
REGULAR SESSION
APRIL 2, 2019

PRESENT: Connie Karp, President
Roger Howe, Vice President
Howard Gonser, Treasurer
Dan Williams, Director

ABSENT: Clay Smith, Secretary

President Karp called the Regular Session to order at 6:00 p.m.

Director Smith will not be in attendance tonight since he is on vacation.

The following individuals were present during the Regular Session:

Counsel: James Foster

NWCPUD Staff: General Manager Roger Kline; Assistant General Manager/Director of Power Resources Kurt Conger; Chief Innovation Officer Paul Titus; Executive Assistant Kathy McBride; CFO/Director of Finance & Enterprise Risk Harvey Hall; Key Accounts Manager Justin Brock; Director of Corporate Services Cyndi Gentry; Senior Financial Analyst Lana Egbert; Senior Financial Analyst/Contracts, Risk and Supply Chain Sue Powers; Asset/Program Manager Steve Horzynek; Substation Wireman Technician Doug Daniels; Joint Use and Regulatory Compliance Program Manager Tom McGowan; and Financial Analyst Dan O'Connell.

Visitors: Scott Taylor; Jody Daniels; and Jana O'Connell

PUBLIC COMMENT

There was no one present wishing to provide public comment.

Asset/Program Manager Steve Horzynek introduced Substation Wireman Technician Doug Daniels and Joint Use and Regulatory Compliance Program Manager Tom McGowan; both began working for the District last month.

Chief Financial Officer/Director of Finance & Enterprise Risk Harvey Hall introduced Financial Analyst Dan O'Connell who began working last month and who was hired to take Nichole Fimple's job after she was hired for the Engineering & Operations Coordinator position.

Director Gonser stated that he will be talking later about the recent Oregon People's Utility Districts Association (OPUDA) Lobby Day where elected Directors go through the entire Oregon Legislature House and Senate lobbying for electrical issues. He wanted to share with those in attendance the informational materials, which were distributed on Lobby Day in Salem. A copy of these informational handouts is hereto attached and marked as Exhibit 1.

CONSENT AGENDA

Items contained in the consent portion of the Agenda includes the following:

- Regular Session Minutes of March 5, 2019
- Special Session Minutes of March 12, 2019
- February Outage Report
- Energy Management/Marketing Report
- Checks/Vouchers
- February Financial Report
- February Write Offs
- Resolution #02-2019 in the matter of designating Representatives as authorized signators for the Bank of the West Accounts

The Board considered the approval of the April 2, 2019 Consent Agenda.

{{{Director Howe moved to approve the April 2, 2019 Consent Agenda as presented. Director Gonser seconded the motion; it was then passed unanimously.}}}

At 6:05 p.m. the Board convened as the District's Contract Review Board.

CONTRACT REVIEW BOARD

Consideration and approval to purchase a Tracked Hydraulic Derrick with Trailer and Attachments:

Asset/Program Manager Steve Horzynek presented staff's recommendation on the purchase of the Altec Tracked Hydraulic Derrick with trailer and attachments for the purchase amount of \$201,039.

Horzynek stated that the District has aging infrastructure, which has been identified in the maintenance plan, that is due for proactive maintenance. This aging infrastructure is located in many restricted access areas in the District's service territory. The tracked

hydraulic equipment is designed for hard to access facilities. Staff has researched and field tested the Altec Tracked Hydraulic Derrick with trailer and attachments. The equipment lends to the District's risk management considerations.

Horzynek noted that the Derrick, trailer and attachments are available through Sourcewell, who is a nationally recognized cooperative purchasing association. The total cost for the specified equipment, trailer and delivery is \$201,309.

Some discussion occurred regarding the proposed purchase, the ability of the equipment to access restricted areas, the life expectancy of the equipment, where the equipment can be serviced, and the ability for the District to piggy back on to the public agency procurement through Sourcewell.

{{{Director Howe moved to authorize the purchase of the Altec Model DB41B Tracked Hydraulic Derrick with trailer and attachments through Sourcewell for the purchase cost of \$201,039. Director Williams seconded the motion; it was then passed unanimously.}}}

General Manager Roger Kline noted that the purchase of the Derrick was included in the District's Capital Budget.

Consideration to Award Transmission and Distribution Utility Service:

Asset/Program Manager Steve Horzynek presented staff's recommendation to award the Transmission and Distribution Utility Service Contract to Michels Power for an amount not to exceed \$450,000.

Horzynek noted that the District is currently experiencing labor resource constraints while the need to rebuild and replace system circuits, structures, and equipment remains. System improvement projects initiated by District customers and developers may be assigned to the contractor under the labor and equipment agreement with the District. The District has solicited to contractors to provide a labor and equipment price not to exceed \$450,000.

Horzynek stated that it is staff's recommendation, after consideration of the evaluation criteria, for the Board to award the Transmission and Distribution Utility Service Contract to Michels Power to provide labor and equipment on a labor and equipment basis, at the agreed upon billable rate, for a duration of time that the total accrued billing reaches up to but shall not exceed \$450,000.

General Manager Kline stated that the Request for Proposals was written to support operations and maintenance (O&M) and capital work since the District has the need to renew and to expand our infrastructure.

{{{Director Gonser moved to accept staff's recommendation to award the Transmission and Distribution Utility Service Contract to Michels Powers for an amount not to exceed \$450,000. Director Williams seconded the motion; it was then passed unanimously.}}}

At 6:20 p.m. the Board adjourned as the Contract Review Board and reconvened into Regular Session.

DIVISION UPDATES

Engineering/Operations:

Asset/Program Manager Steve Horzynek provided the Engineering/Operations Report since Operations and Engineering Manager Pat Morehart is away at the American Public Power Association (APPA) Engineering and Operations (E&O) Conference supporting Apprentice Lineman Tucker McCabe who is participating in the APPA Apprentice Rodeo. Tucker has advanced from the fourth to the fifth step in his Lineman Apprenticeship. McCabe has been a hot apprentice since advancing to the fourth step. McCabe has excelled throughout his training.

Horzynek provided the following report:

The Dalles Marina Rebuild Project:

- All four (4) floats with transformers have been installed.
- All of the meter pedestals on all four (4) fingers are installed with wire being terminated.
- The sewer lift station service is energized.
- Starting next week, the contractor will be transferring the services beginning with the "A" finger.
- Completion of the project is expected by May 4, 2019.
- Photos of the Marina were viewed at this time. A copy of these photographs is hereto attached and marked as Exhibit 2.

Some discussion occurred regarding the Marina Project.

Horzynek noted that the old electric infrastructure at the Marina will be torn down by the end of the month, and AMI meters will be installed once the smart meters are deployed.

Director Gonser noted that he ran into a couple of boat house owners who are extremely pleased with the project.

Michels Power:

- Michels Power, District Contract Crew, returned from storm damage work to complete the following District projects:
 - E. 16th Street and Walnut Street – replacement of four (4) primary poles and reconductoring overhead wire.
 - E. 9th Street and Dry Hollow – replacing three (3) primary poles
 - Remington Road, Phase I – replacing nine (9) poles and reconductoring the three phase overhead lines.
 - Holiday Inn Express on W. 6th Street and Pomona – three phase underground conversion.
- Michels Power completed the current Transmission Distribution Utility Service Contract last week and is taking time off until April 10, 2019.

PUD Crew:

- The District's crew is currently working on a back-lot upgrade located at E. 8th Street and Kelly Avenue; removing primary from the back-lot line.
- The crew has corrected a situation where the underground conduit was exposed from a land owner excavating a driveway on NW Drive.
- The District's crew is preparing for a new irrigation primary service in Tygh Valley.
- Secondary service was installed to the new Veterinary Hospital on River Trail Way.
- District staff is noticing an increase in projects with the change in weather conditions.

Office Remodel:

- The Engineering Department will be temporarily displaced beginning April 8th for the office remodel project.
- The project is estimated to last one week.
- The District is looking forward to having seven (7) work stations instead of only four (4).

Finance & Risk:

Chief Financial Officer/Director of Finance & Enterprise Risk Harvey Hall reported as follows:

- The District has a positive net income of \$264,000 through February 2019.
- The District's previous load record was 109 aMW; for the month of February we averaged over 113 aMW.

- The District held their first Audit Risk Committee Meeting yesterday.
- Moss Adams, District Auditor, has no recommendations or modifications to the District's audit for 2018.
- The District has received a clean audit.
- District staff closed out 240 work orders during 2018, totaling over \$2.2 million.
- Moss Adams offered the District a few best practices recommendations.
- Moss Adams is impressed with the District's contract management.

Some discussion occurred regarding the District's recent audit, the first Audit Risk Committee Meeting, and District work orders.

Director Williams thanked staff for the changes made in District practices over the last three years. Director Williams noted that it is unheard of for a company to change their practices that fast; he felt it was amazing.

General Counsel James Foster stated that the audit is not a financial audit; it is also a procedure and practices audit. He felt it would be helpful for the Board to know how many work orders were opened last year, as compared to the number of work orders closed out.

Hall noted that the Auditor expects staff to close an open work order within 60 days after the project is completed. District staff tries to close out work orders sooner, if possible.

Director Gonser commented that he feels staff has done a phenomenal job from where the District came from; huge improvement.

Hall reported to the Board that the District has hired Alex Hastings as our summer Finance Intern. Ms. Hastings is currently attending college at George Fox University. Ms. Hastings will start on May 13, 2019.

At this time, Hall presented a PowerPoint Presentation entitled "Risk Culture-Appetite-Tolerance". A copy of said PowerPoint Presentation is hereto attached and marked as Exhibit 3.

Some of the highlights from Hall's PowerPoint Presentation are as follows:

- Establish the context includes:
 - The internal context
 - The external context
 - The risk management context
 - Develop criteria
 - Define the structure
- An organization's internal context includes:

- The factors that influence how it manages risk and tries to achieve objectives
- Governance
- Capabilities
- Defining the following Risk terms:
 - Risk Culture - the manner in which an organization talks and acts about assuming and managing risks; which drives...
 - Risk Appetite – the amount of risk an organization wants to assume; which drives...
 - Risk Tolerance – the level beyond which the organization does not want to assume any more risk, which is driven by its risk culture, risk appetite and the end goals.
- Risk tolerance is developed by taking into account risk culture, risk appetite, and end goals (Strategic Plan).
- The following are areas that are used to measure risk:
 - Safety
 - System Reliability
 - Financial Health
 - Legal-Regulatory Compliance
 - Human Resource
 - Reputation
 - Security – Physical and Cyber
- Next steps are for the Board to define their risk tolerance for each of the categories listed above.
- The Board's view of risk appetite and tolerance will mature over time and adjust to changing conditions.

Some discussion occurring during and after Hall's PowerPoint Presentation regarding defining risk tolerance.

Power Resources:

Assistant General Manager/Director of Power Resources Kurt Conger reported as follows:

Hydro Department Updates:

- The Dalles and McNary Hydroelectric Fishway Plants are running well.
- The net head conditions will reduce the output, which typically happens during Quarter 2, April through June, due to runoff conditions.
- Power prices are starting to fall off quite a bit; reduced output at lower price.
- Two (2) new Hydro Operators started work on March 18th at The Dalles Fishway Plant.

- Derrick Mauritson has assumed the Chief Hydro Plant Operator Position at The Dalles Fishway since Jay Bonogofsky's retirement.

Conger presented a PowerPoint Presentation at this time. The PowerPoint slides are entitled as: Basin Hydrologic Indicators as of 4-2-2019; Price Indicators; Water Supply and Runoff Forecast; Mid-C Price Trends (as of 4-2-2019); Enel X Auction on 2/20/19; and Forward Price Curve Indicators. A copy of these PowerPoint slides is hereto attached and marked as Exhibit 4.

Some of the highlights from Conger's presentation are as follows:

- There will be a lot of water runoff in April.
- Later in the summer the water level will be substantially below normal, which will drive wholesale power prices up.
- The District is currently balanced on wholesale purchases through 2019.
- The Dalles Fishway Plant in March 2019, ran consistently through the whole month, producing power at or above its normal output levels.
- In early March, staff saw prices topping out at \$890/MWh over a whole day.
- The settlement that the District will receive for March 2019, will be over \$250,000 for The Dalles Fishway output.
- The cost of energy purchased in 2020 increased primarily for Quarter 3.
- The District purchased Quarter 3 power in the recent Enel X Auction.
- The current price for power sales at The Dalles Fishway is \$20/MWh.
- The District's power positions are holding good.
- The Northwest Energy Management System (NEMS) power purchase will be discussed this evening under New Business.
- The District will conduct another Enel X Auction for calendar year 2020 going forward.

Quenette Creek Substation Energization:

- Bonneville Power Administration (BPA) has accepted substantial completion of the Quenette Creek Substation as of last Thursday.
- The Quenette Creek Substation is completed, however there are no lines going into the substation.
- It will take three weeks to de-energize and to connect into the substation.
- There is at least a month of testing after all lines are installed and connected.
- It is anticipated that around July 2019, the conversion will be started for RiverTrail.

Corporate Services:

Director of Corporate Services Cyndi Gentry deferred her time until the scheduled Executive Session.

Key Accounts:

Key Accounts Manager Justin Brock pointed out that on April 7th of this year, Northern Wasco County People's Utility District will be celebrating 70 years of providing electric service to our customers. Congratulations.

Brock presented a PowerPoint Presentation entitled "Electric Vehicles, Northern Wasco County PUD Partnership". A copy of said presentation is hereto attached and marked as Exhibit 5.

The following are highlights of Brock's presentation on Electric Vehicles:

- Compliance, Exceptional Customer Service, Collaboration & Communication, Technological Innovation & Sustainability, as well as a few others, are all a part of the District's Strategic Initiatives in the 2018-2028 Strategic Plan.
- The District promotes a culture of compliance consistent with the organizational philosophy that employees conduct business with the highest standards of ethics and integrity; we strive to meet all policy and regulatory requirements.
- Governor Kate Brown signed Executive Order #17-21 on November 6, 2017, directing state agencies to efforts that would improve energy efficiency, boosting electrical vehicle adoption, and to support actions to reduce greenhouse gas emissions.
- Focusing efforts on accelerating the adoption of zero emission vehicles that will result in at least 50,000 registered electric vehicles on Oregon roads by the end of 2020, specifically through regulation, charging infrastructure, fleet conversion, outreach, incentives and private sector partnerships. Providing equitable access to clean energy technology by removing barriers to electric vehicles and electric vehicle chargers.
- Oregon is now on the track of a 10% reduction in green-house gas emissions below 1990 levels, and 75% below 1990 levels by 2050.
- Oregon ranks 5th in the nation of plug-in vehicles per capita. Right now, there are more than 22,000 registered electric vehicles, 1,272 public chargers spread out over 528 locations and seven (7) charging networks operating across the state.
- Electric vehicles are growing at about 35 percent year after year. Keeping with the current pace, that'll be just over 41,000 registered by 2020.
- Approximately one-third of the state's green-house gas is contributed to the transportation sector.
- The Clean Fuels Program (CFP) is a component of Oregon's plan to reduce the lifecycle intensity of the transportation fuels that the state uses.

- The Oregon Clean Vehicle Standard Rebate Program offers a cash rebate for Oregon drivers who purchase or lease an electric vehicle. This is not a tax credit. The Oregon Department of Environmental Quality (DEQ) designed the program to reduce vehicle emissions by encouraging more Oregonians to purchase or lease electric vehicles rather than gas vehicles.
- The Charge Ahead Rebate is available to low to moderate-income households on the purchase or lease, of a new or used battery electric vehicle only; plug-in hybrids are not eligible. Income requirements vary by where you live in Oregon.
- Utilities are developing plans in tandem with state efforts to encourage the adoption of electric vehicles. Whether it be with incentives for the installation of home electric vehicle charging stations, rate design development specific to electric vehicle charging, or acting as an information resource to their customers.
- Enhanced collaboration and communication highlight the value of the District to its stakeholders and community.
- The District will continue outreach efforts to promote regional cooperation and planning with other utility service providers.
- Actively monitor and advance the utilization of new emerging technologies to enhance performance and promote the long-term viability of the District, the community, and our customer owners.
- Keeping in mind the District's strategic initiatives, a plan was developed addressing the following:
 - How to utilize Clean Fuel Program Credits.
 - Ways to leverage industry partners with procuring a charging station.
 - Analyze and determine an ideal location for a charging station in the District's service territory.
 - Get buy-in and acceptance.
- Out of the plan came the following idea, which was given to the City of The Dalles Manager Julie Krueger and then presented to The Dalles City Council at their March 11th meeting.
 - Locating a charging station at the Lewis and Clark Festival Park.
 - The District will meter the charging station.
 - The District will install the charging station.
 - The City of The Dalles will own and maintain the charging station.
 - The City of The Dalles will set the charging rate for the charging station.
 - The District and the City of The Dalles will promote the charging station.
- The District's Clean Fuel Credits were sold after the Board declared them as surplus property at the December 2018, Board Meeting.
- The District was able to procure a ChargePoint level 2 charging station through a Jump Start Kit Promo offered through General Pacific.
- Funds received from the sale of the Clean Fuel Credits helped offset the already discounted promo kit.
- The Dalles City Council agreed to partner with the District on the electric vehicle charging station at their March 11th meeting.

- After the City Council's meeting of March 11th was aired the District was contacted by other community members, including Mid-Columbia Medical Center, Northern Wasco County Parks & Recreation District and Dufur School, inquiring about installing electric vehicle charging stations.
- The District is the last Oregon People's Utility District to look into electric vehicles and being a partner with installing a charging station infrastructure.
- Coming attractions to the District?
 - Is it an electric vehicle with a wrap saying, "Hydro Flows Here"?
 - What about a rebate for the installation of a level 2 charging station?
 - Developing a charging rate structure that appeals to customers?
 - Or is it a provider of information we speak to and champion alongside our utility cohorts and community partners?

Some discussion occurred during and after Brock's PowerPoint Presentation on electric vehicles and the longevity of the batteries in electric vehicles.

Kline stated that Brock did an incredible job as the District's point person. The City of The Dalles will pay for the electrical consumption since they have decided not to charge the person using the charging station.

*****It was the consensus of the Board of Directors to support Northern Wasco County People's Utility District partnering with the City of The Dalles on the Electric Vehicle Charging Station Project***.**

Innovation & Planning:

Chief Innovation Officer Paul Titus provided the following report:

- The Automated Metering Infrastructure (AMI) Project is now six (6) weeks behind schedule.
- The AMI meters were to have been received by now.
- Staff will be performing first article testing within the next two weeks, which will then release the meters for mass production.
- Meters are now anticipated to be received by the middle to the end of May.

Some discussion occurred regarding responses received from customers regarding AMI meters.

General Manager:

General Manager Roger Kline provided the following report:

- On March 5th the District set a new load peak of 132.998 MW.

- The average peak for the entire month of March 2019, was 114.3 MW; the average load was 104.9 MW.
- The District's electric system operated very well throughout the winter.
- The District's new EPC Home Page was shown to the Board at this time. This is the site where District staff will upload their Standard Operating Procedures (SOPs).
- Photographs of Apprentice Lineman Tucker McCabe performing during the American Public Power Association (APPA) Apprentice Rodeo in Colorado Springs, Colorado the last weekend in March were shown to the Board. A copy of these photographs is hereto attached and marked as Exhibit 6.
- The District will develop some procedures based on best practices after receiving a recommendation from Moss Adams, District Auditor.

General Counsel:

General Counsel James Foster stated that it was amazing, at the District's recent Audit Risk Committee Meeting, to hear such positive comments about the District and CFO/Director of Finance & Enterprise Risk Harvey Hall and his team from an outside person.

Foster's only other comment was regarding Key Accounts Manager Justin Brock. Foster felt that the work that Brock did on the Electric Vehicles was extraordinary.

NEW BUSINESS

Energy Procurement:

Assistant General Manager/Director of Power Resources Kurt Conger went over information provided in his memorandum to the Board of Directors regarding a market transaction authorization request. A copy of Conger's memorandum is hereto attached and marked as Exhibit 7.

Some of the highlights of Conger's presentation are as follows:

- The Master Resource Agreement allows for joint purchasing of power supply resources by the members of Northwest Intergovernmental Energy Supply (NIES).
- The District is at the point where a purchase is necessary.
- This would be the second time the District has entered into a purchase agreement through NIES.
- The District has a load indicated at 4 MW that needs to be covered for the Above Rate Period High Water Mark for non-federal resources.

- This load forecast was prepared in collaboration with Bonneville Power Administration (BPA) last year and it was memorialized around September 2018.
- In that forecast, BPA did not allocate between what the District calls diversified load and the District's other large customer loads.
- Staff has been in the process of working with BPA on developing an allocation for the Above Rate Period High Water Mark (ARPHWM) quantity of 4 MW; the total ARPHWM is 19 MW for 2020 and 26 MW for 2021; the majority of which is associated with one customer. The 4 MW is associated with the rest of the District's customers.
- NIES conducted a conference call this afternoon at 1 p.m. and approved the District's entry into that group purchase.
- Exhibit D, which is a part of Conger's memorandum, shows the market purchase transaction authorization form and what the District calls the price ceiling.
- Staff is hoping that the prices drop off between now and sometime in May when the District needs to purchase power in order to have time to line up transmission reservations.
- Conger recommends that the Board authorize the General Manager to execute Exhibit D of the Master Resource Agreement between NIES and the District for the purchase of 4 aMW for Fiscal Years 2020 and 2021.

Some discussion occurred regarding the proposed purchase.

{{{Director Williams moved to authorize General Manager Roger Kline to execute Exhibit D of the Master Resource Agreement between Northwest Intergovernmental Energy Supply and Northern Wasco County People's Utility District for the purchase of 4 aMW for Fiscal Years 2020 and 2021. Director Howe seconded the motion; it was then passed unanimously.}}}

Consideration and approval to declare property as surplus:

Director of Corporate Services Cyndi Gentry requested the Board's consideration to declare as surplus, property that is no longer needed from the Space Planning/ Workstation Project, as described in her memorandum to the Board of Directors. A copy of Gentry's memorandum is hereto attached and marked as Exhibit 8.

Gentry noted that the items to be declared as surplus will either be donated or discarded. North Wasco County School District #21 may be interested in the cubical workstations, while the ReStore is interested in some of the office furniture.

{{{Director Gonser moved to declare the office furniture that is being removed from staffs' offices during the Space Planning/Workstation Project be declared as surplus property and that staff is hereby authorized to dispose of said property. Director Williams seconded the motion; it was then passed unanimously.}}}

Oregon Clean Fuels Program Credits:

Key Accounts Manager Justin Brock went over his memorandum regarding the Oregon Clean Fuels Program Credits. A copy of Brock's memorandum is hereto attached and marked as Exhibit 9.

Brock stated that staff is recommending that all credits generated through the Oregon Clean Fuels Program (CFP) be declared as surplus property until said program ceases, or credits no longer are deposited into the Clean Fuels Program Online System.

General Manager Roger Kline stated that the District has not done anything with these credits, which have been generated through the Oregon CFP. The District has accumulated 142 credits. The District has received interest from one potential purchaser.

General Counsel James Foster stated that he has some concern with the Board declaring as surplus CFP credits which the District does not have yet.

Some discussion occurred regarding the disposal of available CFP credits.

Foster requested that the Board defer this issue until next month. In the meantime, Foster feels that the Board could declare the 142 credits on hand as surplus and authorize said credits to be sold.

{{{Director Williams moved that the CFP credits available as of this date, which were generated by the District through the Oregon Clean Fuels Program, are hereby declared as surplus property, and that staff is authorized to sale said credits. Director Gonser seconded the motion; it was then passed unanimously.}}}

OLD BUSINESS

Retirement Plan Services:

President Karp wished to discuss the next step for the Board of Trustees to make a decision on the Request for Proposals received for Retirement Plan Services. President Karp stated that it is her understanding from reading the Regular Session Minutes of March 12, 2019, that the District is to obtain additional information from Special Counsel Iris Tilley, which will be distributed to staff and plan participants by Executive Assistant Kathy McBride. A Board of Trustees Meeting would be scheduled after obtaining the results of a survey poll of staff and plan participants, and the additional information obtained by Tilley on investment fund comparisons.

Chief Innovation Officer Paul Titus informed the Board of his conference call with a Nationwide Representative and Board of Trustee Member Kathy McBride. Titus noted that he had a frank discussion with the representative regarding the District not receiving the services that we had received in the past.

The Nationwide representative was interested in providing the District with updated plan options which would lower participants cost. Titus put the representative in contact with Tilley. Titus stated as far as he knows, they have exchanged information.

Some discussion occurred.

Chief Financial Officer/Director of Finance & Enterprise Risk Harvey Hall stated that the Retirement Plan Administrator responsibilities will stay with the Finance Department.

BOARD REPORTS / ITEMS FROM BOARD MEMBERS

Oregon People's Utility Districts Association (OPUDA):

Director Gonser stated that he hopes staff had an opportunity to review the informational materials that were distributed to Oregon State Representatives and Senators at the recent OPUDA Lobby Day held at the Oregon State Capitol which were passed around earlier in the meeting.

Director Gonser noted that OPUDA is spending a lot of money on their lobbyist. The Romain Group, OPUDA Lobbyist, are doing a lot protecting electric utilities from HB 2020 (establishes Carbon Policy Office within Oregon Department of Administrative Services and directs Director of Carbon Policy Office to adopt Oregon Climate Action Program by rules), and SB 928 (creates Oregon Climate Authority. Establishes Oregon Climate Board.) Director Gonser noted that these two bills will impact everyone in the State of Oregon.

Director Gonser reported on the visits with Senator Bill Hansell, Senator Cliff Bentz and Senator Alan Olsen during Lobby Day.

Director Gonser highlighted the following items under SB 928 Oregon Climate Authority (OCA):

- The bill becomes fully effective in 2021.
- It is anticipated that the bill will pass sometime this legislative session.
- There are six places in the proposed legislation where money will come from to do all the OCA things listed under the bill; the majority of the cost coming from Energy Supplier Assessment (ESA) funding.

- The Governor's requested budget includes 112 total positions for 2019-2021; 14 new positions to implement cap and trade; 4 current positions transferring from Green House Gas Reporting at DEQ; and 94 current Oregon Department of Energy positions transferring to the Oregon Climate Authority.

Director Gonser mentioned that the Oregon People's Utility District Association has been involved in two lawsuits against the State of Oregon for the Energy Supplier Assessment (ESA). He noted the outcome of the first lawsuit. The second lawsuit is currently before the Oregon Supreme Court.

Director Gonser feels that the Energy Supplier Assessment will increase a whole bunch. The state has used the ESA funding to pay staff salaries. The Oregon Department of Energy (ODOE) is now down to 97 employees from 121 employees.

Director Gonser noted that HB 2020 is projected to cost between \$500 million to \$600 million. Director Gonser believes it is a tax and spend bill.

Director Howe stated that there is no accountability.

Some discussion occurred.

The Board recessed at 8:28 p.m.

The Board reconvened at 8:31 p.m.

EXECUTIVE SESSION

At 8:31 p.m. President Karp recessed the Regular Session to convene into Executive Session as authorized by ORS 192.660(2) (g) to consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations and ORS 192.660 (2)(d) to conduct deliberations with persons designated by the governing body to carry on labor negotiations.

Those present for the Executive Sessions included the Board of Directors; General Counsel James Foster; General Manager Roger Kline; Assistant General Manager/Director of Power Resources Kurt Conger; Chief Innovation Officer Paul Titus, Key Accounts Manager Justin Brock; Director of Corporate Services Cyndi Gentry; CFO/Director of Finance & Enterprise Risk Harvey Hall; and Executive Assistant Kathy McBride.

At 9:10 p.m. the Board adjourned from Executive Session to return to Regular Session.

At this time the Board of Directors considered the ratification of the Collective Bargaining Agreements between IBEW Local 125 and Northern Wasco County People's Utility District for both outside and inside staff.

{{{Director Howe moved to approve the Collective Bargaining Agreements between IBEW Local 125 and Northern Wasco County People's Utility District. Director Gonser seconded the motion; it was then passed unanimously.}}}

APPROVAL OF FUTURE MEETINGS/TRAVEL/OR RELATED MATTERS

April 3, PPC Forum – Roger Howe, Clay Smith, Howard Gonser and Dan Williams

April 4, PPC Executive Committee – Connie Karp, Roger Howe, Clay Smith, Howard Gonser and Dan Williams

April 19, OPUDA Board Meeting - Connie Karp, Roger Howe, Howard Gonser Dan Williams and Clay Smith?

May 1, NRU Board Meeting – Connie Karp, Roger Howe, Howard Gonser, Dan Williams and Clay Smith?

May 1, PPC Forum – Connie Karp, Roger Howe, Howard Gonser, Dan Williams and Clay Smith?

May 2, PPC Executive Committee – Connie Karp, Roger Howe, Howard Gonser, Dan Williams and Clay Smith?

May 19-22, NWPPA Annual Conference – Connie Karp, Roger Howe and Clay Smith

May 24, OPUDA Board Meeting – Roger Howe, Howard Gonser, Dan Williams and Clay Smith?

June 7, APPA Annual Conference – Howard Gonser

June 9-10, NRECA Financial Decision Making – Connie Karp and Roger Howe

General Counsel James Foster asked for the Board's approval for him to attend the Northwest Wholesale Power Markets Conference on Wednesday, May 15, 2019 in Portland.

{{{Director Gonser moved to authorize General Counsel James Foster to attend the Northwest Wholesale Power Markets Conference in Portland, Oregon on May 15, 2019. Director Howe seconded the motion; it was then passed unanimously.}}}

There being no further business the meeting adjourned at 9:19 p.m.

President

ATTEST:

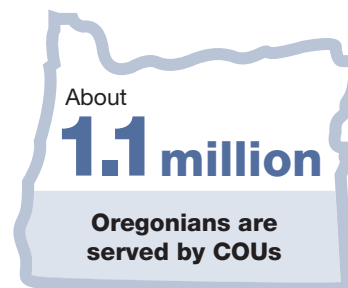
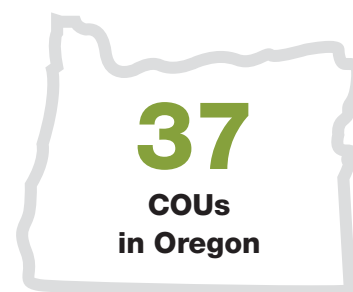
Secretary



COUs are local and not-for-profit

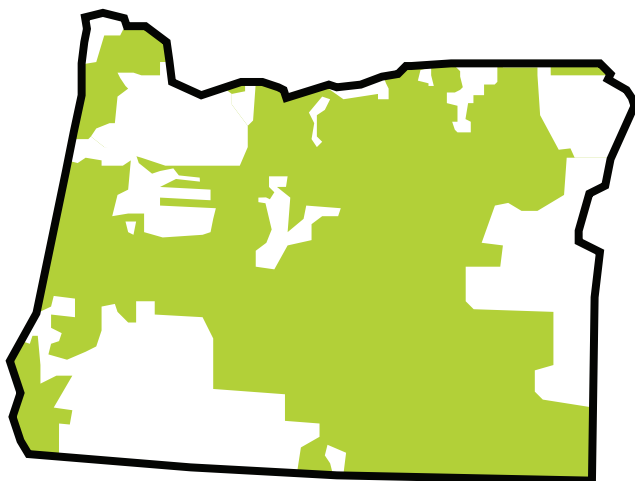
More than 100 years ago, Oregonians began forming consumer-owned utilities to provide lower-cost electricity and local control over rates, services, customer policies and community investments. Oregon's 37 COUs differ from Oregon's investor-owned utilities in many ways:

- COUs are owned by the customer-owners they serve.
- COUs are governed by locally-elected boards or commissions.
- COUs exist only to serve their customers. A large portion of COUs' revenue is reinvested in the communities we serve.



Consumer-owned utilities' electricity rates are on average 5% lower than those of investor-owned utilities.

 **Area Served by Oregon COUs**



omeu.org



oreca.org



opuda.org



COUs invest in our communities

Because we are locally-governed and owned by the customers we serve, COUs have a unique responsibility to invest in our communities. We offer low-income assistance programs based on local needs, desires and unique characteristics of each community, and include energy-efficiency programs, low-income assistance and other community investments. Some examples:

Many Oregon COUs **offer rebate programs to help customers save electricity**, including duct sealing for manufactured and site-built homes,



energy-efficient windows, insulation, and even a rebate to help manufactured home buyers buy new Energy Star-rated homes.

Springfield Utility Board sponsors an annual 4th of July “Light of Liberty” celebration. Light of Liberty ticket sales **benefit Project Share, helping low-income residents with wintertime heating emergencies.**



COUs **support economic development.** For example, Northern Wasco PUD’s efforts and low rates helped convince Google to invest heavily in The Dalles.



COUs pay property taxes and franchise fees to local governments, **keeping COU customers’ dollars in local economies, supporting important community services and investments.**

\$2 million

Amount the average-sized U.S. COU puts back in the community annually.¹

¹ American Public Power Association



omeu.org



oreca.org

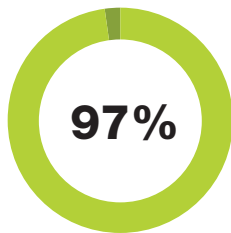


opuda.org



COU electricity: near-zero carbon

Nearly all of the electricity provided by consumer-owned utilities is “carbon-free.” Our power comes from renewable, or “green” sources that don’t burn fossil fuels, primarily hydropower and wind.

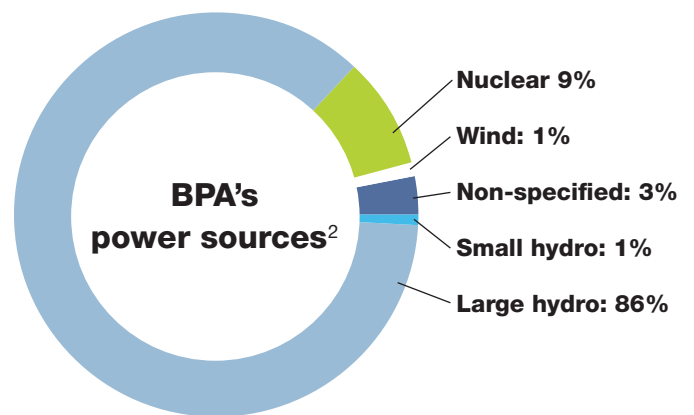
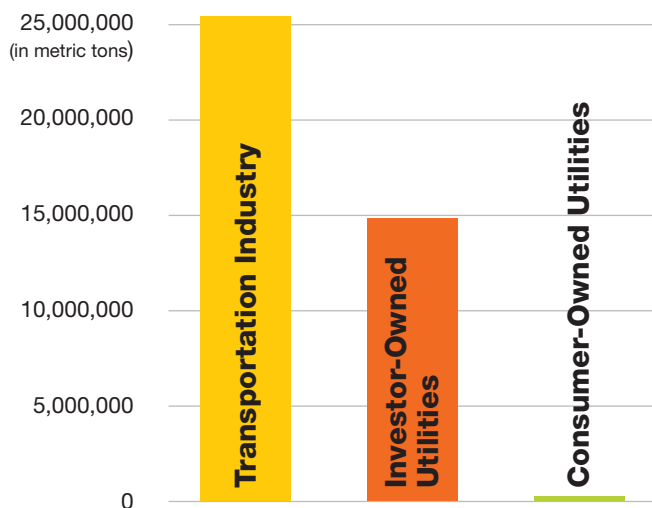


Oregon’s consumer-owned utilities have an electricity mix with “near-zero carbon.”¹ More than 97 percent of **consumer-owned utilities’ power is clean and green.**² We are doing our part to help keep Oregon’s air clean.



Here’s how Oregon’s consumer-owned utilities’ annual “carbon footprint” compares. Vehicles are the major source of carbon dioxide emissions in Oregon.¹

CO2 Emissions in Oregon¹



¹ Oregon Global Warming Commission Report to the Legislature (12/2018)
² BPA at <https://tinyurl.com/BPApower> (2017). BPA fuel mix varies annually due to water supply and timing, and spill operations relating to fish.



COUs are committed to “clean and green”

Consumer-owned utilities provide clean, green and renewable electricity.

Many consumer-owned electric utilities have also invested in additional renewable energy with local, community-based projects supported by our customers. For example:

More than 30 years ago, Emerald People’s Utility District built a facility at the Short Mountain Landfill outside Eugene to tap methane gas to generate electricity for its customers.



A number of Oregon’s COUs are investing in “community solar” projects: Customers buy shares or sections of a solar array that’s built on utility property, and share in the benefits.



Northern Wasco County People’s Utility District built two small-scale hydroelectric generating turbines at large dams along the mid-Columbia River to supplement its BPA power.



McMinnville Water & Light uses Riverbend Landfill waste to generate approximately 4.5 MW of electricity.



Eugene Water & Electric Board and Emerald People’s Utility District each have “Greenpower” programs in which the customers get to choose which small-scale, local solar and other renewable projects will be funded with grants.



omeu.org



oreca.org



opuda.org



COUs help Oregonians conserve energy

Since the mid-1970s, COUs have been helping their customer-owners reduce energy consumption with zero or low-interest loans, grants, rebates and other incentive programs. Consumer-owned utilities were pioneers in Oregon’s early energy-efficiency efforts, and we continue to do our part—with millions of dollars rebated every year to customers for energy-saving projects.

Rural COUs have a much different “customer profile” than urban areas served by investor-owned utilities. For example, cities have a higher percentage of apartments, which use less electricity than single-family homes.



Oregon’s COUs have helped their customers save more than 3,000,000 megawatt hours since 1982.¹

That’s more than enough electricity to power all of the homes in Portland for a year.

Oregon COUs are on target to exceed the Seventh Power Plan targets established by the Northwest Power and Conservation Council for energy efficiency savings.

The Power Council’s projections show that current levels of **conservation will meet increases in demand** due to growth until 2035.²



YEAR 2035

¹ Bonneville Power Administration
² Northwest Power and Conservation Council



Port of The Dalles Marina Electrical Upgrade Update – April 2, 2019

Steve Horzynek

Asset/Program Manager – Engineering Team Lead









Risk Culture-Appetite-Tolerance

Northern Wasco County PUD
Discussion – April 2, 2019

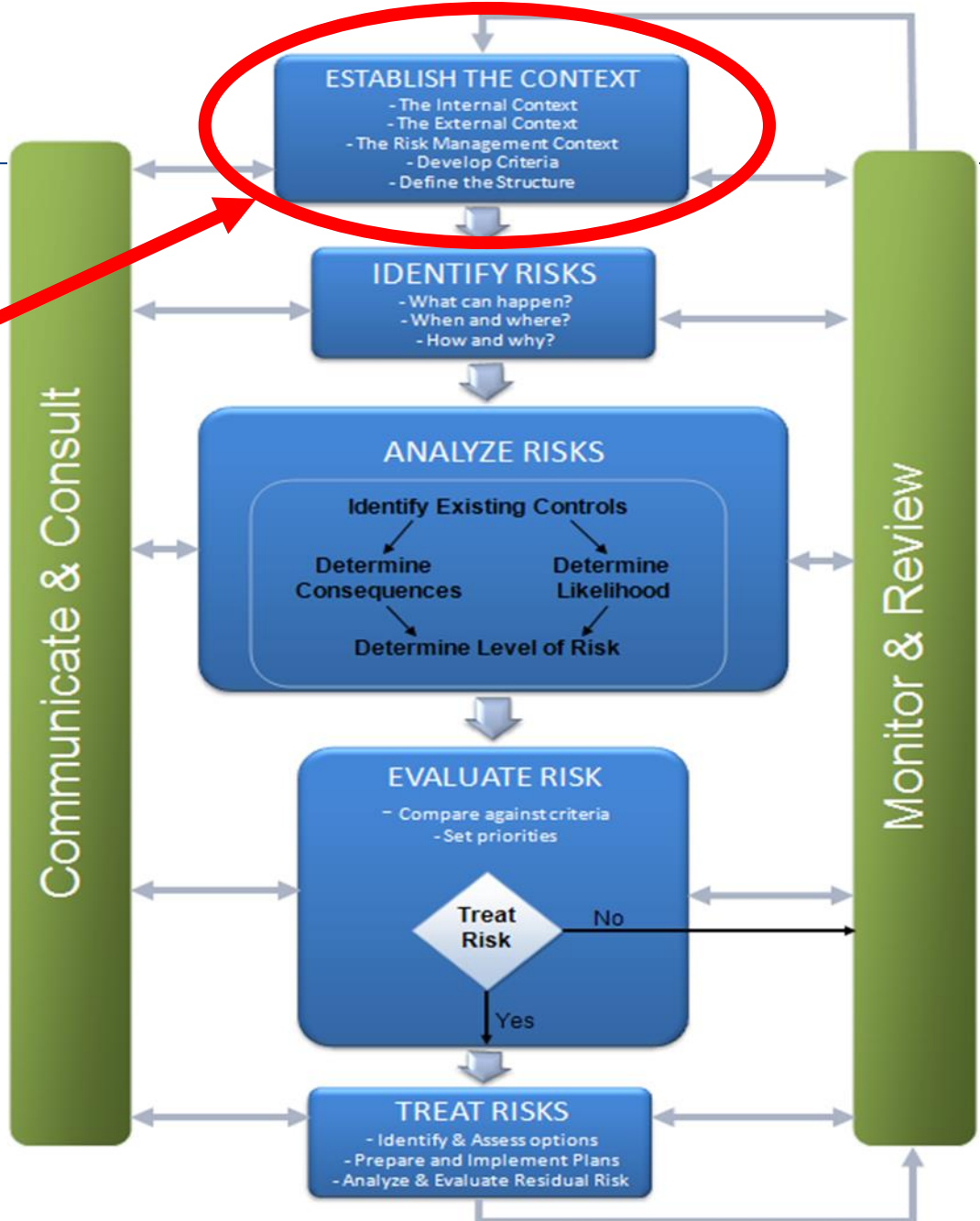


RISK MANAGEMENT PROCESS

Prelude

2

What we are considering tonight in the Districts Risk Management Process.



The Internal Context

How do we see risk?

An organization's internal context includes:

- The factors that influence how it manages risk and tries to achieve objectives:
 - Our approach to governance
 - **Philosophy of Risk**
 - Capabilities
 - **Culture**
 - Standards
- Governance includes the Districts:
 - Structure, Policies, Objectives, Roles and Decision making process
- Capabilities include the District's:
 - Knowledge, human, technological, capital resources

Risk – Defining Terms

Risk Culture – the manner in which an organization talks and acts about assuming and managing risks.



Which drives ...

Risk Appetite – the amount of risk an organization wants to assume.



Which drives ...

Risk Tolerance – the level beyond which the organization does not want to assume any more risk, which is driven by its risk culture, risk appetite and the end goals.

Risk Culture-Appetite-Tolerance

Risk Tolerance – is developed taking into account: Risk Culture, Risk Appetite, and End Goals (Strategic Plan).



Risk – Asking the Questions

- **Does our culture applaud or discourage risk taking? (Risk Culture)**
- **Where are we willing to assume risks and where are we very uncomfortable assuming risks? (Risk Appetite)**
- **What is the maximum amount of risk we are willing to experience? (Risk Appetite)**
- **What is our organizational focus and purpose? (End Goal)**
- **What areas of our utility's operations and levels of performance are most important to the Board? (End Goal)**
- **How do we define success as an organization? How do our customers define our success? (End Goal)**

Risk – Asking the Questions

What areas do we use to measure risk? (Risk Tolerance)

- **Safety**
- **System Reliability**
- **Financial Health**
- **Legal-Regulatory Compliance**
- **Human Resource**
- **Reputation**
- **Security – Physical and Cyber**

Risk – Asking the Questions

What metrics do we use to measure risk? Which of these could shape our risk tolerance? (Risk Tolerance)

A risk tolerance is a specific measure of an element that is extremely important to the organization. The District’s Performance Dashboard targets cover many tolerances.

Sample:

			Target
Key Performance Area	Workforce		
Key Performance Indicator	Safety Training Completed	>	95%
	Lost Work Days		0
	OSHA Recordable Incidents		0
	Miles Driven		N/A
	Vehicle Accidents		0
	Accident Costs		\$0.00
	Competative Compensation	>	80-120%
Key Performance Area	Finance		
Key Performance Indicator	Bond Rating		A1
	External Audit		Clean
	Rates		1st Quartile
	Debt Service Coverage (DSC)		>1.25
	Budget to Actuals		5% tolerance
	Current Ratio		2.6
	Operating Ratio		0.864
	Pilot/Cilt \$		3%
	Debt to Total Asset		0.324

Risk Culture-Appetite-Tolerance

9

Next Steps

Define the Board's Risk Tolerance for each category

- **Safety**
- **System Reliability**
- **Financial Health**
- **Legal-Regulatory Compliance**
- **Human Resource**
- **Reputation**
- **Security – Physical and Cyber**

Risk Culture-Appetite-Tolerance

10

Keep in Mind:

The Board's view of risk appetite and tolerance will mature over time and adjust to changing conditions.

The key is that ERM reporting and information to the Board prepares the Board to ask questions of staff and reflect to staff how they want risk managed in District business.

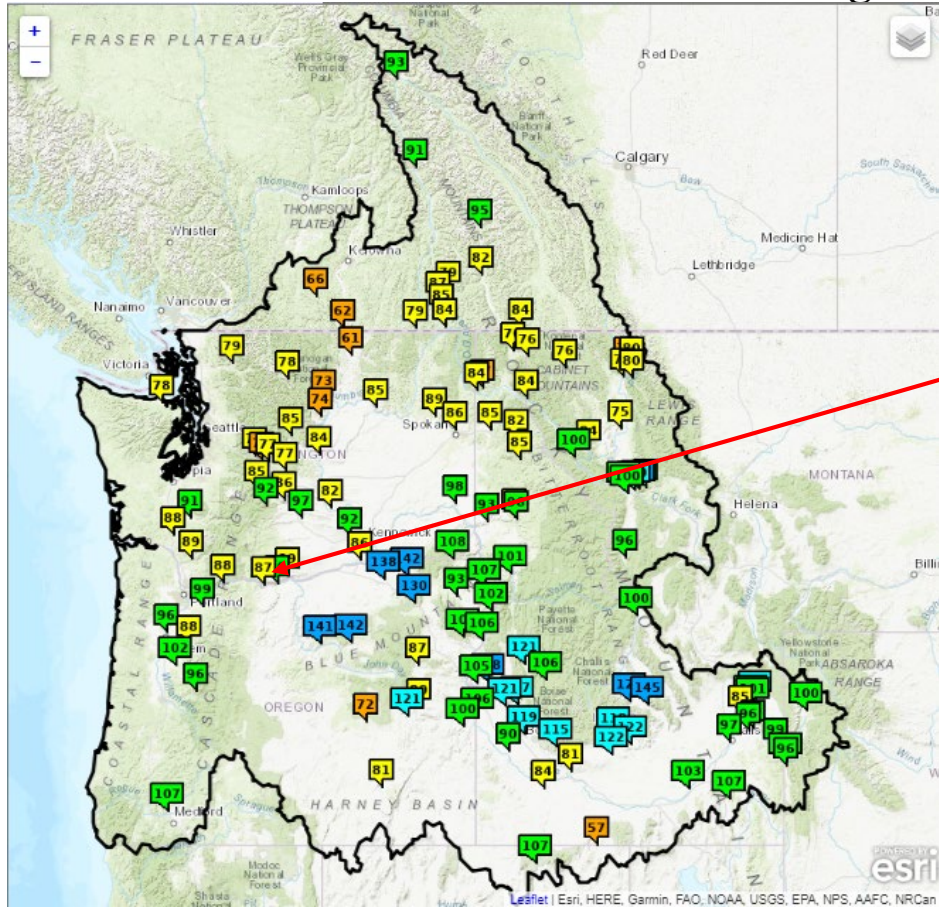
Risk Culture-Appetite-Tolerance

11

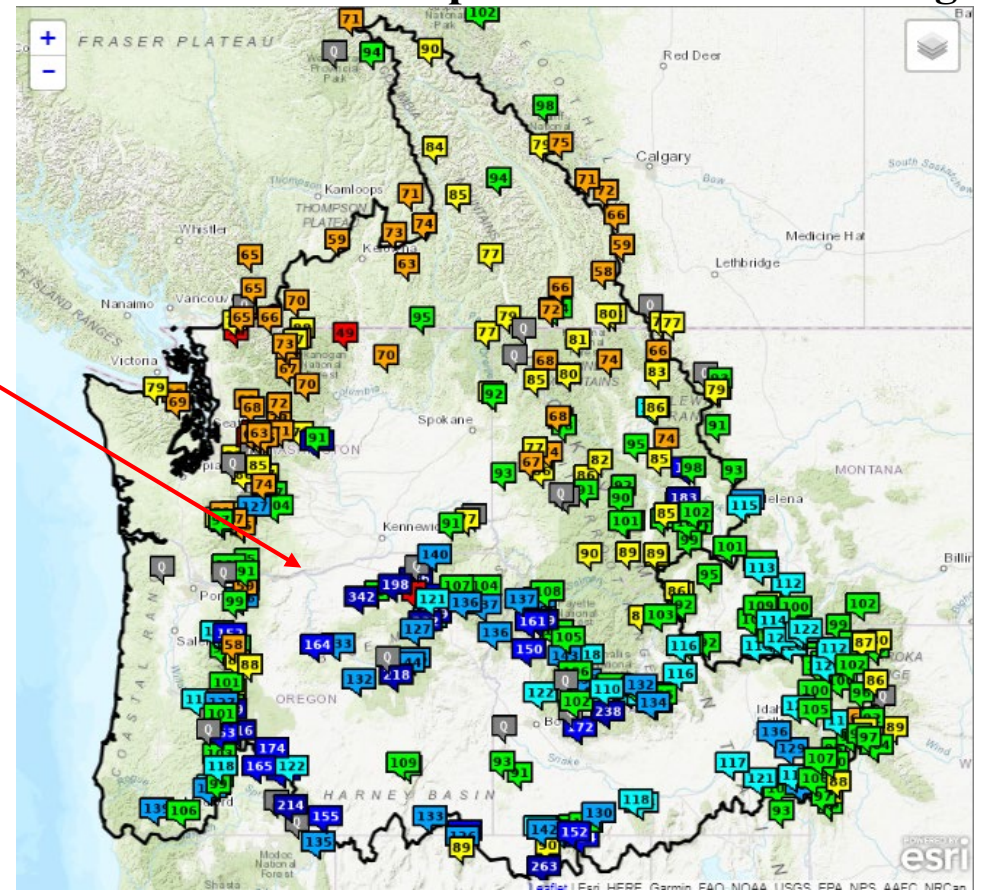
Questions

Basin Hydrologic Indicators as of 4-2-2019

Natural Flow to Date – Percent of Average



Snowpack – Percent of Average

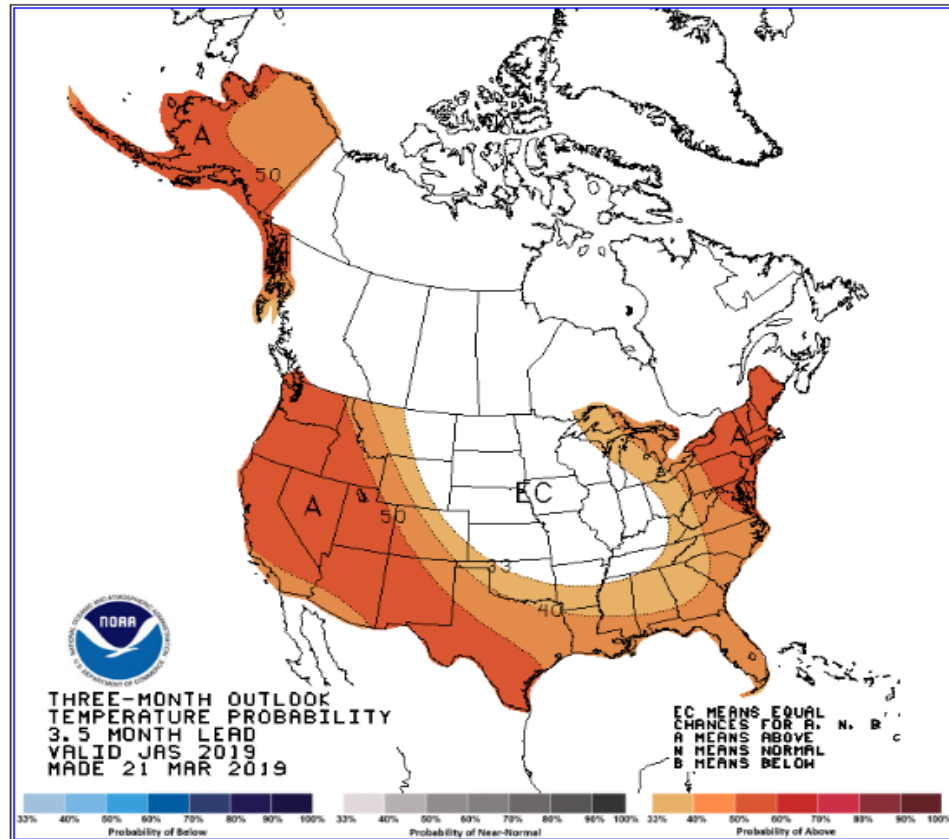


The Dalles Dam

Approximately two thirds of natural flow at The Dalles Dam is from areas on these maps that are currently below average (yellow and orange) so inflow forecasts remain below normal.

Price Indicators

Q3 Temperature Outlook

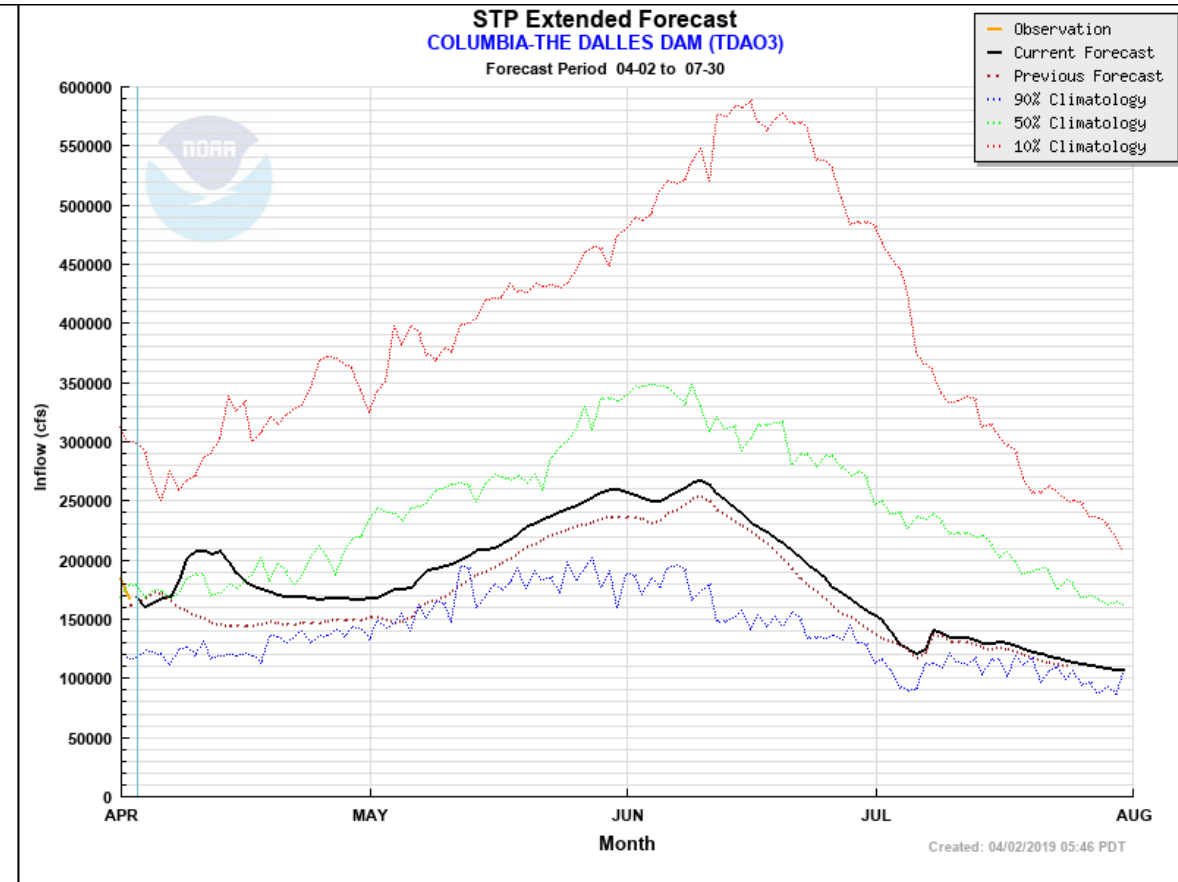
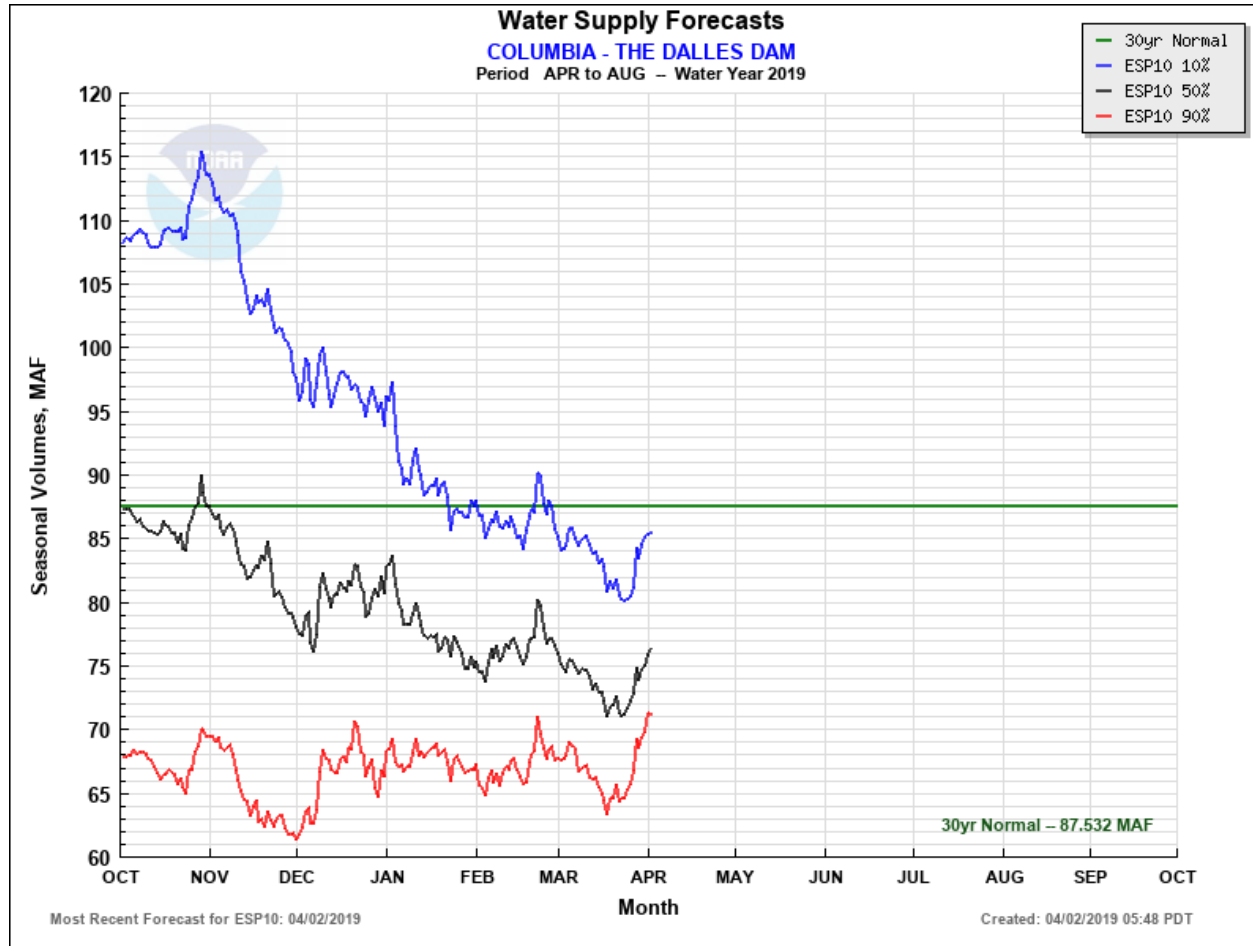


Q3 Water Supply Outlook

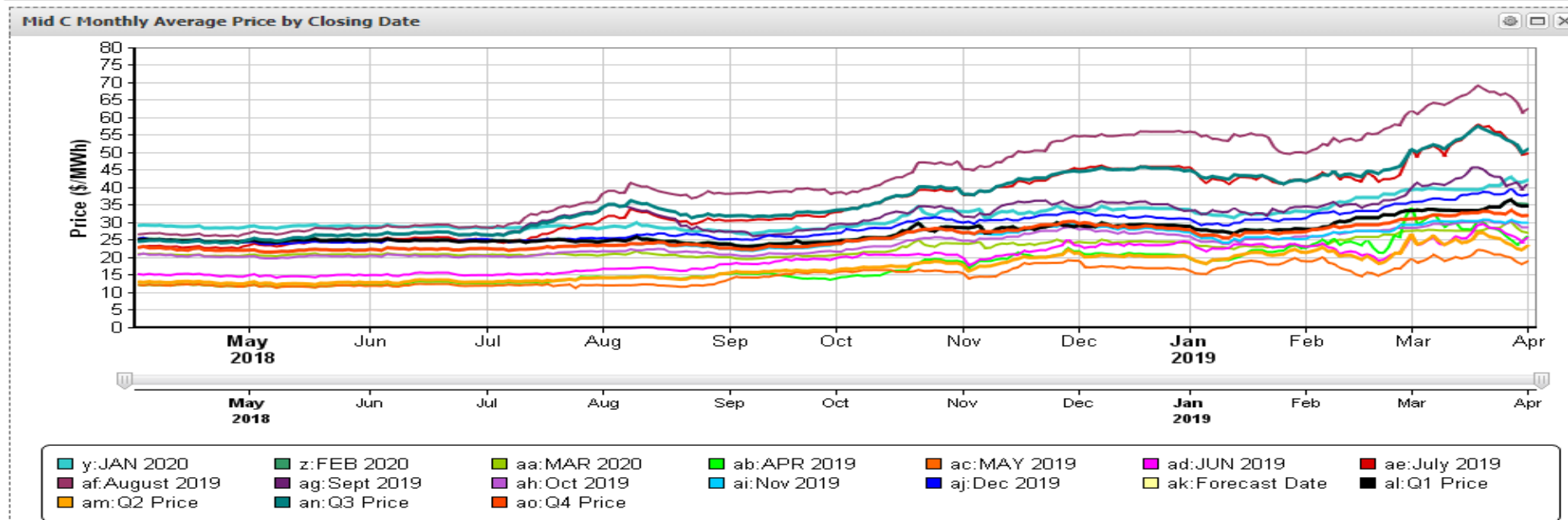
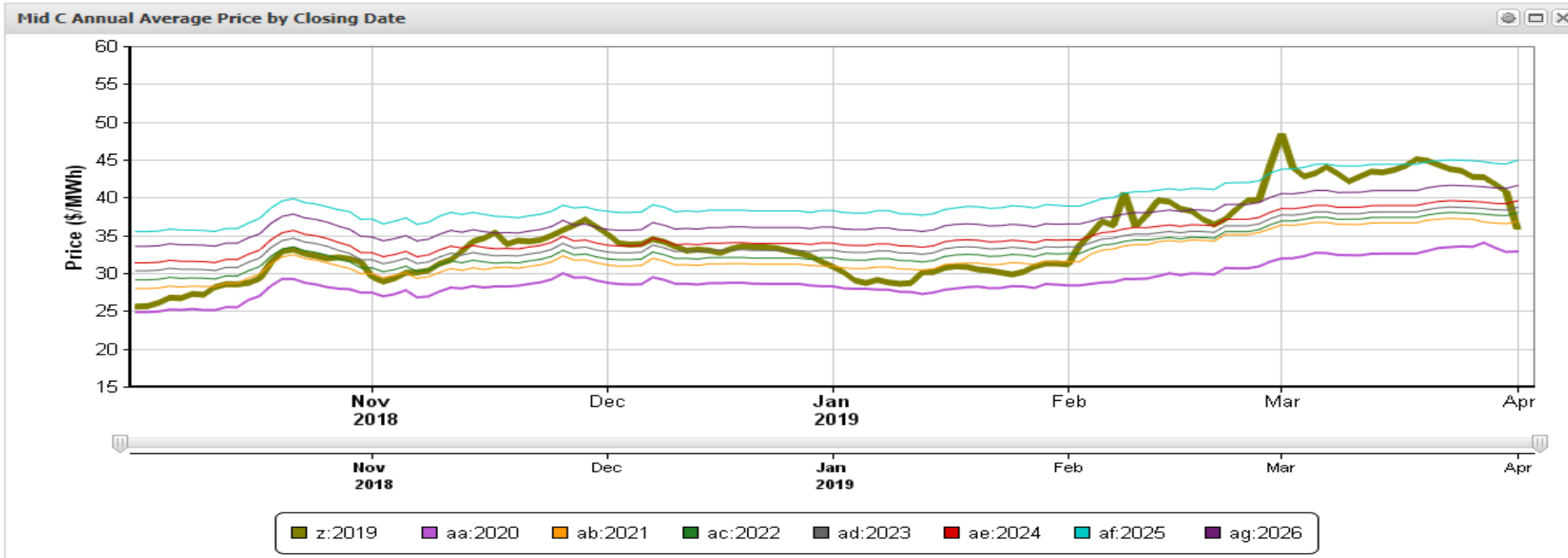
COLUMBIA - THE DALLES DAM Forecasts For Water Year 2019						
ESP Monthly Water Supply Forecast 10 days QPF: Ensemble: 2019-04-01 Issued: 2019-04-01						
Forecast Period	Forecasts Are in KAF				Obs Runoff (2019-04-01)	30 Year Average (1981-2010)
	90 %	50 %	% Average	10 %		
OCT					3919	5080
NOV					5181	5812
DEC					4427	5810
JAN					4475	6011
FEB					4081	6392
MAR					7233	9110
APR	12497	14509	105	16867		13808
MAY	17205	21320	84	26641		25354
JUN	17856	21557	82	25869		26157
JUL	9985	11774	81	14573		14536
AUG	5888	6710	87	8048		7677
SEP	4427	5022	97	6716		5172

Make the necessary adjustments to the "Forecast Table" to update each

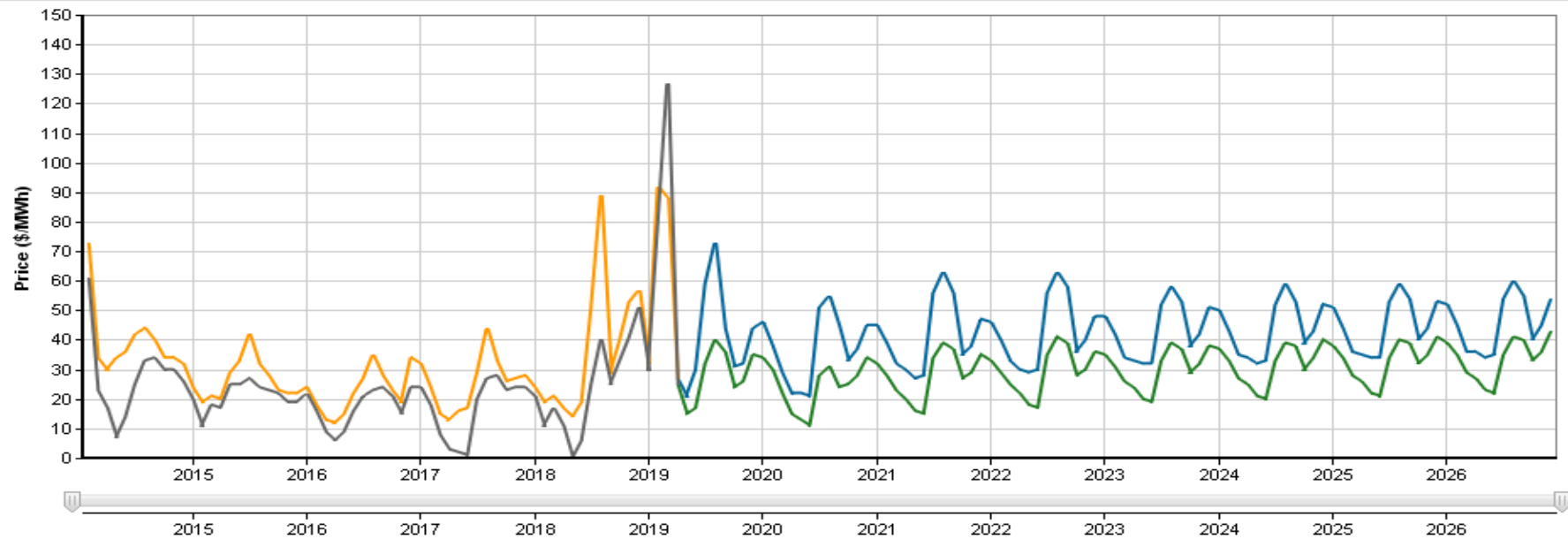
Water Supply and Runoff Forecast



Mid-C Price Trends (as of 4-2-2019)

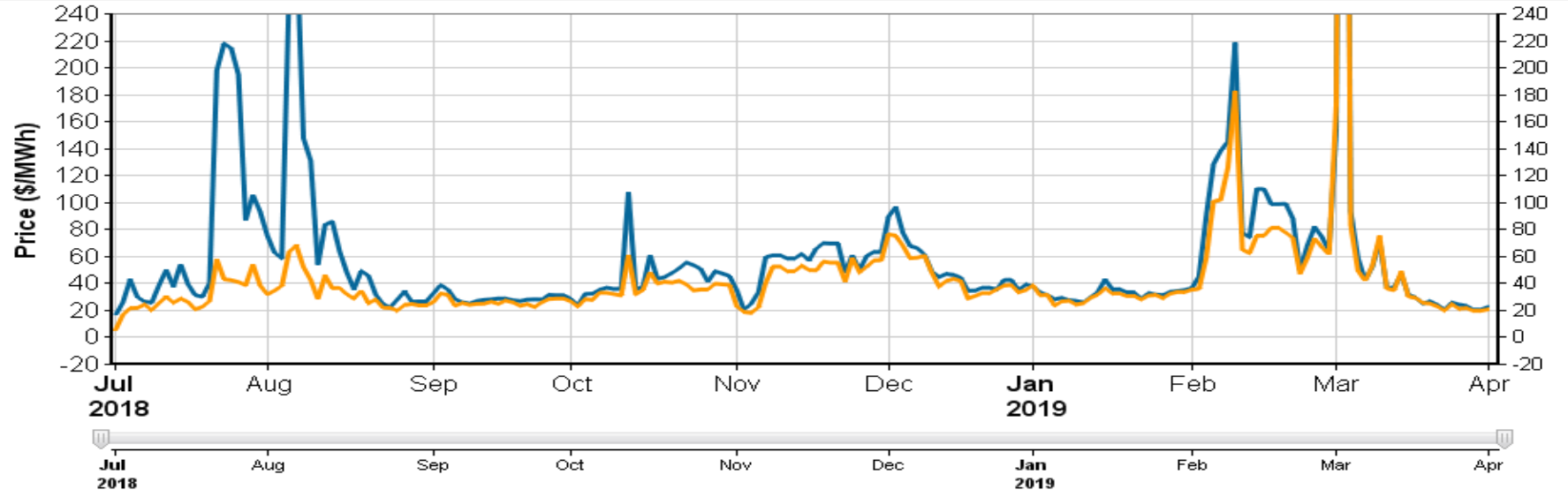


ICE Mid-C Prices



■ a:Peak - Forward ■ b:Peak - Close ■ c:Off-Peak - Forward ■ d:Off-Peak Close ■ e

Mid-C On-Peak/Off-Peak Daily Prices



■ a:MPD Peak Daily Price ■ b:MXO Off-Peak Daily Price

Enel X Auction on 2/20/19

Closing Price data as of 02/20/2019			
Forward Prices for Mid-C			
Period	Flat	HLH	LLH
Mar-19	\$ 36.36	\$ 39.00	\$ 33.00
Apr-19	\$ 22.10	\$ 24.00	\$ 19.50
Q2-2019	\$ 18.56	\$ 22.70	\$ 13.20
Q3-2019	\$ 43.10	\$ 53.75	\$ 29.65
Q4-2019	\$ 29.76	\$ 32.75	\$ 26.00
CY-2020	\$ 28.78	\$ 33.65	\$ 22.55
CY-2021	\$ 33.13	\$ 38.55	\$ 26.20

- 10 MW = small, odd lot
- Coal source exclusion

Closing Price data as of 04/02/2019			
Forward Prices for Mid-C			
Period	Flat	HLH	LLH
May-19	\$ 18.22	\$ 21.00	\$ 14.75
Jun-19	\$ 23.27	\$ 29.00	\$ 16.00
Q3-2019	\$ 48.17	\$ 58.35	\$ 35.00
Q4-2019	\$ 31.60	\$ 34.65	\$ 27.75
CY-2020	\$ 31.39	\$ 36.50	\$ 24.85
CY-2021	\$ 35.65	\$ 41.25	\$ 28.50
CY-2022	\$ 36.99	\$ 42.55	\$ 29.90
CY-2023	\$ 37.66	\$ 43.00	\$ 30.90

Period	Auction Purchase Price
	2/20/2019
Q3-2019	\$ 44.00
Q4-2019	\$ 30.50
CY-2020	\$ 29.75

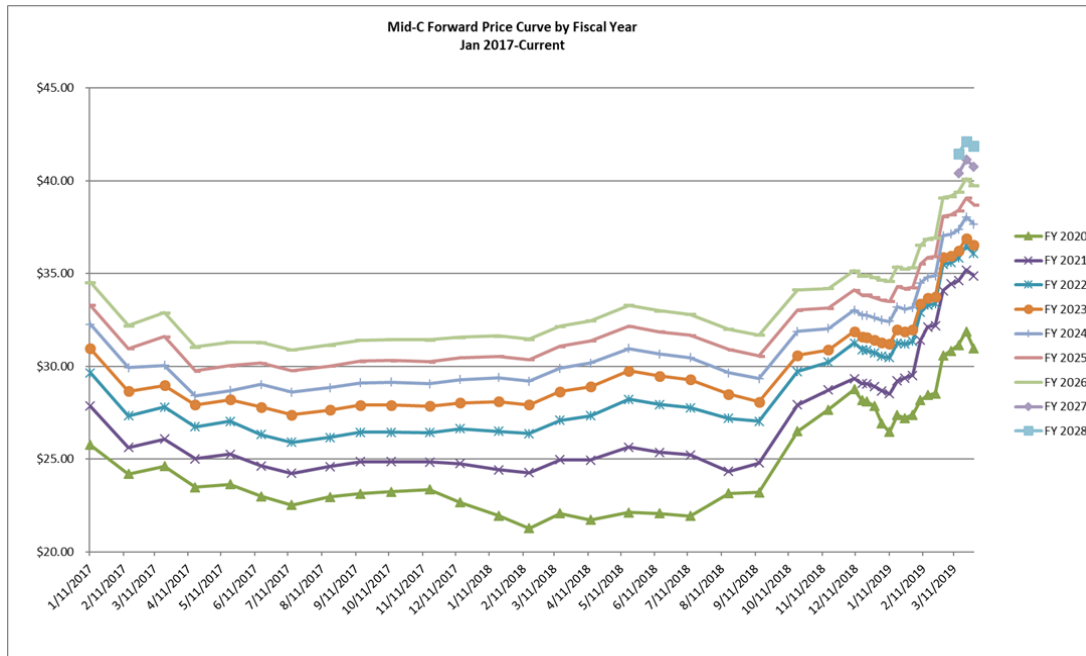
Forward Price Curve Indicators:

- NEMS FPC (as of 4-1-2019)

- Prebon Update

Mid-C Forward Price Curve

Fiscal Year	3/22/2019	3/29/2019	Change
FY 2020	\$ 31.88	\$ 30.96	-2.9%
FY 2021	\$ 35.19	\$ 34.87	-0.9%
FY 2022	\$ 36.50	\$ 36.08	-1.2%
FY 2023	\$ 36.89	\$ 36.52	-1.0%
FY 2024	\$ 38.04	\$ 37.67	-1.0%
FY 2025	\$ 39.07	\$ 38.70	-1.0%
FY 2026	\$ 40.11	\$ 39.74	-0.9%
FY 2027	\$ 41.12	\$ 40.76	-0.9%
FY 2028	\$ 42.12	\$ 41.87	-0.6%



Closing Price data as of			
04/02/2019			
Forward Prices for Mid-C			
Period	Flat	HLH	LLH
May-19	\$ 18.22	\$ 21.00	\$ 14.75
Jun-19	\$ 23.27	\$ 29.00	\$ 16.00
Q3-2019	\$ 48.17	\$ 58.35	\$ 35.00
Q4-2019	\$ 31.60	\$ 34.65	\$ 27.75
CY-2020	\$ 31.39	\$ 36.50	\$ 24.85
CY-2021	\$ 35.65	\$ 41.25	\$ 28.50
CY-2022	\$ 36.99	\$ 42.55	\$ 29.90
CY-2023	\$ 37.66	\$ 43.00	\$ 30.90

Compliance

Exceptional
Customer Service

STRATEGIC INITIATIVES

Technological
Innovation &
Sustainability

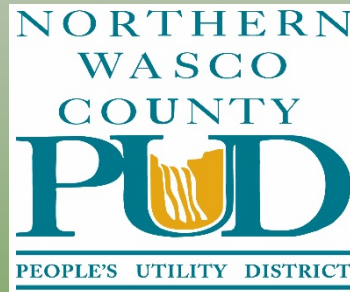
Collaboration &
Communication

Electric Vehicles

Northern Wasco County PUD Partnership

NWCPUD promotes a culture of compliance consistent with the organizational philosophy that all employees conduct business with the highest standards of ethics and integrity.

We strive to meet or exceed all policy and regulatory requirements.



Compliance

Governor's Executive Order 17-21:

Directives to state agencies to improve energy efficiency, boost electric vehicle adoption, and support actions to reduce GHG emissions.










Focuses on accelerating the adoption of zero emission vehicles that will result in at least 50,000 registered electric vehicles on Oregon roads by the end of 2020 – specifically through regulation, charging infrastructure, fleet conversion, outreach, incentives and private sector partnerships.

To provide equitable access to clean energy technology by removing barriers to electric vehicles and electric vehicle chargers.

Greenhouse Gas Emissions Targets

STATE GREENHOUSE GAS EMISSIONS TARGETS

States have committed to ambitious GHG reduction goals, typically resulting in 80% reductions by 2050.

		2020	2030	2050
	CALIFORNIA	0% Below 1990 levels	40% Below 1990 levels	80% Below 1990 levels
	CONNECTICUT	10% Below 1990 levels	45% Below 2001 levels	80% Below 2001 levels
	MARYLAND	25% Below 2006 levels	40% Below 2006 levels	90% Below 2006 levels
	MASSACHUSETTS	25% Below 1990 levels		80% Below 1990 levels
	NEW JERSEY	0% Below 1990 levels		80% Below 2006 levels
	NEW YORK		40% Below 1990 levels	80% Below 1990 levels
	OREGON	10% Below 1990 levels		75% Below 1990 levels
	RHODE ISLAND	10% Below 1990 levels	45%* Below 1990 levels	80% Below 1990 levels
	VERMONT**	10% Below 1990 levels	50%*** Below 1990 levels	75% Below 1990 levels

* Rhode Island target date 2035

** Vermont Statutory goals (shown above) were established by Executive Order in 2005, and passed into law in 2006. The Comprehensive Energy Plan (CEP) goals established in 2016 set Vermont's goals at 40% below 1990 levels by 2030 and 80% to 95% below 1990 levels by 2050

*** Vermont target date 2028

Oregon's Progress: EV's

Oregon ranks fifth in the nation when it comes to plug-in vehicles per capita. Currently, Oregon has more than 22,000 registered electric vehicles and 1,272 public chargers in 528 locations. Seven charging networks operate in the state.

EV's are growing at about 35 percent year over year. On keeping with the current pace, that'll be just over 41,000 registered by 2020.



Clean Fuels Program

Oregon's transportation sector contributes to approximately one-third of the state's greenhouse gases.

The Clean Fuels Program is another such component of Oregon's plan to reduce the lifecycle carbon intensity of the transportation fuels that the state uses. This amount is on the order of 10 percent by 2025.

Utility	EV	PHEV	Total EVs	2018 CI	Total Electricity	Total Credits
Central Lincoln PUD	83	97	180	4.85	558450	658
City of Cascade Locks	5	4	9	109.56	27922.5	22
Clatskanie PUD	8	9	17	20.11	52742.5	59
Columbia River PUD	70	95	165	4.85	511912.5	603
Emerald PUD	148	132	280	5.72	868700	1,021
Eugene Water and Electric Board	559	413	972	4.5	3015630	3,556
Hermiston	5	3	8	4.85	24820	29
Lane Elec	82	52	134	5.38	415735	489
N Wasco Co PUD	17	40	57	109.56	176842.5	142
PacifiCorp	2,187	1,769	3,956	109.56	12273490	9,830
PGE	8,578	5,316	13,894	109.56	43106135	34,526
Springfield Utility Board	57	72	129	4.85	400222.5	471
Tillamook People's Utility District	44	37	81	4.81	251302.5	296
Umatilla Electric Coop	7	16	23	23.74	71357.5	79

Vehicle Rebate Programs

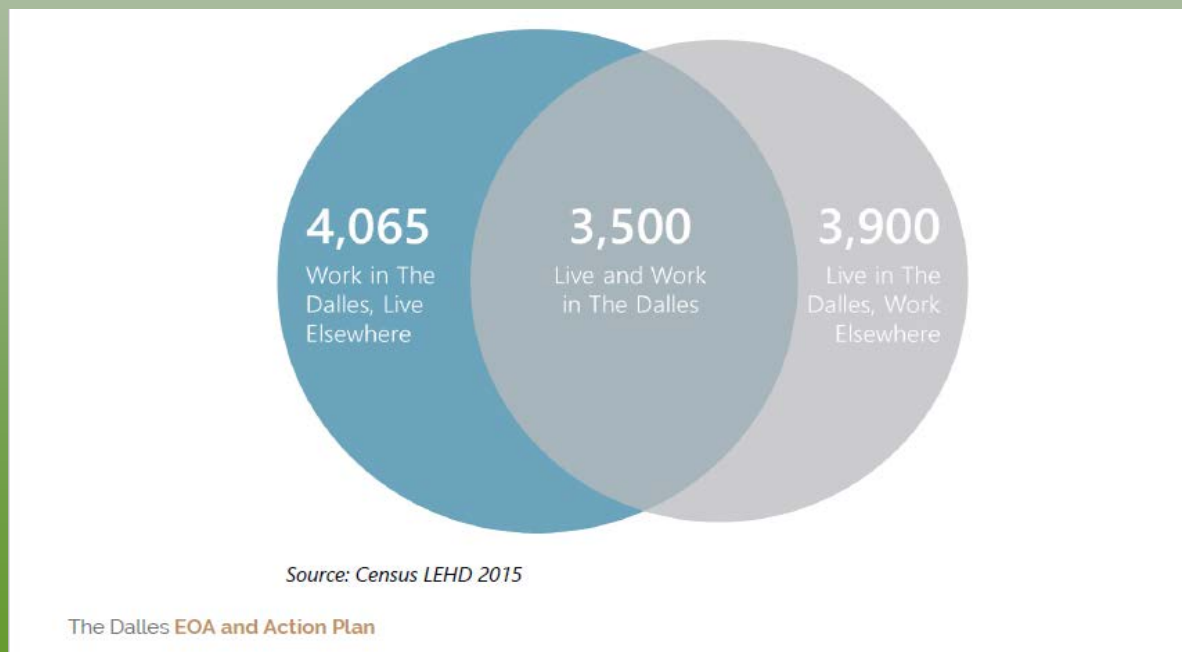
The Oregon Clean Vehicle Standard Rebate Program offers a cash rebate for Oregon drivers who purchase or lease electric vehicles. It is not a tax credit. ODEQ designed the program to reduce vehicle emissions by encouraging more Oregonians to purchase or lease electric vehicles rather than gas vehicles.

-In addition-

The Charge Ahead Rebate is for the purchase or lease of a new or used battery electric vehicle only; plug-in hybrids are not eligible. To qualify for the Charge Ahead Rebate, the purchaser or lessee must be from a low- or moderate-income household. Income requirements vary by where you live in Oregon.

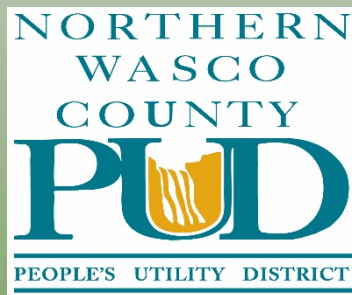
Utility Partnerships

Utilities are providing more and more to the transportation system's "fuel" through electrical services. Utilities are developing plans in tandem with state efforts to encourage the adoption of EV's. Whether it be incentives for the installation of home electric vehicle charging stations, rate design development specific to electric vehicle charging, or acting as an information resource to their customers.



Providing exceptional customer service to both internal and external customers is fundamental to NWCPUD's success.

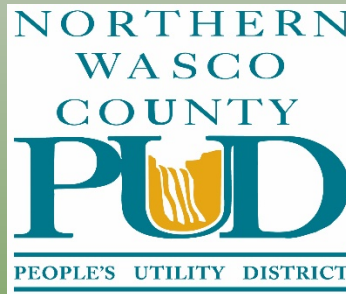
Services are continuously improved by maintaining a high level of knowledge regarding customer needs and preferences, identifying and tracking key performance metrics, developing future program/services, and enhancing relationships.



Exceptional Customer Service

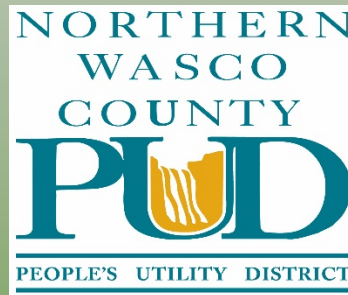
Continuously improve collaboration and communication, both internally and externally, for project management, cross-functional teams, joint-planning, expanding and improving programs and services, enhanced stakeholder communications, and resource leveraging.

Enhanced collaboration and communication highlights the value of NWCPUD to its stakeholders and community. NWCPUD will continue outreach efforts to promote regional cooperation and planning with other utility services providers.



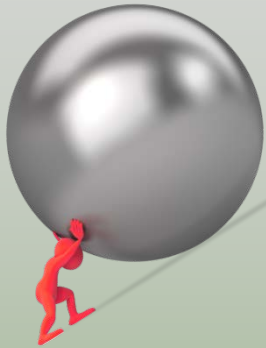
Collaboration & Communication

Actively monitor and advance the utilization of new/emerging technologies to enhance performance and promote the long-term viability of NWCPUD, the community, and our customer-owners.

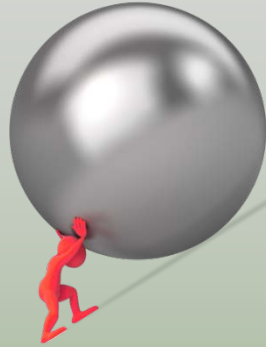


Technological Innovation
& Sustainability

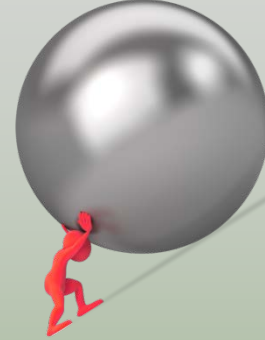
NWCPUD Plan Development



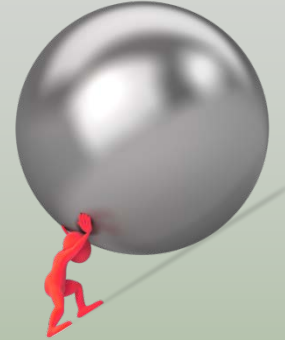
Utilize Clean Fuels Program credits.



Leverage industry partners with charging station procurement.

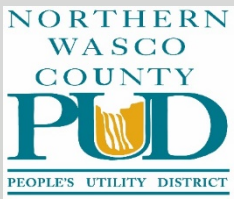


Analyze and determine ideal location for charging station in service area.



Get buy-in and acceptance.





NWCPUD/City of The Dalles Partnership Proposal



- Locate station at Festival Park
- NWCPUD will meter station
- NWCPUD will install station
- City to own and maintain station
- City to set charging rate for station
- NWCPUD and City to promote charging station



NWCPUD Plan Development

Goal 1



Sell Clean Fuels Credits to PUD customer.

Goal 2



NWCPUD to procure ChargePoint station with proceeds from Clean Fuel Credits.

Goal 3



Poll internal NWCPUD staff on charging station location. Lewis & Clark Festival Park identified.

Goal 4 1/2



Assemble information packet and give to The Dalles City Council. Request to partner with NWCPUD.

Goal 4 1/2

Present information to NWCPUD Board of Directors. Staff requests NWCPUD to partner with City.

Relationships Matter

- Doing business with NWCPUD should be easy. Being an active partner for the betterment of the community is no different.
- After the city council meeting being aired, NWCPUD was contacted by other community members including MCMC, the N. Wasco Parks & Rec, and the Dufur School; all with inquiries about installing electric vehicle charging stations.
- This shows that there's an interest by local employers who want to ensure this service is available to use as a mobility option for current and future employees.
- NWCPUD is the last Oregon PUD to look into EV's, and being a partner with installing a charging station infrastructure.
- When the local state offices begin to electrify their fleet, NWCPUD should be standing ready and able to support these efforts with infrastructure.
- NWCPUD is just now embarking on these efforts with new products and services. With a finger on the pulse, can NWCPUD look towards new developments and community partnering opportunities.



NWCPUD Coming Attractions??



**HYDRO
POWER
FLOWS HERE**

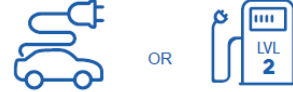


Save with our Electric Vehicle Rebate

\$250 EV Rebate

We want to make it easy and affordable to go fossil-free. NWCPUD's \$250 EV Rebate will pay for clean electric fuel for a year for most drivers, or help offset the cost of a home charging station.

The incentive is available to customers who purchase or lease a new or used qualifying electric vehicle.



NORTHERN WASCO COUNTY PUD
PEOPLE'S UTILITY DISTRICT

Office Use Only
Rebate: _____ SL: _____ Date: _____

Electric Vehicle Level 2 Charging Station Installation Rebate

Customer Name: _____ Account #: _____
(shown on monthly bill)

Email Address: _____

Installation Address: _____

City/Zip Code: _____
(charging station must be installed in our service territory)

Mailing Address: _____
(if different than installation address)

City/State/Zip Code: _____

- Rebate valid for work done or purchases made on or after January 1, 2019.
- Charger must be 220V or higher.
- Include copy of paid electrician's invoice for installing charger. If costs of installation are lower than \$250, include copy of detailed receipt for purchase of charger. One or both must be included in application submission.

Brand of Charger: _____ Model Installed: _____

Make and model of electric vehicle (EV) being charged (as of date of submission):

Make: _____ Model: _____

Rebate Amount: \$250 (limited to one rebate per location). I would like a (please select ONE option):

Credit on my electric bill (account # above) Check (will be mailed to address listed above)

Upon signing this agreement, customer acknowledges the following:

Rebate offer(s) may be changed or discontinued at any time by Northern Wasco County PUD ("District"). The District disclaims any warranty, whether expressed or implied, for any materials or labor associated with installation, maintenance, or repair. The District reserves the right to inspect installed product(s). Limited to one rebate per location. Please allow 8–10 weeks for processing.

I understand the above and certify that I am a customer of Northern Wasco County PUD, that the Level 2 charger is installed and operating at the location indicated, and that this address is in the District's service territory.

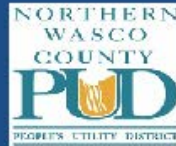
Signature: _____ Date: _____

Mail completed form and legible copy of electrician's invoice (showing install date) and/or purchase receipt showing purchase date to: Northern Wasco County PUD, Attn: xxxxxxxxxx, 2345 River Road, The Dalles, OR 97058.

Questions? Email us at info@nwcupud.org or call 541-296-2226.

(Please see FAQs on the back of this form for more information)

Rev. 03/2019



Public Charging Flat Rate

Low Annual Fee

Access charging stations in the NWCPUD Energy ChargePoint® Network for your 100% electric or plug-in hybrid vehicle.



For questions, contact us at info@nwcupud.org or call 541-296-2226.

NWCPUD Coming Attractions??



PUDs Strongly Support EV Adoption

EV's help keep Oregon's air cleaner! Oregon COU's electricity is 97% carbon-free, meaning less pollution released into our air.



Studies show **more than 80% of EV charging is done at home.**

Nearly all EVs come standard with 110V Level 1 charging cords. Some EV drivers also choose to install 220V ("dryer outlet") Level 2 chargers at their homes. For even speedier charging, 440V DC Level 3 quick chargers are publicly available.

For those traveling 150 miles or more in a day, **there are hundreds of public charging stations in Oregon.**



Customers who drive electric can save up to 80% on fuel compared to gasoline.

100% Electric Cars vs. Gas-Powered

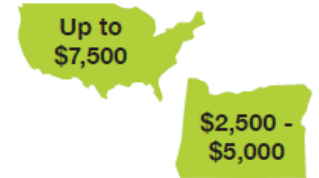
Cost for 1,000 miles of fuel	Vehicle
\$18 ²⁰	Chevy Bolt (EV)
\$68 ⁴²	Chevy Spark
\$18 ²⁸	Nissan Leaf (EV)
\$66 ⁶⁶	Nissan Versa
\$20 ¹⁹	Kia Soul (EV)
\$83 ⁸⁷	Kia Soul (gas)
\$15 ⁴¹	Tesla 3 (EV)
\$78 ⁷⁹	Mercedes C300

Electricity calculated at 6.5 cents/kWh (residential)
Gasoline calculated at \$2.60/gallon

\$ Many car dealers offer EVs comparable in price to gas-powered cars, and some dealers offer special deals at various times of the year making **EV's affordable to lease or buy.** One EV driver in Oregon leased a new Chevy Bolt for \$0 down, and payments of \$250 a month, with an allowance of 15,000 miles per year.



Tax credits can make EVs even more affordable. A federal tax credit of up to \$7,500 is available on **some** EV models (please check with a knowledgeable tax professional before buying) and Oregon offers a \$2,500 **rebate for buying or leasing** many new EVs. Low or moderate income Oregonians may also qualify for an additional \$2,500 rebate. Go to <https://tinyurl.com/or-ev-rebates> for details.



Super-quiet yet fast! Electric motors have power available more quickly than gas-powered engines, making them surprisingly quick.

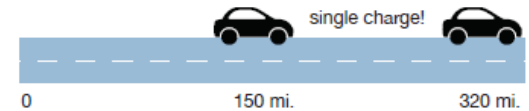


Savings on maintenance costs. No oil changes, tune ups, spark plugs, or engine air filters add up to even more savings.

Electricity prices are **more stable and predictable** than gasoline. If rates go up, this happens just once a year. Gasoline prices fluctuate often.



New 100% electric cars being sold today generally have a **range of 151-320 miles on a single charge.**



EVs are becoming more and more popular. More than 22,000 EVs are already registered in Oregon.¹ Governor Kate Brown has set a **goal of 50,000 EVs registered in Oregon by the end of next year.** *Bloomberg Technology* reports that in six years, one in every six vehicles sold will be electric!

¹ Oregon Department of Environmental Quality.



Questions? Comments?

Rev.1

March 27, 2019



<https://www.oregon.gov/deq/aq/programs/Pages/default.aspx>



"To provide reliable, competitively-priced energy and related services that benefit our customers in the tradition of public power."

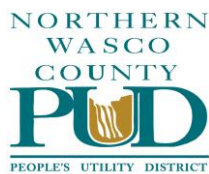












MEMORANDUM
NORTHERN WASCO COUNTY PEOPLE'S UTILITY DISTRICT

March 29, 2019

To: NWCPUD Board of Directors
From: Kurt Conger, Assistant General Manager
Subject: Market Transaction Authorization Request – for Action on April 2, 2019

On July 3, 2018 the board passed a motion to execute the Master Resource Agreement between Northwest Intergovernmental Energy Supply (NIES) and Northern Wasco County People's Utility District (NWCPUD). This agreement provides the ability for NWCPUD to participate in a NIES-owned power acquisition transaction. Exhibit D of this agreement (the Market Purchase Authorization Form) defines the terms of any specific NIES transaction and must be executed if NWCPUD desires to be a party to the power purchase. Four megawatts of additional ARHWM power are required to meet increased diversified load demand and district staff desires to fill this need as a party to the upcoming NIES transaction.

Action Request: Authorize General Manager Roger Kline to execute Exhibit D of the Master Resource Agreement between Northwest Intergovernmental Energy Supply and Northern Wasco County People's Utility District for the purchase of 4 aMW for fiscal years 2020 and 2021.

Background:

The Bonneville Power Administration's (BPA) forecast review of NWCPUD's diversified load determined that 4MW of the district's ARHWM allocation be used to meet increased diversified load demand. This in effect, would reduce the ARHWM allocation to non-diversified load. Since the District has elected to purchase its own resources to meet ARHWM requirements, and to maintain consistency of resources already procured for non-diversified load, a market purchase for the diversified load allocation is required.

The terms of the proposed NIES market purchase transaction described in Exhibit D of the Master Resource Agreement are as follows. Since the market purchase that NIES transacts is done so on behalf of multiple NIES members, the prices shown below are "caps" that have been cooperatively determined by other NIES entities wishing to participate in this market transaction. Each party determines the volume of energy they require and in sum, a transaction is negotiated by NIES for the energy.

Fiscal Year 2020 = 4 aMW [REDACTED]
Fiscal Year 2021 = 4 aMW [REDACTED]

[REDACTED]

As of March 28, 2019, indicative pricing for calendar years 2020 and 2021 was approximately \$32 per MWh and \$35.50 per MWh respectively, very similar to current federal BPA Tier 1 prices that our customers are current paying for the priority firm portion of their power.

EXHIBIT D
MARKET PURCHASE TRANSACTION AUTHORIZATION FORM

I Kurt J. Conger, acting as the Resource Committee Representative on behalf of Northern Wasco County PUD authorize NIES to execute a Confirmation in order to purchase the following amounts of power for each Fiscal Year¹ (FY), stated in whole average megawatts, and not exceeding the maximum purchase price for each FY stated below:

2020 = 4 aMW [REDACTED]
2021 = 4 aMW [REDACTED]

Additional conditions or requirements:

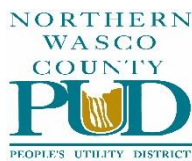
- [REDACTED]
- [REDACTED]

Signed: _____

Title: _____

Date: _____

¹ Fiscal Year begins October 1 and ends September 30



MEMORANDUM
DIRECTOR OF CORPORATE SERVICES
NORTHERN WASCO COUNTY PEOPLE'S UTILITY DISTRICT

DATE: April 2, 2019

TO: Board of Directors

FROM: Cyndi Gentry, SPHR, SHRM-SCP

SUBJECT: Surplus Property from space planning/workstation project

The project team met with stakeholders and determined that a surplus property decision is needed from the board. While phase one will not reach \$50,000, there is a possibility that the two phases combined will reach that level.

We do not have a dollar value to attach to the property, but phase one includes an estimated 80-100 pieces including

- Six offices
- Two desks and a table from the Project Room
- Four cubicle stations and one desk from Engineering
- Various shelves, cabinets, and old chairs

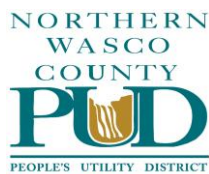
Phase two will include

- Three offices
- Four desks
- Seven cubicle stations
- Various shelves, cabinets, and old chairs

There may be more items discovered as the spaces are cleared and the new furniture installed.

The plan is to donate what can be donated and dispose of the rest. The costs in time and storage space do not support hosting our own closed bid session or keeping it to auction off. We have interest from the school district and the ReStore.

We are asking the board to declare the items removed during the space planning/workstation project to be surplus property.



MEMORANDUM
NORTHERN WASCO COUNTY PEOPLE'S UTILITY DISTRICT

April 2, 2019

To: NWCPUD Board of Directors
From: Justin Brock, Key Accounts Manager
Subject: Oregon Clean Fuels Program Credits

District staff brought before the Board of Directors at the December 2018 board meeting, a request for Oregon Clean Fuels Program (CFP) Credits that were received from Oregon Department of Environmental Quality, to be deemed as surplus property, advertised as a public notice, and be sold to interested third parties. Since then, the District has received an additional volume of credits deposited into the CFP Online account for the reporting year of 2018. The Clean Fuels Program will continue to create credits for the District until the year 2025 when the 10 percent reduction in carbon intensity is realized.

Recommendation:

All credits generated through the Oregon Clean Fuels Program be declared surplus property until said such program ceases, or credits no longer are deposited into the CFP Online System.

NORTHERN WASCO COUNTY PEOPLE'S UTILITY DISTRICT
SPECIAL SESSION
APRIL 17, 2019

PRESENT: Connie Karp, President
Clay Smith, Secretary
Howard Gonser, Treasurer
Dan Williams, Director

ABSENT: Roger Howe, Vice President

President Karp called the Special Session to order at 10 a.m.

Director Howe is not in attendance today since he is out of town.

The following individuals were present during the Special Session:

Counsel: James Foster

NWCPUD Staff: General Manager Roger Kline; Chief Innovation Officer Paul Titus; Executive Assistant Kathy McBride; and Director of Corporate Services Cyndi Gentry

Visitors: None

CONSIDERATION AND APPROVAL ON CHANGING THE RETIREMENT PLAN CONTRIBUTION

At 10 a.m. President Karp called the Special Session Meeting to order.

Director of Corporate Services Cyndi Gentry presented staff's recommendation that the Board change the District's contribution to the retirement plan for non-union employees, as outlined in Gentry's memorandum, which is hereto attached and marked as Exhibit 1.

Gentry noted that the Board approved the new Collective Bargaining Agreement on April 2, 2019, which changed the District's contribution to the retirement plan for union members. The contribution went from up to 12% match, to a 5% contribution and up to 7% match. This change will cost approximately \$12,100 in the first year based on current employee contribution levels at the new wage rates, effective April 1, 2019.

Gentry stated that making this same change for non-union employees will cost the District approximately \$77,980 in the first year based on current employee contribution levels at the new wage rates, effective March 25, 2019.

General Manager Roger Kline commented on the number of vacancies in the Northwest Public Power Association's Bulletin and the District's recruitment for a Journeyman Lineman and a future Operations & Engineering Manager. He noted that the District is competing with these other utilities also searching for new hires who have other benefits which attract candidates to those openings. Kline pointed out what happens at one organization is not the same at the next.

Kline stated that when you are looking at the American Public Power Association's Salary Survey you cannot compare Electric Cooperatives with People's Utility Districts; they are not alike. Kline noted that the District is shooting for the middle range to attract and to retain employees. The proposed change to the retirement contribution is a way of accomplishing this. It is a cost increase, but it is also a value to recruitment and retention.

Some discussion occurred after a question was raised by Director Gonser regarding the total percentage in benefits, which are offered to District staff. Director Gonser expressed his concern with the total percentage, which General Manager Roger Kline believes is at 54%.

Director Smith agreed that the percentage of benefits is high. Director Smith feels we need to remember where we live. Employees are making a lot more than people in the community.

Director Smith feels that the retirement match is important. Director Smith asked what is the current cost to the District, as compared to the change in cost?

Gentry left the meeting to get the information requested by Director Smith.

Kline stated that he does not want the union and non-union members too far apart from a benefit perspective.

Director Smith commented that he does not feel up to a 12% match and the 5% contribution is a bad thing.

At approximately 10:12 a.m. Director Gonser left the meeting to take a phone call.

Upon Gentry's return, she noted that the District is currently spending \$367,000 for the entire staff at the new wages. Once the contribution change goes into effect for the bargaining unit, the District's cost goes to \$379,456. If the Board approves this change for the non-bargaining members, the cost will increase by \$77,000 up to \$450,000 per year.

{{{Director Williams moved to approve staff's recommendation that the District's contribution to the retirement plan for non-union members be changed from a "up to 12% match" to a "5% contribution and up to 7% match", effective immediately.

Director Gonser returned to the meeting at approximately 10:14 a.m.

Director Smith seconded the motion.

Gentry informed Director Gonser of what the District's current retirement costs are prior to any change in the retirement contribution.

Director Gonser stated that the District has excellent staff; his concern is with the total percentage of the benefit package even though the benefits are comparable nationally. Director Gonser will vote to approve the change in contribution, but he feels it is imperative that people know at the next negotiation session that the District cannot continue to increase benefits.

Director Smith stated that he would be more in line with this if we had a 10% contribution instead of 12%, but he realizes we need to offer a benefit package to attract individuals to the utility.

Director Smith shares Director Gonser's concerns.

Kline stated that management will continue to shoot for the middle of the road for wages and benefits, recognizing that the target of average is getting richer in the industry.

After further discussion the question was called for.

The motion passed unanimously.}}}

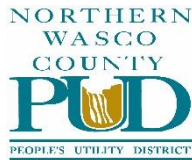
Chief Innovation Officer Paul Titus stated that he asked Special Counsel Iris Tilley to provide the Board of Trustees with a recommendation on the Request for Proposals for Retirement Plan Services for the Trustees' consideration at the May 7th Board of Directors Meeting. The Trustees will be provided with a recommendation based on the comparison of investment funds and the results of the employee poll.

There being no further business the meeting adjourned at 10:23 a.m.

President

ATTEST:

Secretary



MEMORANDUM
DIRECTOR OF CORPORATE SERVICES
NORTHERN WASCO COUNTY PEOPLE'S UTILITY DISTRICT

DATE: April 12, 2019
TO: Board of Directors
FROM: Cyndi Gentry, SPHR, SHRM-SCP
SUBJECT: Change to district contribution to retirement benefit

After Executive Session on April 2, 2019, the board approved the new Collective Bargaining Agreement (CBA) effective April 1, 2019. This CBA changed the district contribution to the retirement plan for union members. It went from up to 12% match, to a 5% contribution and up to 7% match. This change will cost approximately \$12,100 in the first year, based on current employee contribution levels, at the new wage rates effective April 1, 2019.

Making this same change for non-union employees will cost the district approximately \$77,980 in the first year, based on current employee contribution levels, at the new wage rates effective March 25, 2019.

These two groups combined would cost approximately \$90,080 in the first year.

I am recommending that the board approve this change to the district contribution to the retirement plan for non-union employees. This recommendation is consistent with the district's strategic object of recruiting, engaging, and retaining high performing employees.

Energy Efficiency Program Summary

Incentive Payments and Credits

Month: March 2019

Fiscal Year: BPA FY17

Program	Work Completed in Mar-19		Efficiency Incentives Paid FYTD	BPA EEI Credit FYTD	
	Incentives Pd	Credits Rec'd			
Heat Pump Incentive Pd.	-\$1,000		-\$17,600		
Heat Pump Credit		\$500		\$13,200	
Heat Pump Contractor Pmts					
Water Heaters Incentive Pd.	-\$2,500		-\$5,000		
Water Heaters Credit		\$2,500		\$5,000	
Weatherization Incentive Pd	-\$2,683		-\$41,442		
Weatherization Credit		\$2,132		\$21,744	
Appliances Incentive Pd	-\$555		-\$2,160		
Appliances Credit		\$210		\$690	
Comm. Lighting Incentive Pd	-\$2,262		-\$93,768		
Comm. Lighting Credit		\$1,971		\$90,172	
CFL, LED, And SH Incentive Pd					
CFL, LED, and SH Credit					
Energy Smart Grocer (ESG) Pd					
BPA FY18 Total Credit*				\$778,959	
Low Income Weatherization Pd	-\$32,485		-\$307,459		
Low Income Weatherization Credit		\$19,620		\$205,169	
Low Income Admin Credit				\$4,661	
Irrigation Incentive Pd					
Irrigation Credit					
Admin Credit				\$13,870	
Custom Projects Credit					
Totals	-\$41,485	\$26,933	-\$467,429	\$1,133,466	87.0%

Mar-19 Net Incentives Paid -\$14,552

BPA rate period Max Credit Amount - Budget \$1,302,664

BPA rate period Max Credit - Budget Remaining \$169,198 **13.0%**

*Heading changed to account for credits claimed not on this sheet.

Northern Wasco County PUD
Energy Efficiency Incentives

Program	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Paid FYTD	Credit FYTD	
Heat Pump Incentive Pd.	-\$5,200.00	-\$5,400.00	-\$4,000.00	\$0.00	-\$2,000.00	-\$1,000.00							-\$17,600.00		
Heat Pump Credit	\$4,200.00	\$3,800.00	\$3,100.00	\$0.00	\$1,600.00	\$500.00								\$13,200.00	
Heat Pump Contractor Pmts													\$0.00		
Water Heaters Incentive Pd.	-\$500.00	-\$1,500.00	-\$500.00	\$0.00	\$0.00	-\$2,500.00							-\$5,000.00		
Water Heaters Credit	\$500.00	\$1,500.00	\$500.00	\$0.00	\$0.00	\$2,500.00								\$5,000.00	
Weatherization Incentive Pd	-\$5,371.75	-\$7,724.93	-\$9,703.35	-\$7,636.60	-\$8,321.97	-\$2,683.31							-\$41,441.91		
Weatherization Credit	\$2,619.66	\$4,486.88	\$5,026.48	\$4,975.62	\$2,503.87	\$2,131.98								\$21,744.49	
Appliances Incentive Pd	-\$450.00	-\$210.00	-\$330.00	-\$300.00	-\$315.00	-\$555.00							-\$2,160.00		
Appliances Credit	\$120.00	\$60.00	\$120.00	\$90.00	\$90.00	\$210.00								\$690.00	
Comm. Lighting Incentive Pd	-\$7,087.00	-\$1,400.80	-\$50,314.00	-\$12,159.25	-\$20,545.00	-\$2,262.00							-\$93,768.05		
Comm. Lighting Credit	\$7,087.00	\$1,400.80	\$50,094.00	\$9,244.60	\$20,375.00	\$1,971.00								\$90,172.40	
CFL, LED, And SH Incentive Pd	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00							\$0.00		
CFL, LED, and SH Credit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00								\$0.00	
Energy Smart Grocer (ESG) Pd	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00							\$0.00		
BPA FY18 Total Credit*	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00								\$778,958.58	
Low Income Weatherization Pd	-\$30,984.48	-\$70,143.15	-\$77,196.94	-\$43,952.31	-\$52,697.06	-\$32,485.00							-\$307,458.94		
Low Income Weatherization Credit	\$19,628.14	\$46,451.15	\$55,757.09	\$27,013.00	\$36,700.00	\$19,620.00								\$205,169.38	
Low Income Admin Credit	\$192.62	\$1,306.44	\$1,554.38	\$649.72	\$957.39	\$0.00								\$4,660.55	
Irrigation Incentive Pd	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00							\$0.00		
Irrigation Credit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00								\$0.00	
Admin Credit	\$2,973.85	\$1,576.78	\$6,418.85	\$2,900.85	\$0.00	\$0.00								\$13,870.33	
Custom Projects Credit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00								\$0.00	
Custom Projects Pd.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00									
Totals	-\$12,271.96	-\$25,796.83	-\$19,473.49	-\$19,174.37	-\$21,652.77	-\$14,552.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$467,428.90	\$1,133,465.73	87.0%
BPA rate period Max Credit Amount - Budget														\$1,302,663.56	100.0%
BPA rate period Max Credit Amount - Budget Spent														\$1,133,465.73	87.0%
BPA rate period Max Credit - Budget Remaining														\$169,197.83	13.0%

Northern Wasco County PUD Energy Efficiency Incentives

Program	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total YTD
HE Heat Pumps	0.0	7,613.4	1330.47	0.0	0.0	2,629.1							11,572.9
DHP	14,649.2	7,887.2	7,887.2	0.0	5,258.2	0.0							35,681.8
Water Heaters / HPWH	1,644.5	5,102.4	1,644.5	0.0	0.0	8,222.7							16,614.1
Weatherization	8,107.3	13,584.7	12,905.0	13,344.0	7,446.4	6,864.1							62,251.6
Appliances	575.6	287.8	575.6	431.7	431.7	1,007.3							3,309.7
Comm. Lighting	49,370.0	4,944.0	164,753.3	58,745.3	100,336.8	7,656.1							385,805.5
CFL, LED & SH	0.0	0.0	0.0	0.0	0.0	0.0							0.0
Low Income Weatherization	4,814.8	32,661.1	38,859.5	16,242.9	23,934.7	13,337.9							129,850.9
Custom Projects	0.0	0.0	0.0	0.0	0.0	0.0							0.0
Totals	79,161.4	72,080.6	227,955.7	88,763.9	137,407.8	39,717.1	0.0	0.0	0.0	0.0	0.0	0.0	645,086.5
*Values are expressed in Estimated kWh savings per year for measures implemented during each month													

Energy Efficiency Program Summary

Measure Counts

Month: March 2019

Program	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	YTD Total
Heat Pumps	5	5	4	0	2	1							17
Water Heaters	1	3	1	0	0	5							10
Weatherization	7	8	9	9	5	3							41
Clothes Washers	4	2	4	4	3	7							24
Dish Washers	0	0	0	0	0	0							0
Refrigerators	5	2	1	0	3	1							12
Comm. Lighting	2	1	3	5	5	1							17
CFL Bulbs	0	0	0	0	0	0							0
LED Bulbs	0	0	0	0	0	0							0
Shower Heads	0	0	0	0	0	0							0
Energy Smart Grocer	0	0	0	0	0	0							0
Low Income Weather	9	15	20	13	10	7							74

VOID	CHECK	SEQ BRK	DATE	VENDOR	NAME	AMOUNT	DESCRIPTION
	68710		3/01/19	454	HRA VEBA TRUST	3,970.12	VEBA ER CONTRIBUTIONS EMP DED - HRA VEBA GRP 1 PRETAX EMP DED - HRA VEBA GRP 2 PRETAX
	68711		3/01/19	16	NATIONWIDE TRUST CO FSB	9,170.41	EMP DED - DEFERRED COMP 457B EMP DED - DEF COMP 457B-BRD MEM EMP DED - 457B LOAN
	68712		3/01/19	366	NATIONWIDE TRUST CO FSB	21,811.99	EMP BEN EMPLOYER 401K MATCH EMP BEN EMPLOYER 457B MATCH EMP DED - 401K LOAN EMP DED - NATIONWIDE 401K
	68713		3/01/19	1813	STATE COLLECTION AND	369.23	EMP DED - NEVADA CHILD SUPPORT
	68714		3/01/19	1812	WYOMING CHILD SUPPORT	384.92	EMP DED - WYOMING CHILD SUPPORT
	68715		3/08/19	2190	AMAZON	6,477.78	AA BATTERIES (144) STEEL SIDECHAIR W/ ARM MAN'S FR CARPENTAR JEANS MOUSEPAD/KEY BOARD - WRISTRESTS 2BULB T5-GLOWLIGHT STAND RACK 2019 PLANNERS/CALENDARS 2PK REPLACEMENT BOTTLE FILLERS ERGONOMIC FOOTREST WIDEANGLE RECHGABLE HEADLAMP BLISTEX BALM/SUNSCREEN IPAD ADAPTER/CHARGER/STRAP SAFTY APPAREL CHAIR W/ HEIGHT ADJ BACK AND ARM APPLE PEN CHG/PROTECTIVECASEIPAD VOLTAGE CONVERTER TRANSFORMER HEADLAMP CLIPS HOOKS HARDHAT
	68716		3/08/19	1883	ANIXTER POWER SOLUTIONS LLC	242.08	POLE EYE PLATE METER DISCONNECT SLEEVES
	68717		3/08/19	2476	ARAMARK UNIFORM CAREER APPAR	32.68	FISRT AID SUPPLY SERVICE CHARGE
	68718		3/08/19	658	BARRAN LIEBMAN LLP	5,495.70	FILE#708395.5 NEGOTN THRU 01/31
	68719		3/08/19	379	BISHOP SANITATION INC	67.50	9268 TREE SRV 01/22-02/18
	68720		3/08/19	2088	BISHOP TOWING	990.00	PICKUP TK#55BEAVERTON/THE DALLES
	68721		3/08/19	20	BOHN'S PRINTING INC	388.96	ADMIN/OFFCE/ENGRG/FA COPIES-FEB
	68722		3/08/19	2188	CENTRATEL LLC	725.58	ANSWERING SERVICE FEBRUARY
	68723		3/08/19	158	CENTURYLINK	53.46	PHONE SERVICE - FEB 2019
	68724		3/08/19	150	CITY OF THE DALLES	257.67	WATER & SEWER 01/10/19-02/11/19

VOID	CHECK	SEQ BRK	DATE	VENDOR	NAME	AMOUNT	DESCRIPTION
	68725		3/08/19	600	COLQUITT, KORENNA	217.28	TRAVEL TO PORTLAND FOR CLASS
	68726		3/08/19	2442	COMMSTRUCTURE CONSULTING LLC	380.00	ENVIRONMENTAL CONSULTING
	68727		3/08/19	99000405	COUSINS RESTAURANT	707.69	BOARD MTG DINNER 01/08/19 BOARD MTG DINNER 02/05/19
	68728		3/08/19	1803	D HITTLE & ASSOCIATES	15,053.76	PHASE 2 MILL CREEK REBUILD TIE PLANT RD FEEDER12 ENG SVC PHASE 2 MILL CREEK REBUILD
	68729		3/08/19	99000434	DAHLE, TIMOTHY	1,500.00	WEATHERZTN-DAHLE-2201 E 14TH ST WEATHERZTN-DAHLE-5070 CHERRY HTS WEATHERZTN-DAHLE-4757 CHERRY HTS
	68730		3/08/19	1318	DAILY JOURNAL OF COMMERCE	1,389.20	BID:TYGH VALLEY REBUILD 2/1-2/20
	68731		3/08/19	571	DEVCO MECHANICAL INC.	110.00	WEATHRZATION-LAMOREAUX-3231 W 7
	68732		3/08/19	1106	DOWERS, DON	537.62	UTILITY WAREHOUSING 02/25-02/28
	68733		3/08/19	1280	DUFUR SCHOOL DISTRICT #29	10,673.00	LHGTPRG-PETERBURG SCH-3855 15MI
	68734		3/08/19	173	FASTENAL	255.75	TAP & DRILL SETS
	68735		3/08/19	2240	FIMPLE, NICHOLE	171.00	NWPPA-WRKORDR-ANCHORAGE-2/27-3-1
	68736		3/08/19	802	FLI LANDSCAPE	1,792.50	SNOW&ICE REMOVAL 02/24 -02/25
	68737		3/08/19	2486	FRAME, DOUG	30.00	WEATHRZATION-D. FRAME-785 NE 1ST
	68738		3/08/19	99000614	FUN COUNTRY INC	404.95	INSTALL TRACKS POLARIS
	68739		3/08/19	175	GILLS POINT S	585.82	TIRE CHAINS
	68740		3/08/19	345	H2OREGON INC	23.80	(4) 5 GALLONS WATER
	68741		3/08/19	558	HAGE ELECTRIC & CONST INC	246,992.16	MARINA REBUILD CONTRACTOR
	68742		3/08/19	89	HOME DEPOT CREDIT SERVICES	43.37	PLYWOOD POLYURETHANE RECOIL HOSE
	68743		3/08/19	454	HRA VEBA TRUST	4,197.34	EMP DED - HRA VEBA GRP 1 PRETAX
	68744		3/08/19	1663	HUSKEY, JERRY	75.00	WASHERREBT-HUSKEY-1417 E 15TH ST
	68745		3/08/19	2395	JACK HENRY & ASSOCIATES INC	462.15	REMITPLUS JANUARY 2019 BILLING
	68746		3/08/19	2058	JACOB AIR, LLC	8,490.00	WEATHERZATION-BELL-2521 WRIGHT S WEATHERZATION-HUTESON-1116 E 9TH
	68747		3/08/19	434	JERRY'S JANITORIAL	1,668.33	JANITORIAL SERVICE - FEB 2019

VOID	CHECK	SEQ BRK	DATE	VENDOR	NAME	AMOUNT	DESCRIPTION
	68748		3/08/19	186	KLICKITAT COUNTY PUD	1,147.44	TRANSMISSION COSTS FEB-2019
	68749		3/08/19	2153	MAURITSON, GARRETT	532.94	TRAVEL-SEATTLE-NWPPA-STAKING
	68750		3/08/19	1321	MCDOWELL & SON	1,000.00	WEATHRZATION-BRANT-5855 HWY 30W
	68751		3/08/19	298	MCMASTER-CARR SUPPLY CO	32.65	SWIVEL CASTERS
	68752		3/08/19	95	MID COLUMBIA COMM ACTION INC	1,575.00	LOW INCOME APPL PROC 10/30-01/20 LOW INCOME APPL PROC 02/14-02/14
	68753		3/08/19	16	NATIONWIDE TRUST CO FSB	99.94	EMP DED - DEFERRED COMP 457B
	68754		3/08/19	366	NATIONWIDE TRUST CO FSB	333.12	401K ER CONTR MANUAL B.HOLCE EMP DED - NATIONWIDE 401K
	68755		3/08/19	2331	NEGOV	3,520.65	INSIGHT ENTERPRISE SOFTWARE LIC
	68756		3/08/19	636	NIES	2,102.61	RESOURCE INVESTIGATION
	68757		3/08/19	108	NORTHWEST PUBLIC POWER ASSN	695.00	CLASS K COLQUITT PORTLAND 2/2019
	68758		3/08/19	2479	NW MARINE SUPPLY	925.00	PRE-INSTALLATION SURVEY
	68759		3/08/19	112	ONE CALL CONCEPTS INC	31.50	OR UTILITY NOTIFICATION 02/2019
	68760		3/08/19	119	OREGON PUD ASSN	23,043.00	2019 OPUDA MEMBERSHIP DUES
	68761		3/08/19	1416	OS ENGINEERING	10,657.39	HMI/HISTORIAN THE DALLES
	68762		3/08/19	711	OXARC INC	2,900.00	SEMI-ANNUAL INSPECTION
	68763		3/08/19	1415	PACER PROPANE, DBA	45.74	PROPANE - TK#52
	68764		3/08/19	361	PEPSI COLA - THE DALLES	41.22	POP MACHINE
	68765		3/08/19	745	PETERSON CAT	834.30	HAMMER HOE RENTAL 2/18/19
	68766		3/08/19	214	PLATT ELECTRIC SUPPLY INC	89.21	WIRE DUCT COVER SNAP IN SEAL SEAL FUSES POWER-STRUT CLAMP ASSEMBLY
	68767		3/08/19	2292	QUALITY LIFE INTERGOVERNMENT	450.00	INTERNET SERVICE
	68768		3/08/19	2112	RADCOMP COMPUTERS, INC.	4,646.40	REMOTE/HELPDESK-01/2019-02/2019 OFFICE 365 - FEBRUARY
	68769		3/08/19	137	RURALITE SERVICES INC.	4,173.78	MAGAZINE & WEBSITE - 02/2019
	68770		3/08/19	292	SAWYERS TRUE VALUE	149.86	SPRAY PRIMER

VOID	CHECK	SEQ BRK	DATE	VENDOR	NAME	AMOUNT	DESCRIPTION
							B&C OIL GAL WOODCUTTER B&C OIL GAL WOODCUTTER
	68771		3/08/19	703	SPECIALTY ENGINEERING INC	1,756.88	OIL SAMPLING XFMR/LTC/REG
	68772		3/08/19	431	STAPLES ADVANTAGE	37.37	PACKING TAPE 2 ROLLS ENVELOPES 9"LX12"H 1BOX (100)
	68773		3/08/19	2074	TREES, INC.	17,778.40	TREE TRIMMING THRU 02/16 TREE TRIMMING THRU 02/23
	68774		3/08/19	626	TRIAXIS ENGINEERING INC	9,574.06	ENGINEERING FOR TYGY VALLEY SUB
	68775		3/08/19	2127	US LINEN & UNIFORM INC	149.02	MAT SERVICE 02/13/19 MAT SERVICE 02/27/19
	68776		3/08/19	2025	VISTA SANITATION	185.00	TD HYDRO PORTABLE TOILETS
	68777		3/08/19	48	WAGNER-SMITH EQUIPMENT CO	307.68	TOOL REPAIR
	68778		3/08/19	162	WASCO ELECTRIC COOPERATIVE	50.00	ENDRSBY CUTOFF 01/11/19-02/12/19
	68779		3/08/19	164	WESCO DISTRIBUTION INC	5,114.30	HANDLINE BLOCKS WAREHOUSE STOCK WAREHOUSE STOCK WAREHOUSE STOCK
	68799	*	3/15/19	99000019	ADVANCED CUTTING SOLUTIONS	1,680.00	LIGHTING-ADVANCUT-3675 CRATESWAY
	68800		3/15/19	11	ALTEC INDUSTRIES INC	300.00	TRIGGERPAD ROPE HANDLE
	68801		3/15/19	2489	AMERICAN WATERWAYS INC	3,200.00	OPUDA CONF-DINNER-DEP STERNWHEEL
	68802		3/15/19	1883	ANIXTER POWER SOLUTIONS LLC	1,558.40	WAREHOUSE STOCK WAREHOUSE STOCK WAREHOUSE STOCK WAREHOUSE STOCK
	68803		3/15/19	2088	BISHOP TOWING	513.44	WIPER BLADES TK#29,23,9 - LABOR
	68804		3/15/19	1850	CLASS 5	93.75	SERVICETICKET#10022DEADAIR CALLS
	68805		3/15/19	600	COLQUITT, KORENNA	27.00	TRAVEL TO PORTLAND FOR CLASS
	68806		3/15/19	427	CRESCENT ELECTRIC SUPPLY CO	9,964.00	2 ENCLOSED CIRCUIT BREAKERS
	68807		3/15/19	2267	DIRECTV, LLC	73.99	TV SERVICES 03/04/19-04/03/19
	68808		3/15/19	2488	ELOY R PANDO	600.00	CHERRY FEST SUNDAY ENTERTAINMENT
	68809		3/15/19	728	ERNIE'S LOCKS & KEYS	280.00	KEYS/LABOR/SERVICE CALL

VOID	CHECK	SEQ BRK	DATE	VENDOR	NAME	AMOUNT	DESCRIPTION
	68810		3/15/19	173	FASTENAL	1.82	STEEL MACHINE SCREW
	68811		3/15/19	802	FLI LANDSCAPE	2,110.00	SNOW&ICE REMOVAL 02/26 -02/27 SNOW&ICE REMOVAL 03/06 -03/07
	68812		3/15/19	2358	FOOTE, CHARLIE	935.29	WEATHZATION-FOOTE-1323 E 15TH ST
	68813		3/15/19	118	FOSTER & YOUNG LLP	12,500.00	FILE #89-0636 GENERAL 02/2019
	68814		3/15/19	1817	FSQUARED LLC	1,650.00	EXCITER SUPPORT
	68815		3/15/19	99000614	FUN COUNTRY INC	367.91	POLARIS FULL SERVICE
	68816		3/15/19	793	FUTURA SYSTEMS INC	8,706.40	02/2019 BILLING
	68817		3/15/19	1962	GENTRY, CYNTHIA	75.00	SHILO INN MEETING ROOM RENTAL
	68818		3/15/19	66	GONSER, HOWARD	282.33	NRU&PPC-PDX-3/6-3/7
	68819		3/15/19	1968	HALL, HARVEY	164.50	NWPPA-LEADTEAM-CASPER,WY 3/12-15
	68820		3/15/19	302	HATTENHAUER ENERGY CO LLC	147.35	FUEL CHARGES 02/01/19-02/15/19
	68821		3/15/19	89	HOME DEPOT CREDIT SERVICES	169.00	33IN 4-DRAWER MECHANIC TL CART
	68822		3/15/19	627	HR ANSWERS INC	192.00	BCKGNDCKS-MCGOWEN,DANIELS,OCONNE
	68823		3/15/19	454	HRA VEBA TRUST	3,920.12	VEBA ER CONTRIBUTIONS EMP DED - HRA VEBA GRP 1 PRETAX EMP DED - HRA VEBA GRP 2 PRETAX
	68824		3/15/19	79	I.B.E.W. LOCAL 125	1,065.41	UNION DUES 02/2019
	68825		3/15/19	1915	KLINE, ROGER	165.00	NRU&PPC CONFERENCE 3/6-3/8
	68826		3/15/19	16	NATIONWIDE TRUST CO FSB	8,937.77	EMP DED - DEFERRED COMP 457B EMP DED - DEF COMP 457B-BRD MEM EMP DED - 457B LOAN
	68827		3/15/19	366	NATIONWIDE TRUST CO FSB	20,707.99	EMP BEN EMPLOYER 401K MATCH EMP BEN EMPLOYER 457B MATCH EMP DED - 401K LOAN EMP DED - NATIONWIDE 401K
	68828		3/15/19	2108	NW NATURAL	1,980.19	NATURAL GAS 02/04/19-03/05/19 NATURAL GAS 02/04/19-03/05/19
	68829		3/15/19	792	SEDC	14,941.31	02/2019 SUPPORT & 01/2019 ARISTA
	68830		3/15/19	1847	SPARKLE CAR WASH, LLC	13.20	CAR WASHES - FEBRUARY
	68831		3/15/19	1813	STATE COLLECTION AND	369.23	EMP DED - NEVADA CHILD SUPPORT

VOID	CHECK	SEQ BRK	DATE	VENDOR	NAME	AMOUNT	DESCRIPTION
	68832		3/15/19	2059	TERMINIX INTERNATIONAL	134.00	PEST CONTROL 02/26/19
	68833		3/15/19	148	THE DALLES CHRONICLE	208.00	11/28,12/1-8 ADS XMASTREE RAFFLE
	68834		3/15/19	151	THE DALLES DISPOSAL SERVICE	414.14	GARBAGE 02/01/19-02/28/19
	68835		3/15/19	295	THE DALLES FITNESS CLUB	152.90	FITNESS CLUB DUES 03/2019
	68836		3/15/19	375	U.S. CELLULAR, DBA	56.84	SUBSTATION CELLULAR MODEM
	68837		3/15/19	2127	US LINEN & UNIFORM INC	74.51	MAT SERVICE 03/13/19
	68838		3/15/19	569	VIVID LEARNING SYSTEMS - WA	9,429.04	ONLINE SAFETY TRAINING
	68839		3/15/19	1365	WASCO COUNTY	1,909.29	FUEL CHARGES 02/01/19-02/28/19
	68840		3/15/19	164	WESCO DISTRIBUTION INC	7,909.06	LOADBREAK 100AMP CUTOUT WAREHOUSE STOCK WAREHOUSE STOCK WAREHOUSE STOCK
	68841		3/15/19	743	WILLIAMS, DAN	380.93	NRU&PPC-PDX-3/6-3/7
	68842		3/15/19	1812	WYOMING CHILD SUPPORT	384.92	EMP DED - WYOMING CHILD SUPPORT
	68844	*	3/22/19	3	AFLAC	1,915.52	INSURANCE PREMIUMS - FEB 2019
	68845		3/22/19	1883	ANIXTER POWER SOLUTIONS LLC	8,930.50	STOCK ITEMS FOR MILL CREEK PROJE WAREHOUSE STOCK WAREHOUSE STOCK PWR & CONTROL CABLES COOPE RELAY
	68846		3/22/19	230	AT&T MOBILITY	125.57	GROUP CELL CHARGES 01/24-02/23
	68847		3/22/19	658	BARRAN LIEBMAN LLP	1,260.00	FILE#708395.2 RETRMNT THRU 02/28
	68848		3/22/19	2104	BIG RIVER MAINTENANCE	425.00	LANDSCAPE MAINT AND REPAIR-03/19
	68849		3/22/19	99000313	CASCADE MOTORS	116.76	LUBE-OIL FILTER-INSPECTION TK#71
	68850		3/22/19	32	CITY OF DUFUR	1,989.33	EXCHANGE OF SERVICE FEE - FEB
	68851		3/22/19	1850	CLASS 5	344.58	TD HYDRO HOSTED VOIP - MAR 2019 TD HYDRO PHONE - MAR 2019
	68852		3/22/19	583	CLEARRESULT CONSULTING, INC	560.00	APP PROC-HEATPUMP 02/01-02/28/19
	68853		3/22/19	1269	COASTAL FARM & HOME SUPPLY	254.60	MENS VEST/WKHORSE CARP/WEDGE
	68854		3/22/19	99000434	DAHLE, TIMOTHY	500.00	WEATHERZTN-DAHLE-1830 CHERRY HTS
	68855		3/22/19	2402	DAYBREAK CONSTRUCTION	3,777.00	FLAGGING - 3/12-14

VOID	CHECK	SEQ BRK	DATE	VENDOR	NAME	AMOUNT	DESCRIPTION
	68856		3/22/19	705	FIX AUTO - THE DALLES	1,113.80	FRONT END REPAIR TK#54
	68857		3/22/19	2358	FOOTE, CHARLIE	1,398.02	WEATHZATION-FOOTE-412 W 14TH ST
	68858		3/22/19	99000614	FUN COUNTRY INC	2,024.92	SNOW PLOW BLADE/INSTALL
	68859		3/22/19	64	GENERAL PACIFIC INC.	386.00	WAREHOUSE STOCK
	68860		3/22/19	302	HATTENHAUER ENERGY CO LLC	180.48	FUEL CHARGES 03/01/19-03/15/19
	68861		3/22/19	387	ITRON INC	64,520.00	ONE-TIME SET-UP, OPENWAY PROJECT IMPLEMENTATION SERVICES
	68862		3/22/19	2395	JACK HENRY & ASSOCIATES INC	534.10	REMITPLUS FEBRUARY 2019 BILLING
	68863		3/22/19	2058	JACOB AIR, LLC	4,110.00	WEAHERZAN-ORTEGA-2525 W 8TH#25
	68864		3/22/19	699	KUBLICK, LANCE	132.00	WEI CONF 3/13-15 HOLLYWOOD,CA
	68865		3/22/19	2000	LOOMIS	331.30	ARMORED CAR SERVICE-MAR
	68866		3/22/19	2487	MAINSTEM FISH RESEARCH, LLC	10,798.16	GRANT NON-NATIVE PREDATOR PHASE
	68867		3/22/19	650	NRECA	8,976.98	INSURANCE PREMIUMS 03/2019
	68868		3/22/19	103	NRECA GROUP BENEFITS TRUST	102,003.04	INSURANCE PREMIUMS 03/2019
	68869		3/22/19	2479	NW MARINE SUPPLY	18,800.00	INSTALL MARINA XFORMER & FLOATS
	68870		3/22/19	1415	PACER PROPANE, DBA	21.77	PROPANE - TK#52
	68871		3/22/19	361	PEPSI COLA - THE DALLES	41.22	POP MACHINE
	68872		3/22/19	214	PLATT ELECTRIC SUPPLY INC	3,178.34	WAREHOUSE STOCK
	68873		3/22/19	2299	POWERS, SUE	322.45	NWPPA UTILITY RECORDS NEWPORT,OR
	68874		3/22/19	292	SAWYERS TRUE VALUE	23.57	PICTURE HANGSTRIP SML/MED
	68875		3/22/19	1981	SELECTEMP	3,526.16	CONSULTANT-THOMPSON-THRU 01/20
	68876		3/22/19	1572	SKYBITZ, INC	1,129.44	GPS MONTHLY PLAN - JANUARY GPS MONTHLY PLAN - FEBRUARY
	68877		3/22/19	431	STAPLES ADVANTAGE	130.20	WRIST COIL/ECONOMY STOR BOX COMBO/PENS RED PASTELS PAPER STAPLES
	68878		3/22/19	2074	TREES, INC.	21,693.62	TREE TRIMMING THRU 03/02 TREE TRIMMING THRU 03/09

VOID	CHECK	SEQ BRK	DATE	VENDOR	NAME	AMOUNT	DESCRIPTION
	68879		3/22/19	1811	URSPRUNG, KATHY	570.00	MAGAZINE COSTS 03/2019
	68880		3/22/19	542	VALLEY TRANSFORMER INC	7,957.46	TRANSFORMER TEST AND REPAIR
	68881		3/22/19	1317	VERSALIFT NORTHWEST LLC	2,521.78	180 DAY INSPECTION 180 DAY INSPECTION 180 DAY INSPECTION 180 DAY INSPECTION 180 DAY INSPECTION TRVL&TIME FOR 180 DAY INSPECTION PARTS FOR 180 DAY INSPECTION
	68882		3/22/19	1298	YAKAMA NATION FISHERIES	245,209.00	GRANT NORTH FORK MANASTASH CREEK
	68894	*	3/29/19	3	AFLAC	1,847.66	INSURANCE PREMIUMS - MAR 2019
	68895		3/29/19	379	BISHOP SANITATION INC	67.50	9268 TREE SRV 02/19-03/18
	68896		3/29/19	2136	C & M GUTTERS, INC.	1,750.00	GUTTERS REPAIRS AND REPLACE
	68897		3/29/19	1156	CABLE HUSTON BENEDICT	16,958.80	LEGAL SERVICES
	68898		3/29/19	2491	CASAUBON, ROBERT	10.54	RTRN SHIPPPING-DEMO ITEM FOR GIS
	68899		3/29/19	473	CDW GOVERNMENT INC	451.92	SSD Drives - ongoing PC Upgrades
	68900		3/29/19	158	CENTURYLINK	62.73	PHONE SERVICE - MAR 2019
	68901		3/29/19	99000371	COBURN ELECTRIC INC	809.15	LED IN WIRE ROOM/TRUCK BARN
	68902		3/29/19	2402	DAYBREAK CONSTRUCTION	4,554.00	FLAGGING FOR 9TH & BREWERY PROJ FLAGGING FOR 9TH & BREWERY PROJ
	68903		3/29/19	215	ED POWELL WELDING SERVICE	135.00	MATERIAL FOR POWERHOUSE
	68904		3/29/19	594	ESTATE OF WILLIAM L EDDINS	4,200.00	ANNUAL LEASE-STACKER BUTTE 2018
	68905		3/29/19	705	FIX AUTO - THE DALLES	4,455.15	VEHICLE #71 ACCIDENT 3-3-19
	68906		3/29/19	66	GONSER, HOWARD	607.46	HSE&SEN-OPUDA-SALEM-3/20-22
	68907		3/29/19	311	GORGE NETWORKS INC	966.79	OFFC&TD HYD INTERNET 03/01-03/31
	68908		3/29/19	7	H J ARNETT INDUSTRIES LLC	1,045.87	HLT TESTING REPAIR LABOR
	68909		3/29/19	2493	HENDERSON, JACK	75.00	CW RBT-HENDERSON 1501 JORDAN
	68910		3/29/19	89	HOME DEPOT CREDIT SERVICES	229.96	18V 2.4AH BATTERY PACKS HINGE SPR ADJ 4"5/8RD 2@15.98
	68911		3/29/19	2121	HOWE, J. ROGER	601.66	OPUDA LOBBY-SALEM-3/20-22

VOID	CHECK	SEQ BRK	DATE	VENDOR	NAME	AMOUNT	DESCRIPTION
	68912		3/29/19	454	HRA VEBA TRUST	4,145.12	VEBA ER CONTRIBUTIONS EMP DED - HRA VEBA GRP 1 PRETAX EMP DED - HRA VEBA GRP 2 PRETAX
	68913		3/29/19	2494	JACOB M. KUHNHAUSEN	650.00	TV MOUNT LOBBY/REARRANGE SHELVES
	68914		3/29/19	2125	KARP, CONNIE	596.66	OPUDA-LOBBY-SALEM-03/20-22
	68915		3/29/19	186	KLICKITAT COUNTY PUD	859.61	ACTUAL CHARGES 03/08/2019
	68916		3/29/19	770	MARTINSON, RICK	397.92	GRANT MANAGEMENT
	68917		3/29/19	2473	MICHELE BISHAI	582.00	WEATHRZTN-BISHAI-508 (&1/2)WASH
	68918		3/29/19	545	MICHELS POWER	47,166.32	CREW WORK THRU 01/31/19
	68919		3/29/19	2144	MOSS ADAMS LLP	13,534.00	PROGRESS BILLING 2018 FIN AUDIT
	68920		3/29/19	16	NATIONWIDE TRUST CO FSB	8,992.85	EMP DED - DEFERRED COMP 457B EMP DED - DEF COMP 457B-BRD MEM EMP DED - 457B LOAN
	68921		3/29/19	366	NATIONWIDE TRUST CO FSB	20,693.07	EMP BEN EMPLOYER 401K MATCH EMP BEN EMPLOYER 457B MATCH EMP DED - 401K LOAN EMP DED - NATIONWIDE 401K
	68922		3/29/19	1814	NEVADA STATE TREASURER	14.00	WITHHOLDING FEE-RYAN MANCIU Q1
	68923		3/29/19	586	OLDCASTLE PRECAST	3,742.00	CONCREAT VAULT 644 LA BASE VAULT CONDUIT
	68924		3/29/19	2492	PARSON, CHARLES	75.00	CW RBT-PARSON 206 W 11TH
	68925		3/29/19	214	PLATT ELECTRIC SUPPLY INC	93.16	REPAIR KIT LIGHT UNIT
	68926		3/29/19	1724	POWER ENGINEERS INC	70,340.75	TRANSLINK 230 KV SERVICES TO 01/19/2019
	68927		3/29/19	2112	RADCOMP COMPUTERS, INC.	3,061.80	REMOTE/HELPDESK-02/2019-03/2019 OFFICE 365 - MARCH
	68928		3/29/19	292	SAWYERS TRUE VALUE	145.08	ALL PURP GLUE 2OZ TUBE GLOVES MURIATIC ACID/FILTER 2 WHEELS FOR PRESSURE WASHER POLY TARP 10'X12' HP
	68929		3/29/19	2419	SEL SCHWEITZER ENGINEERING	23,550.00	REAL TIME AUTOMATION CONTROL
	68930		3/29/19	2352	SOUTHARD, CHERISH	46.60	ELECTRICAL TRAINEE RENEWAL

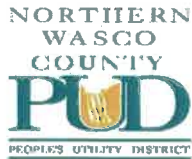
VOID	CHECK	SEQ BRK	DATE	VENDOR	NAME	AMOUNT	DESCRIPTION
	68931		3/29/19	431	STAPLES ADVANTAGE	103.64	DRAWER TRAY/PENCILCUP/STPS/PAPER STOR BOXES/BADGEHOLDER/SPRINGCP
	68932		3/29/19	1813	STATE COLLECTION AND	369.23	EMP DED - NEVADA CHILD SUPPORT
	68933		3/29/19	1107	TD SOFTBALL ASSOCIATION	250.00	DONATION-2019 SOFTBALL TEAM
	68934		3/29/19	2059	TERMINIX INTERNATIONAL	134.00	PEST CONTROL 03/14/19
	68935		3/29/19	479	THE OPTIMIST TRUST	120.00	TDWHS SPRING SPORTS CALENDAR AD
	68936		3/29/19	2074	TREES, INC.	15,129.23	TREE TRIMMING THRU 03/16 TREE TRIMMING THRU 03/23
	68937		3/29/19	177	VERIZON WIRELESS	2,039.76	MONTHLY CHARGE 01/30-02/28 APPLE PENS FOR IPAD PROS
	68938		3/29/19	162	WASCO ELECTRIC COOPERATIVE	50.00	ENDRSBY CUTOFF 02/12/19-03/11/19
	68939		3/29/19	164	WESCO DISTRIBUTION INC	132.50	END BELL FOR PVC PIPE
	68940		3/29/19	743	WILLIAMS, DAN	450.86	OPUDA LOBBY-SALEM-3/20-22
	68941		3/29/19	1345	WORRELL, RILEY J	8,475.00	WEATHRZTN-GROSSMILLER-6590 RESV
	68942		3/29/19	1812	WYOMING CHILD SUPPORT	384.92	EMP DED - WYOMING CHILD SUPPORT
			TOTAL CHECKS	202	TOTAL AMOUNT	1,345,911.23	

MBRSEP	NAME	CHECK NUMBER	CHECK AMT	CHECK DATE	CHECK TYPE	PAID DATE	UNDEV CODE	VOID CODE
67989-001	BIEBER KADY	68780	31.82	31219	SG	32819		
68943-001	CERTAIN STEFANIO ROY	68781	37.08	31219	SG	31919		
67279-002	DALLES ONTARIO LLC	68782	394.61	31219	SG	31919		
46869-001	DOUGHERTY THEA KATHY	68783	6.71	31219	SG	32019		
68846-001	FLYNN KARA	68784	10.43	31219	SG	32519		
67819-001	FROST KURTIS JAMES	68785	368.51	31219	SG	32019		
69105-001	GAIGE ROBERT J	68786	50.69	31219	SG	32519		
64946-003	GRAVES MARIAH ANN	68787	13.07	31219	SG			
68689-001	JOSEPH EDWARD MURPHY	68788	107.82	31219	SG	32119		
10081-001	LERUD ROBERT	68789	18.65	31219	SG	32519		
65370-001	OBRIST JOANNE	68790	84.77	31219	SG			
68583-001	REYES FAVIAN JOSE TRINIDAD	68791	187.72	31219	SG			
68433-001	TONN FREDERICK	68792	132.57	31219	SG			
68714-001	URNESS JUDY & MIKE	68793	41.24	31219	SG	32119		
68354-001	WALSH DOUGLAS O	68794	35.21	31219	SG	31819		
68551-001	WILSON MARI	68795	90.01	31219	SG	32219		
68285-002	AUSTIN HEIDI MARIE	68796	142.65	31219	MN	32619		
68242-001	GOLDSMITH DUSTIN D	68797	152.21	31219	MN	32219		
44319-001	SCHELL CHERIE L & DONALD	68798	362.87	31219	MN	31319		
62289-021	CHERRY CITY PROPERTIES	68843	93.73	32119	MN	32819		
68445-001	FISER CALEB GEORGE	68883	71.78	32619	SG			
68437-001	GRIALOU MICAH EL LOUIS	68884	103.41	32619	SG			
65989-002	MURILLO GUZMAN JOSEFINA	68885	76.58	32619	SG			
68725-001	MURRAY DANA L	68886	86.94	32619	SG			
63964-002	PAASCH BRYAN JAY	68887	6.31	32619	SG			
10513-001	PHETTEPLACE JERRY	68888	6.20	32619	SG			

MBRSEP	NAME	CHECK NUMBER	CHECK AMT	CHECK DATE	CHECK TYPE	PAID DATE	UNDEV CODE	VOID CODE
63085-002	RAMBUR SARAH	68889	80.90	32619	SG			
65657-003	ROBLES VILLA SERAFIN	68890	88.15	32619	SG			
69148-001	RODRIGUEZ DAMIAN RAY	68891	14.39	32619	SG			
68447-001	TYRONE JOY	68892	69.95	32619	SG			
68780-001	WINFIELD WILLIAM W	68893	50.62	32619	SG			
	TOTALS	31	3017.60					

VOID	CHECK	SEQ BRK	DATE	VENDOR	NAME	AMOUNT	DESCRIPTION
	8272		3/08/19	169	EASTERN OREGON TELECOM LLC	379.35	PHONE & INTRNT SRVCS 03/01-03/31
	8273		3/08/19	1416	OS ENGINEERING	4,272.59	MCNARY HMI/HISTORIAN
	8274		3/08/19	711	OXARC INC	2,310.35	SEMI-ANNUAL INSPECTION CYLINDER RENTAL
	8275		3/08/19	214	PLATT ELECTRIC SUPPLY INC	277.03	BREAKER
	8276		3/08/19	411	UNITED RENTALS INC	2,604.60	EQUIPMENT RENTAL 2019 OUTAGE
VOID	8277		3/15/19	2487	MAINSTEM FISH RESEARCH, LLC	10,798.16	
VOID	8278		3/15/19	1298	YAKAMA NATION FISHERIES	245,209.00	
	8279		3/22/19	230	AT&T MOBILITY	28.63	MCNARY HYDRO 01/24-02/23
	8280		3/29/19	196	A-PLUS CONNECTORS LLC	47.38	FHMS PHIL/U NUT U NUT
	8281		3/29/19	2453	HYDRAFIL, INC	1,170.71	FILTERS
	8282		3/29/19	770	MARTINSON, RICK	1,941.41	SERVCS-MCN FISHERIES 12/15-03/15
	8283		3/29/19	335	NORTH COAST ELECTRIC CO	93.72	GANG BOX
			TOTAL CHECKS	12		TOTAL AMOUNT	13,125.77

VOID	ACH SEQ	SEQ BRK	DATE	VENDOR	NAME	AMOUNT	DESCRIPTION
	1470		3/05/19	872	IRS	150.43	PAYROLL TAXES
	1481	*	3/19/19	872	IRS	196.33	PAYROLL TAXES
	1484	*	3/25/19	400	WASHINGTON STATE DEPARTMENT	438.72	USE TAX 02/01/19-02/28/19 MCN
	1501	*	3/29/19	107	NORTHERN WASCO COUNTY PUD	895.81	02/2019 MCN ONE-CARD PURCHASES
	1502		3/29/19	107	NORTHERN WASCO COUNTY PUD	36,731.10	REIMB PR BENEFITS 02/2019
	1503		3/29/19	107	NORTHERN WASCO COUNTY PUD	716.34	03/2019 MCN ONE-CARD PURCHASES
	1504		3/29/19	107	NORTHERN WASCO COUNTY PUD	851.00	FEB 2019 VEHICLE CHARGES
			TOTAL DRAFTS	7		TOTAL AMOUNT	39,979.73
			GRAND TOTAL	19		GRAND TOTAL AMOUNT	53,105.50



MEMORANDUM
DIRECTOR OF FINANCE & ENTERPRISE RISK
NORTHERN WASCO COUNTY PEOPLE'S UTILITY DISTRICT

DATE: April 19, 2019
TO: Northern Wasco County PUD General Manager and Board of Directors
FROM: Harvey Hall
SUBJECT: **March 2019 Financial Statements - Management Sign-off**

The financial statements, as they relate to Northern Wasco County People's Utility District are drawn up to comply with the applicable accounting standards prescribed by the GASB Rules and present fairly the District's financial position, financial performance and cash flows. They have been prepared based on properly maintained financial records with appropriate cross-checks.

The implementation and operation of accounting and internal control systems are designed to prevent and detect fraud and error, as they relate to the District.

I confirm that you have been advised of all known material risks that may affect the financial statements through the monthly financial reporting process.

Signed by: 

Position: Chief Financial Officer – Director of Finance and Enterprise Risk Management

Date: 4/19/19

MONTHLY FINANCIAL AND OPERATING REPORT

NORTHERN WASCO COUNTY PUD FOR THE MONTH ENDING MARCH 2019

	KWH SOLD			NO. OF CUST THIS MONTH
	THIS MONTH	2019 YTD	2018 YTD	
1. SINGLE PHASE SERVICE	17,095,556	52,669,391	32,329,283	9,443
4. THREE PHASE SERVICE	1,731,773	5,083,651	3,098,605	461
5. DEMAND SERVICE	5,921,895	17,064,079	11,271,727	159
6. PRIMARY SERVICE	49,107,689	156,479,937	70,214,999	13
8. IRRIGATION	9,565	32,262	19,109	53
9. PUBLIC STREET LIGHTING	39,063	115,410	76,064	2
11. SECURITY LIGHTS & OTHER MISC.	82,362	248,296	187,597	n/a
12. TOTAL	73,987,903	231,693,026	117,197,384	10,131

ELECTRIC ENERGY STATEMENT
NORTHERN WASCO COUNTY PUD
February 2019

<u>ENERGY GENERATED, PURCHASED, AND INTERCHANGED</u>	THIS MONTH	2019 YTD	2018 YTD
Generation for station use (kWH)			
The Dalles Scheduled Net Generation (excluding station use)	4,056,000	7,170,000	5,265,000
The Dalles Actual Net Generation (excluding station use)	3,949,595	8,613,640	5,266,530
Generation Imbalance: The Dalles bought/(sold)	106,405	(1,443,640)	(1,530)
McNary Scheduled Net Generation (excluding station use)	3,282,000	7,520,000	3,146,000
McNary Actual Net Generation (excluding station use)	3,688,029	7,926,899	3,102,655
Generation Imbalance: McNary bought/(sold)	(406,029)	(406,899)	43,345
Environmental Displacement McNary	0	0	0
Purchased energy:			
Bonneville Power Administration - PF	43,568,421	125,254,385	81,685,971
Load Shaping	11,868,420	46,066,102	18,230,841
Energy Shaping Services	(5,237,741)	(12,203,045)	(22,096,857)
Bonneville Power Administration - Short Term Rate	660,527	1,919,351	1,035,096
Non-Federal Resources	23,751,000	66,043,000	35,400,000
Total purchases and generation	81,948,627	241,769,793	122,666,051
Disposition of energy generated and purchased:			
Total sales of electric energy	83,289,965	238,863,026	122,462,384
Energy used by electric utility (excluding station use)	60,397	193,922	115,193
Total energy accounted for	83,350,362	239,056,948	122,577,577
Total energy losses--Distribution	(1,401,735)	2,712,845	88,474
Energy generated and purchased	81,948,627	241,769,793	122,666,051

INVESTMENT BALANCE
3/31/2019

	<u>MARKET VALUE</u>	<u>YIELD</u>	<u>MATURITY</u>
136.8 LOCAL GOV'T POOL	\$ 18,257,430.37	2.7500	RATE CHANGES DAILY
TOTAL LOCAL GOV'T POOL	<u>\$ 18,257,430.37</u>	<u>2.7500</u>	
136.83 CORPORATE DEBT			
Bank of Montreal	\$ 996,805.11	2.100	12/12/2019
Bank of Nova Scotia	\$ 499,385.00	2.050	6/5/2019
Federal Home Loan Banks	\$ 997,846.34	2.000	9/13/2019
Wells Fargo & Company	\$ 499,391.15	1.750	5/24/2019
Wells Fargo & Company	\$ 647,686.00	2.150	12/6/2019
Westpac Banking Corp	\$ 994,768.41	2.800	3/6/2020
TOTAL CORPORATE DEBT	<u>\$ 4,635,882.01</u>	<u>2.038</u>	
136.00 TOTAL INVESTMENTS	<u>\$ 22,893,312.38</u>		

RESTRICTED RESERVES:

Rate Stabilization Fund	\$ 4,600,000
2016 Bond Reserve Fund	\$ 796,175
Construction Funds-2016 Bonds	\$ 1,334,923

TOTAL RESTRICTED RESERVES \$ 6,731,098

COMMITTED RESERVES:

Working Capital	\$ 3,000,000
Contingency & Emergency Preparedness	\$ 1,000,000
Hydro	\$ 1,000,000
Capital Imprv & Major Capital Projects	\$ 1,000,000
Market Security & Collateral	\$ 3,500,000
OPEB Liability Reserve Fund	\$ 303,676
Customer Deposits and Interest	\$ 3,855,587
2016 Bond Debt Service	\$ 26,250

TOTAL COMMITTED RESERVES \$ 13,685,513

UNCOMMITTED RESERVES \$ 2,476,701

TOTAL INVESTMENTS \$ 22,893,312

* * * NORTHERN WASCO PUD * * *
STATEMENT OF NET POSITION
For Period Ending March 31, 2019

	Current Year Current month Y-T-D Amount	Last Year Current month Y-T-D Amount
ASSETS AND OTHER DEBITS		
PROPERTY ACCOUNTS:		
ELECTRIC PLANT	88,613,555.28	85,456,815.86
CONSTRUCTION WORK IN PROGRESS	3,463,842.93	2,456,058.42
	92,077,398.21	87,912,874.28
TOTAL PROPERTY	92,077,398.21	87,912,874.28
LESS: DEPRECIATION & AMORTIZATION	(44,580,363.09)	(42,628,210.46)
	47,497,035.12	45,284,663.82
DEPRECIATED COST OF UTILITY PLANT	47,497,035.12	45,284,663.82
INVESTMENT & FUND ACCOUNTS:		
OTHER INVESTMENTS-BOND RESERVES	26,250.00	-
FISHERIE'S MITIGATION TRUST FUND	1,748,449.93	1,640,014.39
	1,774,699.93	1,640,014.39
TOTAL INVESTMENTS & FUND ACCOUNTS	1,774,699.93	1,640,014.39
CURRENT & ACCRUED ASSETS:		
CASH	5,084,751.91	1,789,818.55
US BANK TRUST, 2012 BOND FUND - MCNARY	1,271.39	437.29
US BANK TRUST, 2016 BOND FUND	-	-
TEMPORARY INVESTMENTS-GENERAL FUND	20,967,644.52	26,557,605.12
ACCOUNTS RECEIVABLE CUSTOMERS	5,946,306.40	3,153,308.71
LESS RESERVE	(100,272.90)	(91,593.03)
ACCOUNTS REC. CUSTOMER - NET	5,846,033.50	3,061,715.68
UNBILLED REVENUE	991,361.11	799,980.89
OTHER ACCTS & NOTES REC. - NET	661,290.38	403,465.53
MATERIALS & SUPPLIES	833,796.28	754,956.40
PREPAYMENTS	517,568.95	529,419.70
OTHER CURRENT & ACCRUED ASSETS	(13,991.64)	(4,147.54)
	34,889,726.40	33,893,251.62
TOTAL CURRENT & ACCRUED ASSETS	34,889,726.40	33,893,251.62
DEFERRED DEBITS:		
CLEARING ACCOUNTS	-	5,456.60
OTHER DEFERRED DEBITS	-	-
DEFERRED OUTFLOWS OPEB	80,122.00	-
PS & I - MCNARY	2,815.00	2,815.00
AMORT OF DEBT EXPENSES	-	-
BPA CONTRIBUTION TO MCNARY PROJECT	10,879,393.90	12,491,856.48
	10,962,330.90	12,500,128.08
TOTAL DEFERRED DEBITS	10,962,330.90	12,500,128.08
	95,123,792.35	93,318,057.91
TOTAL ASSETS & OTHER DEBITS	95,123,792.35	93,318,057.91

* * * NORTHERN WASCO PUD * * *
STATEMENT OF NET POSITION
For Period Ending March 31, 2019

	Current Year Current month Y-T-D Amount	Last Year Current month Y-T-D Amount
LIABS & EARNED SURPLUS		
LONG-TERM DEBT:		
BONDS PAYABLE 2012A	7,520,000.00	7,520,000.00
BONDS PAYABLE 2012B	925,000.00	2,415,000.00
BONDS PAYABLE 2016 REVENUE	11,475,000.00	11,790,000.00
TD HYDRO - CONTRACTS PAYABLE	-	-
UNAMORTIZED PREMIUM - 2012 BONDS	798,529.16	939,446.12
UNAMORTIZED PREMIUM - 2016 BONDS	1,087,683.24	1,135,493.52
CAPITAL LEASE NON-CURRENT LIAB	-	18,876.08
TOTAL LONG-TERM DEBT	21,806,212.40	23,818,815.72
CURRENT AND ACCRUED LIABILITIES:		
CURR PORTION LT DEBT	1,805,000.00	1,460,000.00
ACCOUNTS PAYABLE	5,045,307.30	4,836,235.19
ACCRUED 190 CONTRACT FEES	351,266.94	303,804.78
CUSTOMERS DEPOSITS	3,915,608.54	5,451,207.54
ACCRUED VACATION & SICK LEAVE	410,065.74	413,959.26
ACCRUED INTEREST	305,906.92	316,618.44
OTHER CURRENT & ACCRUED LIABILITIES	300,256.43	292,289.00
TOTAL CURRENT & ACCRUED LIABILITIES	12,133,411.87	13,074,114.21
DEFERRED CREDITS:		
ADVANCES ON CONSTRUCTION	-	116,160.00
BPA CRC & ECA PROGRAMS	(26,932.91)	(40,267.98)
FISHERIE'S MITIGATION TRUST FUND	1,494,384.18	1,640,014.39
POST RETIREMENT HEALTH PLAN	1,105,545.77	445,757.52
DEFERRED CREDITS INFLOW OPEB	-	-
CONTRIBUTIONS IN AID OF CONSTRUCTION	2,144,335.20	581,735.75
TOTAL DEFERRED CREDITS	4,717,332.24	2,743,399.68
SURPLUS AND INVESTMENT ACCOUNTS		
EARNED SURPLUS:		
BALANCE FIRST OF YEAR	54,978,252.87	53,298,105.74
NET INCOME	1,413,039.58	308,079.17
MISC. DEBITS & CREDITS		
EXTRAORDINARY DEDUCT-MCNARY	-	-
BALANCE AT END OF PERIOD	56,391,292.45	53,606,184.91
INVESTMENT OF MUNICIPALITY	75,543.39	75,543.39
TOTAL SURPLUS & INVESTMENTS	56,466,835.84	53,681,728.30
TOTAL LIABILITIES & EARNED SURPLUS	95,123,792.35	93,318,057.91

NORTHERN WASCO PUD
MONTHLY FINANCIAL & OPERATING REPORT
January 01, 2019 - December 31, 2019
March 2019

	Current Month Amount	Last Year Current Month Amount	Current Y-T-D Amount	Last Year Y-T-D Amount
ENERGY SALES				
1 SINGLE PHASE SERVICE	\$ 1,217,725.04	\$ 982,190.15	\$ 3,448,979.41	\$ 3,115,351.86
2 THREE PHASE SERVICE	\$ 116,133.25	\$ 102,021.57	\$ 362,666.24	\$ 316,523.50
3 DEMAND SERVICE	\$ 315,989.72	\$ 312,727.84	\$ 941,704.85	\$ 953,173.88
4 PRIMARY SERVICE	\$ 2,477,827.24	\$ 2,222,759.41	\$ 7,709,494.00	\$ 6,373,921.49
5 IRRIGATION	\$ 3,107.21	\$ 3,214.23	\$ 9,290.51	\$ 8,278.14
6 STREET LIGHTING	\$ 33,767.32	\$ 34,907.55	\$ 103,085.10	\$ 104,590.06
7 PURE POWER	\$ 260.00	\$ 275.00	\$ 787.33	\$ 830.00
8 UNBILLED REVENUE	\$ -	\$ -	\$ -	\$ -
10 TOTAL	\$ 4,164,809.78	\$ 3,658,095.75	\$ 12,576,007.44	\$ 10,872,668.93
OTHER REVENUES				
11 TRANSMISSION WHEELING	\$ 11,496.00	\$ 9,474.00	\$ 32,404.00	\$ 30,703.00
12 REVENUE FROM THE DALLES HYDRO	\$ 252,185.68	\$ 67,965.64	\$ 413,297.79	\$ 173,833.87
13 SERVICE CHARGES	\$ 8,329.58	\$ 10,294.65	\$ 22,642.12	\$ 24,606.15
14 RENT FROM ELECTRIC PROPERTY	\$ 8,145.42	\$ 7,265.87	\$ 24,464.38	\$ 21,822.69
16 TOTAL OTHER REVENUE	\$ 280,156.68	\$ 95,000.16	\$ 492,808.29	\$ 250,965.71
17 TOTAL OPERATING REVENUE	\$ 4,444,966.46	\$ 3,753,095.91	\$ 13,068,815.73	\$ 11,123,634.64
OPERATING EXPENSES				
19 LICENSE/PERMIT COSTS - HYDROS	\$ -	\$ 27.35	\$ 72.69	\$ 27.35
21 OPERATION/MAINTENANCE - TD HYDRO	\$ 48,316.96	\$ 124,202.43	\$ 161,223.18	\$ 233,163.54
OPERATION/MAINTENANCE - MCNARY HYDRO	\$ 22,636.69	\$ 31,836.54	\$ 75,480.72	\$ 160,322.09
22 POWER PURCHASES	\$ 2,323,310.03	\$ 2,112,067.35	\$ 7,577,764.63	\$ 6,879,868.15
OTHER POWER SUPPLY EXPENSE	\$ 53,593.06	\$ 21,135.64	\$ 132,806.13	\$ 67,304.29
23 TRANSMISSION COSTS - BPA	\$ 23,245.00	\$ 227,982.00	\$ 663,330.85	\$ 737,769.00
TRANSMISSION COSTS - TD HYDRO	\$ 15,305.05	\$ 854.30	\$ 39,204.39	\$ 21,401.71
TRANSMISSION COSTS - MCNARY HYDRO	\$ 6,512.00	\$ (781.00)	\$ 15,676.00	\$ 3,575.00
TRANSMISSION COSTS - NON FEDERAL	\$ 32,681.00	\$ 9,261.00	\$ 81,316.00	\$ 28,132.00
25 TRANSMISSION - O&M	\$ 12,049.47	\$ 9,299.66	\$ 30,619.88	\$ 23,417.02
26 DISTRIBUTION - O&M	\$ 280,743.02	\$ 179,557.30	\$ 603,090.92	\$ 470,304.39
27 CUSTOMER ACCOUNTS & COLLECTION	\$ 101,987.48	\$ 72,585.20	\$ 207,944.26	\$ 183,940.09
29 SALES PROMOTION	\$ 4,244.62	\$ 5,302.27	\$ 12,210.98	\$ 14,012.96
31 ADMINISTRATIVE & GENERAL	\$ 307,153.93	\$ 304,028.41	\$ 890,516.02	\$ 807,039.03
33 WEATHERIZATION & CONSERVATION	\$ 24,850.69	\$ 31,067.93	\$ 103,020.99	\$ 75,622.62
35 CUSTOMER INFO/ASSISTANCE	\$ 6,375.96	\$ 5,811.90	\$ 19,165.15	\$ 16,010.98
36 WELLNESS	\$ 1,176.73	\$ 931.60	\$ 3,122.04	\$ 2,911.63
38 TOTAL OPERATING EXPENSES	\$ 3,264,181.69	\$ 3,135,169.88	\$ 10,616,564.83	\$ 9,724,821.85

NORTHERN WASCO PUD
MONTHLY FINANCIAL & OPERATING REPORT
January 01, 2019 - December 31, 2019
March 2019

	Current Month Amount	Last Year Current Month Amount	Current Y-T-D Amount	Last Year Y-T-D Amount
1 TOTAL OPERATING REVENUE	\$ 4,444,966.46	\$ 3,753,095.91	\$ 13,068,815.73	\$ 11,123,634.64
3 TOTAL OPERATING EXPENSE	\$ 3,264,181.69	\$ 3,135,169.88	\$ 10,616,564.83	\$ 9,724,821.85
4 DEPRECIATION	\$ 229,294.64	\$ 215,660.04	\$ 683,623.29	\$ 646,247.32
6 TAXES	\$ 159,067.26	\$ 144,365.12	\$ 487,482.47	\$ 429,009.42
8 TOTAL OPER. REV. DED.	\$ 3,652,543.59	\$ 3,495,195.04	\$ 11,787,670.59	\$ 10,800,078.59
9 OPERATING INCOME (LOSS)	\$ 792,422.87	\$ 257,900.87	\$ 1,281,145.14	\$ 323,556.05
OTHER INCOME				
11 MISC. NON-OPERATING REVENUE	\$ 153,253.01	\$ 47,384.28	\$ 244,411.54	\$ 92,114.28
12 TOTAL OTHER INCOME	\$ 153,253.01	\$ 47,384.28	\$ 244,411.54	\$ 92,114.28
13 GROSS INCOME (LOSS)	\$ 945,675.88	\$ 305,285.15	\$ 1,525,556.68	\$ 415,670.33
INCOME DEDUCTIONS				
14 INTEREST ON LONG TERM DEBT	\$ 39,692.70	\$ 39,847.91	\$ 124,469.67	\$ 119,543.73
15 OTHER DEDUCTIONS	\$ -	\$ -	\$ -	\$ -
17 AMORT. OF DEBT EXPENSE	\$ (3,984.19)	\$ (3,984.19)	\$ (11,952.57)	\$ (11,952.57)
19 TOTAL INCOME DEDUCTIONS	\$ 35,708.51	\$ 35,863.72	\$ 112,517.10	\$ 107,591.16
NET INCOME (LOSS)	\$ 909,967.37	\$ 269,421.43	\$ 1,413,039.58	\$ 308,079.17

2018 COMPARISON - BUDGET vs. ACTUAL

Revenues and Expenses

As of March 2019

3 Months = 25.0%

	Current Year Total Budget	Current Y-T-D Amount	% of Budget to Current YTD
REVENUES			
Sales - Single Phase Service	\$ 10,071,909.12	\$ 3,448,979.41	34.2%
Sales - Three Phase Service	1,208,296.92	362,666.24	30.0%
Sales - Demand Service	4,085,998.92	941,704.85	23.0%
Sales - Primary Service	34,551,792.60	7,709,494.00	22.3%
Sales - Irrigation	219,210.96	9,290.51	4.2%
Sales - Street Lights	446,003.52	103,085.10	23.1%
Sales - Pure Power	4,350.00	787.33	18.1%
Sales - Energy Unbilled	-	-	0.0%
Transmission Wheeling	131,499.96	32,404.00	24.6%
Revenue from T.D. Hydro	978,999.96	413,297.79	42.2%
Service Charges	97,500.00	22,642.12	23.2%
Pole Contact Rents	89,857.80	24,464.38	27.2%
CIAC - Revenue	242,049.96	106,203.21	43.9%
Interest Income	351,978.36	134,758.33	38.3%
Other Non-Operating Income-TD Hydro	-	-	0.0%
Other Non-Operating Income-McNary	-	-	0.0%
Miscellaneous Income or (Loss)	22,781.04	3,450.00	15.1%
Miscellaneous Income or (Loss)-McNary	-	-	0.0%
Total Revenues	\$ 52,502,229.12	\$ 13,313,227.27	25.4%
EXPENSES			
Operations & Maintenance:			
License/Permit Costs - T.D. Hydro	\$ 50,000.00	\$ 72.69	0.1%
License/Permit Costs - McNary Hydro	45,000.00	-	0.0%
Operation/Maintenance - T.D. Hydro	636,702.84	161,223.18	25.3%
Operation/Maintenance - McNary Hydro	387,941.52	75,480.72	19.5%
Power Purchases	30,495,644.40	7,577,764.63	24.8%
Other Power Supply Expense	412,124.64	132,806.13	32.2%
Transmission Costs - BPA	3,788,955.00	663,330.85	17.5%
Transmission Costs - TD Hydro	168,668.04	39,204.39	23.2%
Transmission Costs - McNary Hydro	33,684.00	15,676.00	46.5%
Transmission Costs - Non Federal	138,003.96	81,316.00	58.9%
Transmission Substation	6,923.04	3,151.49	45.5%
Transmission Lines	5,064.60	3,011.92	59.5%
Transmission Reliability	113,777.88	24,456.47	21.5%
T & D Joint Use	135,098.52	14,748.12	10.9%
Meter Expense	147,321.84	18,811.38	12.8%
Misc. Distribution Expense	230,323.68	46,176.24	20.0%
Rents	15,900.00	6,750.00	42.5%
Distribution Substations	164,710.20	45,687.17	27.7%
Overhead Lines	1,009,525.20	219,484.96	21.7%
Tree Trimming	587,265.12	186,909.59	31.8%
Underground Lines	151,004.88	48,313.32	32.0%
Transformers	(1,020.24)	14,653.30	-1436.3%
Street Lights	96,786.24	1,280.32	1.3%
Maintenance of Misc. Distribution	24,481.44	126.52	0.5%
Communications Equipment	3,000.00	150.00	5.0%
Total Operations & Maintenance	38,846,886.80	9,380,585.39	24.1%

2018 COMPARISON - BUDGET vs. ACTUAL

Revenues and Expenses

As of March 2019

3 Months = 25.0%

	Current Year Total Budget	Current Y-T-D Amount	% of Budget to Current YTD
EXPENSES continued			
Customers Accounts & Collections:			
Meter Reading	246,996.48	83,332.28	33.7%
Billing & Collections	561,011.40	119,178.55	21.2%
Reserve for Uncollectibles	18,000.00	4,500.00	25.0%
Interest on Deposits	3,200.04	933.43	29.2%
Total Customer Accounts & Collections	829,207.92	207,944.26	25.1%
Customers Assistance & Sales:			
Energy Management Programs	930,951.96	235,689.11	25.3%
BPA ECA Credits	(617,499.96)	(132,668.12)	21.5%
Ruralite	51,732.96	13,168.63	25.5%
Customer Services	39,008.88	5,996.52	15.4%
Advertising	76,073.64	12,210.98	16.1%
Wellness	12,687.00	3,122.04	24.6%
Economic Development	50,000.04	-	0.0%
Total Customer Assistance & Sales	542,954.52	137,519.16	25.3%
Administrative & General:			
Office Salaries	2,391,251.52	532,883.98	22.3%
Office Expenses	310,488.60	83,195.91	26.8%
Outside Services	289,474.08	50,103.20	17.3%
Property Insurance	215,492.28	50,049.42	23.2%
Insurance & Job Training	24,198.36	7,430.16	30.7%
Employee Benefits	7,265.88	-	0.0%
Directors Compensation	256,685.52	78,562.68	30.6%
Misc. Expenses, Associations	256,427.40	59,171.63	23.1%
Maintenance of General Plant	96,763.32	29,119.04	30.1%
Total Administrative & General	3,848,046.96	890,516.02	23.1%
Other Expenses:			
Depreciation	2,639,358.84	683,623.29	25.9%
Property Taxes	485,000.04	132,140.71	27.2%
ORS 190.003 Contract Fees	1,521,999.96	355,341.76	23.3%
Social Security Taxes	0.12	-	0.0%
Interest on Long-Term Debt	478,230.96	124,469.67	26.0%
Debt Expenses	(47,810.28)	(11,952.57)	25.0%
Other Deductions-McNary		-	0.0%
Total Other Expenses	5,076,779.64	1,283,622.86	25.3%
Total Expenses	49,143,875.84	11,900,187.69	24.2%
Net Income or (Loss)	3,358,353.28	1,413,039.58	42.1%

2019 COMPARISON - BUDGET vs. ACTUAL
Capital Expenditures
March-19

3 Months = 25.0%

	2019 Budget	Actual	%
WORK-IN-PROGRESS			
Construction Work-in-Progress 12/31/18		(\$2,296,410)	
Construction Work-in-Progress for 2019 <i>includes hydro</i>		\$2,406,266	
Retirement Work-in-Progress		\$42,132	
PLANT CONSTRUCTION			
Transmission:			
Transmission Substation	\$0	\$0	0.0%
Transmission Towers & Fixtures	\$0	\$0	0.0%
Transmission Pole Replacement	\$0	\$0	0.0%
Distribution:			
Substation	\$2,725,000	\$0	0.0%
Pole Replacements	\$534,075	\$5,764	1.1%
Overhead Additions	\$718,345	\$7,459	1.0%
Underground Additions	\$292,030	\$161,670	55.4%
Transformer Additions	\$103,000	\$16,029	15.6%
Service Additions	\$61,800	\$9,142	14.8%
Meter Replacements	\$1,750,000	\$0	0.0%
Security/Yard Lights	\$5,151	\$22,440	435.6%
Street Lights & Additions	\$10,300	\$10,341	100.4%
Structures & Improvements-Office	\$150,000	\$0	0.0%
The Dalles Hydro Additions	\$860,000	\$18,101	2.1%
McNary Hydro Additions	\$17,500	\$9,216	52.7%
Total Plant Construction	\$7,227,201	\$260,162	3.6%
EQUIPMENT:			
Office	\$0	\$1,659	0.0%
Computer Hardware & Software	\$249,400	\$19,847	8.0%
Vehicles/Power Equipment	\$455,000	\$0	0.0%
Tools/Lab Equipment	\$15,450	\$1,316	8.5%
Communications Equipment	\$0	\$13,711	0.0%
Total Equipment	\$719,850	\$36,533	5.1%
Total Plant & Equipment	\$7,947,051	\$296,694	3.7%
SPECIAL PROJECTS:			
<i>The Dalles Exciter started 2018</i>	\$75,000	\$66,708	88.9%
The Dalles Exciter	\$18,797	\$0	0.0%
<i>Workspace Remodel started 2018</i>	\$300,000	\$2,511	0.0%
Workspace Remodel	\$297,489	\$4,158	0.0%
Total Special Projects	\$316,286	\$4,158	74.9%
DEBT REQUIREMENTS:			
Bonds (principal)	\$316,250	\$26,250	8.3%
Total Debt Requirements	\$316,250	\$26,250	0.0%
TOTAL CAPITAL EXPENDITURES	\$8,579,587	\$300,853	3.5%

March 2019 Write-Off's

Account Number		Closing Date	Last Payment	Balance
52808001	Deceased	01/24/19	11/16/18	\$ 343.99
65903001		01/17/19	11/26/18	\$ 192.54
67402002		12/31/18	12/28/18	\$ 276.46
62390006		01/04/19	12/11/18	\$ 179.49
62390001		01/04/19	12/11/18	\$ 88.98
65687003		12/31/18	12/28/18	\$ 80.80
31091002		01/31/19	10/01/18	\$ 137.86
68739001		01/04/19	10/25/18	\$ 182.82
46233002		01/02/19	11/26/18	\$ 140.18
68146001		01/24/19	12/28/08	\$ 276.06
65058001		01/08/19	11/07/18	\$ 90.63
63503002		01/09/19	11/28/18	\$ 139.80
68218001		01/03/19	02/07/18	\$ 55.25
68339001		01/15/19	01/14/19	\$ 129.50
68845001		01/24/19	11/27/18	\$ 85.29
69061001		01/28/19	12/10/18	\$ 93.16
68679001		01/24/19	11/29/18	\$ 513.90
				\$ 3,006.71
Commercial Accounts				
18336001	K-MART	CHAPTER 11	B/R	\$ 3,231.33
WILL NOT SEND TO COL CREDIT				
Total Commercial				\$ 3,231.33
Total Write-Offs				\$ 6,238.04

	2019	2018	2017
Monthly Write-offs for March	\$ 6,238.04	\$ 1,282.93	\$ 593.25
Total Write-Offs to date:	\$ 9,787.38	\$ 3,410.50	\$ 2,954.64
Less: Credit Collections to date	\$ (2,439.68)	\$ (3,992.61)	\$ (1,801.19)
NET WRITE-OFFS TO DATE:	\$ 7,347.70	\$ (582.11)	\$ 1,153.45
Total Write-Offs to date as a percent of revenue to date:	0.0018	0.0010	0.0008
Credit Bureau's share of collections to date:	\$ -	\$ -	\$ -



COMMUNICATIONS WITH THOSE CHARGED
WITH GOVERNANCE AND INTERNAL
CONTROL RELATED MATTERS

NORTHERN WASCO COUNTY PEOPLE'S UTILITY DISTRICT

December 31, 2018

Communications with Those Charged with Governance

To the Board of Directors
Northern Wasco County People's Utility District

We have audited the financial statements of Northern Wasco County People's Utility District ("the District") as of and for the year ended December 31, 2018, and have issued our report thereon dated May 1, 2019. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter dated May 1, 2019, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit in accordance with auditing standards generally accepted in the United States of America and to design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we considered the District's internal control solely for the purposes of determining our audit procedures and not to provide assurance concerning such internal control.

We are also responsible for communicating significant matters related to the financial statement audit that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in the engagement letter dated January 9, 2019.

Significant Audit Findings and issues

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This standard provides guidance for accounting for OPEB liabilities, including definition of balances to be included in deferred inflows and deferred outflows of resources. The District adopted the provisions of this statement effective January 1, 2018. The cumulative effect of adopting this statement is reported as a restatement of beginning net position. No other new accounting policies were adopted and there were no changes in the application of existing policies during 2018. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Allowance for Doubtful Accounts – This represents an estimate of the amount of accounts receivable that will not be collected. We have evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Unbilled Revenue – Unbilled revenue is a measure of revenue earned through the end of the reporting period that has yet to be billed. This generally represents accounts with billing cycles that start in the reporting year and end in the subsequent year. We have evaluated the key factors and assumptions used to develop unbilled revenue in determining that it is reasonable in relation to the financial statements taken as a whole.

Recovery Periods for the Cost of Plant – This represents the depreciation of plant assets. Management's estimate of the recovery periods for the cost of plant assets is based on regulatory-prescribed depreciation recovery periods. We have evaluated the key factors and assumptions used to develop the recovery periods in determining that they are reasonable in relation to the financial statements taken as a whole.

Other Post-Employment Benefit Obligations – This represents the amount of annual expense recognized for post-employment benefits. The amount is actuarially determined, with management's input. We have evaluated the key factors and assumptions used to develop the annual expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Fair Value of Investments – Management’s estimate of the valuation of investments is based on current market rates and conditions. We evaluated the key factors and assumptions used to develop the valuation of investments and determined that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

The disclosures in the financial statements are consistent, clear and understandable. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users; however, we did not note any disclosures in the financial statements which we would consider sensitive to potential users of the financial statements.

Significant Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all factual and judgmental misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

Audit adjustments – For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements made subsequent to the start of audit final fieldwork. An audit adjustment may or may not indicate matters that could have a significant effect on the Board’s financial reporting process (that is, cause future financial statement to be materially misstated). There were no audit adjustments detected as a result of audit procedures performed.

Passed adjustments – Passed adjustments are those entries found during the course of the audit that management has decided to not post to the financial statements of the Board. It has been concluded by management, and agreed upon by Moss Adams, that the adjustments are immaterial to the financial statements as a whole. There were no misstatements detected as a result of audit procedures that were passed on correcting by management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 1, 2019.

Management Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Significant Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Communications of Internal Control Related Matters

In planning and performing our audit of the financial statements of the District as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

In addition to the required communication, we have identified the following matters for your consideration. Our recommendations are based on observations and testing during the course of our audit. These recommendations should be evaluated by management and the Board of Directors for implementation and the District should conduct a cost benefit analysis including consideration of the risks for the recommended action.

Timely review of adjustments to customer accounts

During our procedures over the billing cycle, we noted that there was one instance where there was not a timely review regarding customer account adjustments to ensure that the customer service representatives entered authorized adjustments into the system properly. We recommend a consistent and timely review to ensure the adjustments are accurate and appropriate.

Formal review of user access

During our procedures over the IT control environment, we noted that there was no documentation to substantiate the timely review of user access in the system. We recommend implementing a policy to require a formal documentation of user access review on a routine basis, but at least annually, to ensure access rights are appropriate and segregation of duties issues are properly identified and addressed.



This information is intended solely for the use of management and the Board of Directors of the District and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams UP

Portland, Oregon

May 1, 2019



REPORT OF INDEPENDENT AUDITORS AND FINANCIAL
STATEMENTS WITH SUPPLEMENTARY INFORMATION

NORTHERN WASCO COUNTY PEOPLE'S UTILITY DISTRICT

December 31, 2018 and 2017

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NORTHERN WASCO COUNTY PEOPLE'S UTILITY DISTRICT

DECEMBER 31, 2018

BOARD OF DIRECTORS

Northern Wasco County PUD Team

Dan Williams, President
2805 Three Mile Road
The Dalles, Oregon

Connie Karp, Vice President
2009 Lewis Street
The Dalles, Oregon

Roger Howe, Secretary
1301 Hermits Way
The Dalles, Oregon

Clay Smith, Treasurer
3463 West 13th Street
The Dalles, Oregon

Howard Gonser, Director
391 Summit Ridge Drive E.
The Dalles, Oregon



ADMINISTRATIVE STAFF

Roger Kline, General Manager
Kurt Conger, Assistant General Manager and Director of Power Resources
Harvey Hall, CFO / Director of Finance and Enterprise Risk
Paul Titus, Principal Engineer and Strategic Asset Planner

REGISTERED AGENT

Roger Kline
2345 River Road
The Dalles, Oregon 97058-3551

Report of Independent Auditors

Board of Directors
Northern Wasco County People's Utility District
The Dalles, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of Northern Wasco County People's Utility District (the "District"), which comprise the statements of net position as of December 31, 2018 and 2017, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northern Wasco County People's Utility District as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, effective January 1, 2018. The beginning of year net position has been adjusted for this change. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the accompanying management’s discussion and analysis on pages 4 through 10 and the Schedule of changes in the total OPEB liability and related ratios on page 32 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion of the financial statements as a whole. The schedule of revenues and expenses, schedule of bond and revenue obligations debt service transactions, and schedule of future bond debt service requirements on pages 33 through 36 are not required parts of the financial statements, and are supplemental information presented for purposes of additional analysis. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of revenues and expenses, schedule of bond and revenue obligations debt service transactions and schedule of future bond debt service requirements are fairly stated in all material respects in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards for Auditors of Oregon Municipal Corporations, we have issued our report dated May 1, 2019, on our consideration of the District’s compliance with certain provisions of laws and regulations, including the provisions of the Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Julie Desimone, Partner for Moss Adams LLP
Portland, Oregon
May 1, 2019

Northern Wasco County People's Utility District Management's Discussion and Analysis

This section is referred to as the Management's Discussion and Analysis (MD&A). The MD&A section is meant to help the reader understand better, through the eyes of management, the financial activities based on current known facts, decisions and other conditions. Please read this with the understanding that it is a summary of the past two years' activities and some expected future conditions. Be sure to review the financial statements and accompanying notes that follow this report as well.

Financial Highlights

- The District's net income was \$2.2 million during 2018 compared to a \$0.5 million net loss during 2017. Overall, this strong financial turn-around was the result of Board action in 2017 to adjust customer rates to cover the cost of service, management partnership with other government agencies and retail customers to enable new and expansion of current customer growth in commercial and industrial classes, and investment in the District's capital assets.
- District operating revenue increased by \$8.0 million or 21.1% over 2017. The change was the result of:
 - A full year impact of an 11% retail rate increase in May 2017.
 - An increase in retail customer sales of 21.0% or \$7.9 million over 2017 driven by growth in energy usage of 27.9% or 171 million kWh. Most of the growth is due to new business growth in the Demand and Primary customer classes and the addition of 50 new residential customers.
 - Generation market sales from The Dalles North Fishway hydro project increased 22.2% or \$0.2 million over 2017 based on improved market power prices. This does not include generation from the project that was used to serve District customer energy needs.
 - Investment Income also increased \$0.1 million over 2017 or 53.3%. This reflects an 88-basis point change from 1.62% to 2.5% in the interest rate for District funds in the State of Oregon Local Government Investment Pool (LGIP) as well as better returns on approved short-term investments and funds in District checking accounts.
- Operating expenses were \$5.3 million or 13.9% more than 2017. This included an increase in purchased power costs of \$4.8 million. Purchased power represents \$30.3 million (or 69.5%) of total operating costs. In 2018, 71% of power purchased by the District came from Bonneville Power Administration (BPA) and the remainder was sourced by other purchased power and District generated power from the McNary Hydro project. The next Rate Case period for BPA (BP-20) commenced this summer in 2018 for wholesale power and transmission rates effective October 1, 2019, through September 30, 2021. The District has budgeted for this increase at 4%.
- Total assets increased by \$1.2 million. Changes included an increase of \$2.4 million in net electric plant (see Note 2 to the financial statements). Restricted cash and investments decreased by \$1.1 million with the use of 2016 Bond funds for the Tygh Valley power line replacement. Accounts Receivables increased by \$2.8 million in 2018 due to increased customer revenue and the timing of a major customer billing reflecting two months of service. There was a \$1.5 million decrease in other assets as BPA continues to pay its obligation on the 2012 (Refunded 1993) McNary Project bonds, (See Notes 4 and 5 to the financial statements). There was also a deferred outflow of resources \$80,122 for OPEB (Other Post-Employment Benefit) (see Note 8 to the financial statements).

Northern Wasco County People's Utility District Management's Discussion and Analysis

- In 2018, the District saved approximately 1,352,408 kWh due to energy efficiency and conservation measures. These efficiency and conservation measures, with a life up to 25 years, will continue to reduce energy consumption relative to nominal growth with these measures.
- Bonneville Power Administration (BPA) will be increasing power rates for Fiscal Years 2019 through 2020 (BPA FY20 – FY21). We have budgeted for a 4% increase effective October 1, 2019.
- In June of 2018, the PUD engaged with a contractor to rebuild the distribution line feeding the town of Tygh Valley and areas of Wamic. The \$1 million investment replaced poles and conductor that had been in service since the 1920's. The increase conductor capacity significantly reduced line loss and enabled interconnection capability with neighboring utilities. The Tygh Valley Rebuild project was part of the PUD Ten Year Capital Plan.

TYGH VALLEY LINE REBUILD PROJECT



Northern Wasco County People's Utility District Management's Discussion and Analysis

Overview of the Financial Statements

The Annual Financial Report includes Management's Discussion and Analysis, Basic Financial Statements with accompanying notes, Required Supplementary Information, Other Supplementary Information, and Reports of the Independent Auditor.

The financial statements of the District are designed to provide readers with a broad overview of the District's finances similar to a private-sector business. They have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Under this basis of accounting, revenues are recognized in the period in which they are earned and expenses recognized in the period in which they are incurred, regardless of the timing of related cash flows. These statements offer short and long-term financial information about the District's activities.

The Statement of Net Position presents information on all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement provides a measurement of the District's operations over the past year and can be used to determine whether the District has successfully recovered all its costs through its rates and other charges and to analyze profitability and credit worthiness.

The Statement of Cash Flows provides relevant information about the District's cash receipts and cash payments during the reporting period. This statement reports cash receipts and cash payments resulting from operating, financing and investment activities. When used with related disclosures and information, a statement of cash flows should provide insight into (a) the District's ability to generate future net cash flows; (b) the District's ability to meet its obligations as they come due; (c) the District's needs for external financing; (d) the reasons for differences between operating income and associated cash receipts and payments; and (e) the effects on the District's financial position of both its cash and its noncash investing, capital and financing transactions during the period. The changes in cash balances are an important indicator of the District's liquidity and financial condition.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. This includes, but is not limited to, significant accounting policies, significant financial statement balances and activities, material risks, commitments and obligations, and subsequent events, as applicable.

Northern Wasco County People's Utility District

Management's Discussion and Analysis

Financial Analysis

CONDENSED STATEMENTS OF NET POSITION

<i>(in thousands of dollars)</i>	<u>2018</u>	<u>2017</u>	<u>2016</u>
ASSETS			
Current assets	\$ 32,316	\$ 30,949	\$ 30,700
Restricted assets	5,226	6,327	10,161
Net utility electric plant	46,619	44,176	43,287
Other assets	<u>9,316</u>	<u>10,946</u>	<u>12,542</u>
Total assets	<u>93,477</u>	<u>92,398</u>	<u>96,690</u>
DEFERRED OUTFLOWS OF RESOURCES			
	<u>80</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 93,557</u>	<u>\$ 92,398</u>	<u>\$ 96,690</u>
LIABILITIES			
Current liabilities	\$ 11,506	\$ 12,303	\$ 12,626
Long-term debt	21,866	23,866	25,521
Other liabilities	<u>5,131</u>	<u>2,855</u>	<u>4,634</u>
Total liabilities	<u>38,503</u>	<u>39,024</u>	<u>42,781</u>
NET POSITION			
Net investment in capital assets	34,541	33,601	37,873
Restricted for bond debt service	720	796	700
Unrestricted	<u>19,793</u>	<u>18,977</u>	<u>15,336</u>
Total net position	<u>55,054</u>	<u>53,374</u>	<u>53,909</u>
Total liabilities and net position	<u>\$ 93,557</u>	<u>\$ 92,398</u>	<u>\$ 96,690</u>

In review of the statement of net position, we look at the District's financial position at the beginning and ending of the year. Assets include electric plant, restricted cash and investments, current assets, and other assets. Electric plant is property owned by the District. Cash and investments are restricted assets held for a specific purpose such as trust funds. Current assets include cash, accounts receivable, inventory, marketable securities, prepaid expenses and other liquid assets that can be readily converted to cash. Other assets include long-term prepaid expenses and future debt payments due from BPA. Liabilities include long-term debt, current liabilities, and other liabilities. Long-term debt represents outstanding bonds and revenue obligations with a maturity date longer than one (1) year. Current liabilities are debts of the District that are due in less than one (1) year. Other liabilities are OPEB liabilities and funds held by the District for the Fisheries Mitigation Irrevocable Trust Fund. Net position, which is similar to equity, represents the District's ownership in its total assets.

In review of the assets section of the statement of net position, comparing 2018 and 2017, current assets increased \$1.4 million. \$1.0 million was due to increased sales of electricity reflecting a full year impact of 2017 rate increases and increased customer energy usage. Restricted assets decreased by \$1.1 million reflecting a drawdown of 2016 bond funds for capital work. Other assets decreased by \$1.6 million reflecting a decrease to the BPA receivable as BPA pays down the principle on the 2012B bond obligation.

Northern Wasco County People's Utility District Management's Discussion and Analysis

In review of the Assets section of the statement of net position, comparing 2017 and 2016, current assets increased \$0.2 million reflecting a \$0.1 million increase in materials and supplies and a \$0.1 million increase in prepayments. Restricted assets decreased by \$3.8 million reflecting a \$3.8 million drawdown of 2016 Bond funds for capital work. Other assets decreased by \$1.6 million reflecting a \$1.6 million decrease to the BPA debt receivable as BPA pays down the principle on the 2012B bond obligation.

In review of the liabilities and net position section of the statement of net position, comparing 2018 and 2017, current liabilities decreased \$0.7 million. This is largely related to a decrease in the customer deposits of \$1.4 million reflecting a large customer replacing a portion of the cash deposit with a letter of guarantee and a \$0.3 million increase in the current portion of long-term debt due in 2019. Long-term debt (including the current portion) decreased \$2.0 million, reflecting a \$1.5 million BPA payment on the 2012B bond, a \$315 thousand current portion of 2016 bond principle, and amortization of the premiums on long-term debt (see Note 6 to the financial statements). Other liabilities increased by \$2.2 million. This is due to an increase of unearned contribution in aid of construction of \$1.6 million and an increase in the total OPEB liability of \$0.6 million with the implementation of GASB 75 (see Note 1 to the financial statements). The District's total net position increased \$1.7 million in 2018. Net position is 58.0% of total assets. Net position includes 64.5% investment in capital assets (e.g., land, buildings, utility plant and equipment) less that portion of related debt used to acquire those assets which is still outstanding. These capital assets are used to provide services to our customers; consequently, these assets are not available for future spending, nor can they be used to liquidate any liabilities. The investment in these assets increased \$1.9 million in 2018.

In review of the liabilities and net position section of the statement of net position, comparing 2017 and 2016, we find current liabilities decreased \$0.3 million. This is largely related to a decrease in the accrued liability for retention of \$0.3 million related to the closing of the McNary and Rivertrail capital projects. Long-term debt (excluding the current portion) decreased \$2.0 million reflecting a \$1.5 million BPA payment on the 2012B Bond, a \$315 thousand reclassification of the current portion for the 2016 Bond principle and a \$141 thousand amortization of the 2012 Bond premium (see Note 6 to the financial statements). Other liabilities decreased \$1.8 million. This is due to the reduction of unearned contribution in aid of construction. The District's total net position decreased \$0.5 million in 2017.

Net position is 58.0% of total assets. Net position includes 62.9% investment in capital assets (e.g., land, buildings, utility plant and equipment) less that portion of related debt used to acquire those assets which is still outstanding. These capital assets are used to provide services to our customers; consequently, these assets are not available for future spending, nor can they be used to liquidate any liabilities. The investment in these assets decreased \$4.3 million in 2017.

Northern Wasco County People's Utility District

Management's Discussion and Analysis

CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

<i>(in thousands of dollars)</i>	<u>2018</u>	<u>2017</u>	<u>2016</u>
REVENUES			
Sales of electricity to customers	\$ 44,094	\$ 36,435	\$ 30,818
Insurance proceeds for disposition of damaged property	39	1,040	-
Generation sales	1,113	911	886
Other	417	317	521
Investment income	<u>420</u>	<u>274</u>	<u>130</u>
Total revenues	<u>46,083</u>	<u>38,977</u>	<u>32,355</u>
EXPENSES			
Operating expenses	(43,601)	(38,279)	(33,841)
Interest and debt expense	(430)	(470)	(246)
Other deductions	<u>64</u>	<u>(1,177)</u>	<u>(1)</u>
Total expenses	<u>(43,967)</u>	<u>(39,926)</u>	<u>(34,088)</u>
Income before capital contributions	2,116	(949)	(1,733)
Contributions in aid of construction	<u>128</u>	<u>414</u>	<u>457</u>
Change in net position	<u>\$ 2,244</u>	<u>\$ (535)</u>	<u>\$ (1,276)</u>

The statement of revenues, expenses, and changes in net position provides answers as to the nature and source of these changes. For the year ended December 31, 2018, total revenues increased \$6.9 million, which include the District's sale of electricity, which increased \$7.9 million due to increased growth in energy consumption in the Primary customer class. Generation sales also increased \$0.2 million. See Note 5 and Note 6 to the financial statements for more detail on the BPA contract obligation for the 2012A and 2012B bonds. Expenses included an increase in operating expenses of \$5.3 million. Of these operating expenses, cost of purchased power increased \$4.8 million, and the remainder was due to small changes in other areas.

For the year ended December 31, 2017, revenues increased \$5.68 million, which include the District's sale of electricity, which increased \$5.64 due to an average 11% rate increase and increased usage by the District's largest customer. Generation sales increased \$25,000. See Note 5 and Note 6 to the financial statements for more detail on the BPA contract obligation for the 2012A and 2012B bonds. Expenses included an increase in operating expenses of \$4.4 million. Of these operating expenses Cost of Purchased Power increased \$2.2 million, and the remainder was due to small changes in other areas.

Northern Wasco County People's Utility District Management's Discussion and Analysis

Budget Highlights

	BUDGET VS. ACTUAL 2018			
<i>(in thousands of dollars)</i>	Budget	Actual	Over/Under	Percent
Total revenues	\$ 41,907,589	\$ 46,418,888	\$ 4,511,299	10.8%
Total operations and maintenance expenses	32,168,807	34,160,672	1,991,865	6.2%
Total operating expenses less cost of power	12,864,790	11,976,928	(887,862)	-6.9%

This year's total revenues were over budget by \$4.5 million or 10.8%. The operating expenses were over budget by \$2.3 million, or 6.2%. Total operating expenses less cost of power was under budget by \$0.9 million, or 6.9%.

Capital Assets

As of December 31, 2018, the District had \$87.2 million invested in capital assets (excluding land and construction work in progress). A summary of plant in service is shown in the following schedule:

Hydroelectric generation	\$ 27,466,892
Transmission	8,864,093
Distribution	40,169,794
General plant	10,663,116
Intangible	71,081
	\$ 87,234,976

The increase in electric plant in service was \$3.0 million. Net utility electric plant (additions less retirements and depreciation) increased \$2.4 million (see Note 2 to the financial statements).

As of December 31, 2017, the District had \$84.2 million invested in capital assets. The increase in Electric plant in service was \$10.5 million. Net utility electric plant (additions less retirements and depreciation) increased \$0.9 million (see Note 2 to the financial statements).

Long-Term Debt

Total debt of the District as of December 31, 2018 includes bonds with a principal payable amount of \$21.7 million, of which BPA is obligated to pay \$9.9 million.

Total debt of the District as of December 31, 2017 includes bonds with a principal payable amount of \$23.2 million, of which BPA is obligated to pay \$11.4 million.

Request for Information

Any questions or additional information needed regarding this report may be received by addressing Northern Wasco County PUD, Chief Financial Officer, 2345 River Road, The Dalles, Oregon 97058.

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Northern Wasco County People's Utility District

Statements of Net Position

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Years Ended December 31,	
	2018	2017
ELECTRIC PLANT		
In service – at cost	\$ 88,253,619	\$ 85,193,469
Construction work in progress	2,296,409	1,010,725
Total electric plant	90,550,028	86,204,194
Less accumulated provision for depreciation	(43,931,249)	(42,028,596)
Net electric plant	46,618,779	44,175,598
CURRENT ASSETS		
Unrestricted cash and cash equivalents	17,399,287	19,214,739
Rate stabilization fund	4,600,000	4,600,000
Post-employment health care benefits reserve fund	303,676	283,412
Bond funds held by Trustee	1,106	437
Accounts receivable (net of allowance for doubtful accounts of \$96,483 in 2018 and \$86,926 in 2017)	5,442,013	2,667,516
Unbilled revenue	991,361	799,981
Other receivables	923,991	668,696
Due from the Bonneville Power Administration, current	1,526,784	1,499,462
Materials and supplies	687,633	772,363
Prepayments	440,744	442,407
Total current assets	32,316,595	30,949,013
RESTRICTED CASH AND INVESTMENTS		
Debt service reserve	796,175	796,175
Fisheries mitigation irrevocable trust fund	1,812,491	1,707,814
Construction fund	2,617,277	3,822,610
Total restricted cash & investments	5,225,943	6,326,599
OTHER ASSETS		
Due from the Bonneville Power Administration, net	9,277,653	10,909,239
Other assets	38,387	37,104
Total other assets	9,316,040	10,946,343
DEFERRED OUTFLOWS OF RESOURCES - OPEB	80,122	-
Total assets and deferred outflows of resources	\$ 93,557,479	\$ 92,397,553

Northern Wasco County People's Utility District Statements of Net Position

NET POSITION AND LIABILITIES

	Years Ended December 31,	
	2018	2017
Net position		
Net investment in capital assets	\$ 34,541,420	\$ 33,600,762
Restricted for debt reserve and accrued interest	719,698	796,175
Unrestricted	19,792,675	18,976,714
Total net position	55,053,793	53,373,651
Long-term debt		
Bonds, revenue obligations payable, and capital lease, less current maturities	21,865,978	23,865,997
Current liabilities		
Current portion of long-term debt	1,809,719	1,464,719
Accounts payable	4,692,070	4,690,931
Accrued payroll and related liabilities	197,328	166,585
Customer deposits	3,898,153	5,304,845
Accrued interest	76,477	79,155
Accrued compensated absences	407,936	429,988
Other accruals	424,805	166,795
Total current liabilities	11,506,488	12,303,018
Other liabilities		
Unearned contributions in aid of construction	2,208,443	591,208
Fisheries mitigation irrevocable trust fund	1,812,491	1,707,814
Total OPEB liability	1,110,286	439,705
Other liabilities	-	116,160
Total other liabilities	5,131,220	2,854,887
Total net position and liabilities	\$ 93,557,479	\$ 92,397,553

Northern Wasco County People's Utility District

Statements of Revenues, Expenses, and Changes in Net Position

	Years Ended December 31,	
	2018	2017
OPERATING REVENUES		
Sales of electricity	\$ 45,206,970	\$ 37,345,758
Other operating revenues	417,159	316,555
Total operating revenues	45,624,129	37,662,313
OPERATING EXPENSES		
Cost of purchased power	30,336,248	25,529,124
Power production expense	1,288,144	1,496,103
Transmission expense	142,805	197,580
Distribution expense	2,393,475	2,529,259
Customer accounts expense	765,256	685,138
Customer service and information expense	619,122	851,751
Administrative and general expense	3,672,175	3,281,185
Depreciation and amortization of electric plant	2,623,332	2,286,823
Taxes	1,760,763	1,422,318
Total operating expenses	43,601,320	38,279,281
Net operating revenues (expenses)	2,022,809	(616,968)
Nonoperating revenues (expenses)		
Investment income	420,207	274,040
Insurance proceeds for disposition of damaged property	39,069	1,040,152
Gain on disposition of property	7,552	47,191
Loss on disposition of damaged property	-	(1,290,946)
Interest on debt	(478,176)	(517,841)
Amortization of debt premium and loss on refunding	47,810	47,810
Other nonoperating expense	(222,999)	-
Other nonoperating revenue	280,121	67,335
Total nonoperating revenues (expenses)	93,584	(332,259)
Income (loss) before capital contributions	2,116,393	(949,227)
Contributions in aid of construction	127,644	413,753
Changes in net position	2,244,037	(535,474)
NET POSITION, beginning of year, before adjustment	53,373,651	53,909,125
Less: Accumulated adjustment for change in accounting principal	(563,895)	-
NET POSITION, beginning of year, as adjusted	52,809,756	53,909,125
NET POSITION, end of year	\$ 55,053,793	\$ 53,373,651

Northern Wasco County People's Utility District Statements of Cash Flows

	Years Ended December 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 40,996,265	\$ 39,190,644
Cash payments for purchased power	(31,174,947)	(26,655,772)
Cash payments to suppliers for goods and services	(3,965,348)	(5,575,182)
Cash payments to employees for services	(5,469,662)	(4,617,927)
Net cash provided by operating activities	<u>386,308</u>	<u>2,341,763</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Construction and acquisition of plant	(5,005,548)	(4,467,186)
Proceeds from insurance claim	39,069	1,040,152
Change in contributions in aid of construction	1,744,879	(1,376,904)
Interest payments on long-term debt	(483,799)	(538,250)
Net cash used in capital and related financing activities	<u>(3,705,399)</u>	<u>(5,342,188)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(2,875,194)	(3,711,925)
Proceeds from maturity of investments	700,055	2,013,125
Investment and other miscellaneous income	420,207	274,040
Payments received for patronage capital credits	3,709	7,974
Net cash used in investing activities	<u>(1,751,223)</u>	<u>(1,416,786)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,070,314)	(4,417,211)
CASH AND CASH EQUIVALENTS, beginning of year	<u>26,029,894</u>	<u>30,447,105</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 20,959,580</u>	<u>\$ 26,029,894</u>
RECONCILIATION TO THE STATEMENTS OF NET POSITION		
Unrestricted cash and cash equivalents	\$ 17,399,287	\$ 19,214,739
Rate stabilization fund	4,600,000	4,600,000
Post-employment health care benefits reserve fund	303,676	283,412
Bond funds held by Trustee	1,106	437
Restricted cash & investments	<u>5,225,943</u>	<u>6,326,599</u>
Total cash, cash equivalents and investments	27,530,012	30,425,187
Less restricted investments (Note 3)	<u>(6,570,432)</u>	<u>(4,395,293)</u>
Total cash and cash equivalents	<u>\$ 20,959,580</u>	<u>\$ 26,029,894</u>

Northern Wasco County People's Utility District

Statements of Cash Flows

	Years Ended December 31,	
	2018	2017
RECONCILIATION OF NET OPERATING REVENUES TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net operating revenues (expenses)	\$ 2,022,809	\$ (616,968)
Adjustments to reconcile net operating expense to net cash provided by operating activities:		
Depreciation and amortization of electric plant	2,623,332	2,286,823
Decrease (increase) in:		
Accounts receivable	(2,774,497)	1,084,649
Unbilled revenue	(191,380)	190,951
Other receivables	(255,295)	(37,127)
Materials and supplies	84,730	(114,496)
Prepayments	1,663	(127,364)
Other assets	(1,283)	(5,314)
Increase (decrease) in:		
Accounts payable	1,139	(185,090)
Accrued payroll and related liabilities	30,743	12,426
Customer deposits	(1,406,692)	289,858
Accrued compensated absences	(22,052)	46,552
Other accruals	258,010	(494,996)
Total OPEB liability	106,686	24,338
Other liabilities	(116,160)	72,739
Fisheries mitigation irrevocable trust fund	104,677	(85,218)
Deferred outflows of resources - OPEB	(80,122)	-
Total adjustments	(1,636,501)	2,958,731
Net cash provided by operating activities	\$ 386,308	\$ 2,341,763
NON-CASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES		
Payment of long-term debt by Bonneville Power Administration	\$ 1,604,264	\$ 1,578,587

Northern Wasco County People's Utility District

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies

General – Northern Wasco County People's Utility District (the District) is a people's utility district organized under Oregon Revised Statutes Chapter 261. The District was created by vote in 1939 and began operation in 1949. The District is a power generation and distribution utility primarily serving customers in Wasco County. The generation output from the McNary Fishway Hydro project serves customer energy needs. The district also sells the electric output of the District's hydroelectric generating project at the North Fishway of The Dalles Dam to an outside company. The District is governed by an elected five-member Board of Directors, which has the authority to set rates and charges for commodities and services furnished. Substantially all revenues are derived from the sale of electric power to residential, commercial, and industrial customers, and the investor-owned electric utility company.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Additionally, although the District is not subject to the regulations of the Federal Energy Regulatory Commission (FERC), its accounting policies generally conform to the accounting requirements of the FERC. Significant policies are described below.

Use of estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Description of reporting entity – The financial statements of the District include all financial activities for which the Board of Directors is financially accountable. The District has no component units.

Basis of accounting – The District uses the accrual basis of accounting for financial reporting purposes. Revenues are recognized when earned and expenses are recognized when incurred. Revenues related to the District's principal operations are considered to be operating revenues. All other revenues are considered to be nonoperating.

Electric plant – Electric plant is recorded at cost. Cost includes materials, labor, payments to contractors, and indirect costs, such as transportation and construction equipment use, employee benefits, and an allowance for funds used during construction. An acquisition adjustment is recorded for any difference between the cost of plant to the original user and the purchase price to the District.

Northern Wasco County People's Utility District

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Other than general plant assets, the costs of additions, renewals and betterments with a useful life exceeding one year are capitalized regardless of dollar amount. General plant additions of approximately \$1,000 or more with a useful life exceeding one year are capitalized. Repairs and minor replacements are charged to operating expenses as incurred. The cost of property retired, together with removal cost less salvage, is charged to accumulated depreciation when property is removed.

Provision for depreciation of electric plant is computed using annual straight-line rates over the following estimated useful lives:

Production plant	20 – 45 years
Transmission plant	20 – 33 years
Distribution plant	20 – 33 years
General plant	5 – 33 years

Investments – The fair value of the District's investments are estimated based on the quoted market prices for the same or similar assets.

Cash and cash equivalents – For purposes of the statement of cash flows, cash, demand deposits, the Oregon Local Government Investment Pool and short-term investments purchased with original maturities of three months or less are considered to be cash and cash equivalents.

Restricted cash and investments – Cash and investments restricted by provisions of bond resolutions and agreements with other parties are identified as restricted cash and investments. When the restricted cash and investments are expendable within the terms of the agreements, it is the District's policy to spend restricted resources first, then unrestricted resources as needed.

Accounts receivable – Accounts receivable are recorded when invoices are issued and are written off when they are determined to be uncollectible. The allowance for doubtful accounts is estimated based on the District's historical losses, the existing economic conditions and the financial stability of its customers. Generally, the District considers accounts receivable past due after 30 days.

Materials and supplies – Materials and supplies are carried at average cost.

Deferred outflows of resources – Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. Deferred outflows of resources follow assets on the statements of net position.

Compensated absences – Accumulated unpaid vacation and sick leave is accrued as earned by employees.

Unamortized debt premium – Debt premiums on outstanding bond issues are being amortized over the life of the related debt issues.

Total OPEB liability – The District's total OPEB liability is recognized as a long-term liability in the statements of net position, the amount of which is actuarially determined.

Northern Wasco County People's Utility District

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Net investment in capital assets – Net investment in capital assets is capital assets, net of accumulated depreciation and outstanding balances of any bonds and other borrowings attributable to the acquisition, construction or improvement of those assets.

Restricted net position – Restricted net position represents amounts for which constraints were imposed by creditors (such as through debt covenants), grantors, contributors, laws, or regulations. The District's policy is to first use restricted resources when an expense is incurred for which both restricted and unrestricted net position is available.

Unrestricted net position – The unrestricted component of net position includes remaining amounts neither restricted nor net investment in capital assets.

Revenue recognition – Utility revenues are generally recognized on the basis of cycle billings and are recorded when customers are billed. In addition, the District recognizes unbilled revenue, revenues from services provided, but not yet billed.

Contributions in aid of construction– A portion of the District's electric plant has been funded through amounts charged to developers for plant constructed by the District. These items are recognized within electric plant as construction is completed for plant constructed by the District based on the cost of the items, when received for contributed electric plant based on the actual or estimated fair value of the contributed items, or upon completion of the related project. The District records amounts received within contributions in aid of construction when a legally enforceable claim is established. Until the District meets the criteria to record the amounts described above as contributions in aid of construction, any amounts received are recorded within unearned contributions in aid of construction on the statements of net position.

Change in accounting principle– The District implemented GASB Statement. No 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows or resources, and expenses. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB are also addressed. The cumulative impact of implementation of GASB 75 resulted in a \$563,895 reduction in net position as of January 1, 2018 as a result of recognizing the beginning total OPEB liability. The District had previously recorded its OPEB obligation in accordance with GASB Statement No. 45.

Northern Wasco County People's Utility District

Notes to Financial Statements

Note 2 – Electric Plant

Electric plant activity for the year ended December 31, 2018 was as follows:

	Balance, January 1, 2018	Increases	Decreases	Balance, December 31, 2018
Electric plant not being depreciated:				
Land	\$ 1,018,643	\$ -	\$ -	\$ 1,018,643
Intangible plant	71,081	-	-	71,081
Construction in progress	1,010,725	5,018,751	3,733,067	2,296,409
	<u>2,100,449</u>	<u>5,018,751</u>	<u>3,733,067</u>	<u>3,386,133</u>
Total electric plant not being depreciated				
Electric plant being depreciated:				
Production	27,411,057	76,282	20,447	27,466,892
Transmission	8,694,784	212,322	43,013	8,864,093
Distribution	37,754,061	3,182,751	767,018	40,169,794
General	10,243,843	534,827	115,554	10,663,116
	<u>84,103,745</u>	<u>4,006,182</u>	<u>946,032</u>	<u>87,163,895</u>
Total electric plant being depreciated				
Less accumulated depreciation:				
Production	15,386,958	781,933	-	16,168,891
Transmission and distribution	21,131,815	1,607,475	1,004,173	21,735,117
General	5,509,823	560,235	42,817	6,027,241
	<u>42,028,596</u>	<u>2,949,643</u>	<u>1,046,990</u>	<u>43,931,249</u>
Total accumulated depreciation				
Total electric plant being depreciated, net				
	<u>42,075,149</u>	<u>1,056,539</u>	<u>(100,958)</u>	<u>43,232,646</u>
Electric plant, net				
	<u>\$ 44,175,598</u>	<u>\$ 6,075,290</u>	<u>\$ 3,632,109</u>	<u>\$ 46,618,779</u>

Northern Wasco County People's Utility District

Notes to Financial Statements

Note 2 – Electric Plant (continued)

Electric plant activity for the year ended December 31, 2017 was as follows:

	Balance, January 1, 2017	Increases	Decreases	Balance, December 31, 2017
Electric plant not being depreciated:				
Land	\$ 902,483	\$ 116,160	\$ -	\$ 1,018,643
Intangible plant	71,081	-	-	71,081
Construction in progress	9,921,768	2,962,875	11,873,918	1,010,725
Total electric plant not being depreciated	<u>10,895,332</u>	<u>3,079,035</u>	<u>11,873,918</u>	<u>2,100,449</u>
Electric plant being depreciated:				
Production	25,775,366	2,728,648	1,092,957	27,411,057
Transmission	6,621,538	2,073,246	-	8,694,784
Distribution	31,239,130	6,525,020	10,089	37,754,061
General	10,088,680	814,311	659,148	10,243,843
Total electric plant being depreciated	73,724,714	12,141,225	1,762,194	84,103,745
Less accumulated depreciation:				
Production	15,400,051	447,463	460,556	15,386,958
Transmission and distribution	20,345,771	1,478,223	692,179	21,131,815
General	5,587,225	564,014	641,416	5,509,823
Total accumulated depreciation	41,333,047	2,489,700	1,794,151	42,028,596
Total electric plant being depreciated, net	<u>32,391,667</u>	<u>9,651,525</u>	<u>(31,957)</u>	<u>42,075,149</u>
Electric plant, net	<u>\$ 43,286,999</u>	<u>\$ 12,730,560</u>	<u>\$ 11,841,961</u>	<u>\$ 44,175,598</u>

As allowed by FERC guidelines, the District has charged depreciation expense applicable to transportation equipment totaling \$129,946 in 2018 and \$111,768 in 2017 to overhead clearing accounts.

Northern Wasco County People's Utility District

Notes to Financial Statements

Note 3 – Cash and Investments

Cash and investments are comprised of the following as of December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Working funds	\$ 700	\$ 700
Deposits with financial institutions	1,510,283	3,078,632
Deposits with Local Government Investment Pool	19,448,597	22,950,562
Investments:		
Corporate debt securities	<u>6,570,432</u>	<u>4,395,293</u>
Total cash and investments	<u><u>\$ 27,530,012</u></u>	<u><u>\$ 30,425,187</u></u>

Deposits – Deposits with financial institutions include bank demand deposits. The total bank balance, as shown on the banks' records, was \$1,731,318 at December 31, 2018, and \$3,210,802 at December 31, 2017. Of these deposits, the total covered by federal depository insurance was \$500,000 at December 31, 2018, and \$500,000 at December 31, 2017, and the total covered to the extent required by law by collateral held in a shared liability pool made up of all public funds depositories in Oregon was \$1,231,318 at December 31, 2018, and \$2,710,802 at December 31, 2017.

The Oregon State Treasurer is responsible for monitoring public funds held by bank depositories in excess of FDIC insured amounts, and for assuring that public funds on deposit are collateralized against custodial credit risk to the extent required by Oregon Revised Statutes (ORS) Chapter 295. Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The amount of collateral is set by the Public Funds Collateralization Program (PFCP), a multiple financial institution collateral pool created by the Office of the State Treasurer. The amount of collateral set by the PFCP is between 10% and 110% of each bank's public fund deposits based on their net worth and level of capitalization. Although the PFCP creates a shared liability structure for participating bank depositories, it does not guarantee that all funds are 100% protected.

The Oregon Local Government Investment Pool is an open-ended, no-load diversified portfolio pool. The fair value of the District's position in the pool is substantially the same as the value of the District's participant balance.

The Oregon Local Government Investment Pool is an external investment pool which is part of the Oregon Short-Term Fund. Investment policies are governed by the Oregon Revised Statutes and the Oregon Investment Council (Council). The State Treasurer is the investment officer for the Council. Investments are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board. The Oregon Short-Term Fund does not receive credit quality ratings from nationally recognized statistical rating organizations.

Northern Wasco County People's Utility District Notes to Financial Statements

Note 3 – Cash and Investments (continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Oregon Short-Term Fund manages this risk by limiting the maturity of the investments held by the Fund. Weighted average maturities of investments in the Oregon Short-Term Fund at December 31, 2018 were: 55% mature within 93 days, 23% mature from 94 days to one year, and 22% mature from one to eighteen months. Weighted average maturities of investments in the Oregon Short-Term Fund at December 31, 2017 were: 62% mature within 93 days, 21% mature from 94 days to one year, and 17% mature from one to eighteen months.

Investments – State statutes authorize the District to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, and the Oregon Local Government Investment Pool, among others. The District has no investment policy that would further limit its investment choices.

The composition of the District's investments as of December 31, 2018 and 2017 is as follows:

	2018		2017	
	Fair Value	Percent	Fair Value	Percent
Corporate bonds				
Toronto-Dominion Bank	\$ 999,408	15.2%	\$ 998,940	22.7%
JP Morgan Chase	997,126	15.2%	996,337	22.7%
Royal Bank of Canada	948,323	14.4%	950,041	21.6%
FHLB	995,470	15.2%	-	0.0%
Bank of Nova Scotia	498,028	7.6%	-	0.0%
Bank of Montreal	990,512	15.1%	-	0.0%
Wells Fargo & Co.	1,141,565	17.4%	749,920	17.1%
Bank of America	-	0.0%	700,055	15.9%
Total investments	<u>\$ 6,570,432</u>	<u>100.0%</u>	<u>\$ 4,395,293</u>	<u>100.0%</u>

As of December 31, 2018 and 2017, maturities for the District's other investments are as follows:

	2018		2017	
	Less than One Year	One to Two Years	Less than One Year	One to Two Years
Corporate bonds	<u>\$ 6,570,432</u>	<u>\$ -</u>	<u>\$ 1,449,975</u>	<u>\$ 2,945,318</u>
	<u>\$ 6,570,432</u>	<u>\$ -</u>	<u>\$ 1,449,975</u>	<u>\$ 2,945,318</u>

The District's investments in corporate bonds are rated A- or higher by Standard & Poor's and A3 or higher by Moody's.

Northern Wasco County People's Utility District

Notes to Financial Statements

Note 3 – Cash and Investments (continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The securities underlying the District's investment in corporate bonds are held by the District's counterparty, not in the District's name.

Cash and investments as of December 31, 2018 and 2017 are presented on the statement of net position as follows:

	<u>2018</u>	<u>2017</u>
Unrestricted cash and cash equivalents	\$ 17,399,287	\$ 19,214,739
Designated cash and cash equivalents		
Rate stabilization fund	4,600,000	4,600,000
Post-employment health care benefits reserve fund	303,676	283,412
Bond funds held by Trustee	1,106	437
Restricted cash and investments		
Debt service reserve	796,175	796,175
Fisheries Mitigation Irrevocable Trust Fund	1,812,491	1,707,814
Construction fund	<u>2,617,277</u>	<u>3,822,610</u>
 Total cash and investments	 <u>\$ 27,530,012</u>	 <u>\$ 30,425,187</u>

The District created a rate stabilization fund as permitted by the District's System Bond Resolution and is funding it from unrestricted cash and cash equivalents. The Resolution allows the District to use amounts in this fund for its debt service coverage calculation as defined in the District's System Bond Resolution.

The District, acting as both the trustor and trustee, established the Fisheries Mitigation Irrevocable Trust Fund for the purpose of providing compensation for unmitigatable losses to juvenile anadromous fish caused by McNary Dam. This trust fund is being held by the District as the trustee and is being disbursed solely as directed by the Fishery Compensation Committee after it has reviewed and selected mitigation activities.

Note 4 – Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District determines disclosures related to these investments. They only need to be disaggregated by major type because investing is not a core part of the District's mission.

Northern Wasco County People's Utility District

Notes to Financial Statements

Note 4 – Fair Value Measurements (continued)

The District has the following recurring fair value measurements at December 31, 2018:

	Fair Value Measurements Using		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments by fair value level			
Corporate bonds	\$ 6,570,432	\$ -	\$ -
Total investments	\$ 6,570,432	\$ -	\$ -

The District has the following recurring fair value measurements at December 31, 2017:

	Fair Value Measurements Using		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments by fair value level			
Corporate bonds	\$ 4,395,293	\$ -	\$ -
Total investments	\$ 4,395,293	\$ -	\$ -

Note 5 – Due from the Bonneville Power Administration

On February 15, 1995, the District received Notice to Cease and Desist Work on the McNary Dam Fishway Hydroelectric Project from the Bonneville Power Administration (BPA), and on March 16, 1995, the District suspended construction after completing certain work necessary to rewater the fish ladder. Subsequently, the District and the BPA negotiated a termination of a Power Purchase Agreement pursuant to a Settlement and Termination Agreement (Settlement Agreement) dated April 25, 1995. Except as provided in the Settlement Agreement for demobilization and site restoration, the BPA declined to allow the District to use Series 1993 Bond proceeds to complete the McNary project.

Northern Wasco County People's Utility District

Notes to Financial Statements

Note 5 – Due from the Bonneville Power Administration (continued)

Following termination of the McNary Project by the BPA, the District solicited interest from other utilities in developing all or part of the McNary Project. As a result of this process, the District and Klickitat County Public Utility District entered into a series of agreements to jointly pursue the McNary Project with each utility having a 50 percent ownership share. In October 1995, both the District and Klickitat issued bonds to fund completion of the McNary Project and construction was restarted on October 23, 1995.

Agreements with the Bonneville Power Administration do not change BPA's obligation to pay debt service on the Series 2012A and Series 2012B Bonds which refunded the Series 1993 Bonds. Accordingly, the amount due from the Bonneville Power Administration at December 31, 2018 and 2017, represents the principal amount payable on the outstanding bonds, plus unamortized bond premium and accrued interest, less amounts held by the Trustee. The BPA deposits amounts directly into a bond trust account and these amounts are used to pay principal and interest on the bonds.

Note 6 – Long-Term Debt

Long-term debt activity for the year ended December 31, 2018 is as follows:

	Principal Transactions				Due in one year
	Outstanding 1/1/2018	2018 Issues	2018 Retirements	Outstanding 12/31/2018	
Series 2012A Bonds	\$ 7,520,000	\$ -	\$ -	\$ 7,520,000	\$ -
Series 2012B Bonds	3,875,000	-	1,460,000	2,415,000	1,490,000
Series 2016 Bonds	11,790,000	-	-	11,790,000	315,000
Capital lease obligation	23,595	-	6,292	17,303	4,719
Total	\$ 23,208,595	\$ -	\$ 1,466,292	\$ 21,742,303	\$ 1,809,719

Long-term debt activity for the year ended December 31, 2017 is as follows:

	Principal Transactions				Due in one year
	Outstanding 1/1/2017	2017 Issues	2017 Retirements	Outstanding 12/31/2017	
Series 2012A Bonds	\$ 7,520,000	\$ -	\$ -	\$ 7,520,000	\$ -
Series 2012B Bonds	5,310,000	-	1,435,000	3,875,000	1,460,000
Series 2016 Bonds	11,790,000	-	-	11,790,000	-
Capital lease obligation	29,887	-	6,292	23,595	4,719
Total	\$ 24,649,887	\$ -	\$ 1,441,292	\$ 23,208,595	\$ 1,464,719

Northern Wasco County People's Utility District Notes to Financial Statements

Note 6 – Long-Term Debt (continued)

Long-term debt consists of the following at December 31:

	2018	2017
Bonds and obligations payable		
Series 2012A	\$ 7,520,000	\$ 7,520,000
Series 2012B	2,415,000	3,875,000
Series 2016	11,790,000	11,790,000
Capital lease obligation	17,303	23,595
Total principal payable	21,742,303	23,208,595
Unamortized premium – Series 2016	1,099,636	1,147,446
Unamortized premium – Series 2012A	833,758	974,675
Net long-term debt	23,675,697	25,330,716
Less current maturities of principal	1,809,719	1,464,719
Due after one year	\$ 21,865,978	\$ 23,865,997

Series 2012A (tax-exempt) and Series 2012B (taxable) McNary Dam Fishway Hydroelectric Project Revenue Refunding Bonds – In April 2012, the District issued 2012 Series A (tax-exempt) and Series B (taxable) McNary Dam Fishway Hydroelectric Project Revenue Refunding Bonds in the amounts of \$7,520,000 and \$12,215,000, respectively; the proceeds of which, along with the bond premium of \$1,773,205, were used to currently refund \$20,645,000 of Series 1993 Bonds plus accrued interest on May 24, 2012 and to pay bond issuance costs. Principal on the Series 2012B bonds is payable annually on December 1 through 2020. Principal on the Series 2012A Bonds is payable annually on December 1 beginning in 2020. Interest on the Series 2012A Bonds, at 5% per annum, is payable semi-annually on June 1 and December 1 of each year. Interest on the Series 2012B Bonds, at 1.518%–2.962% per annum, is payable semi-annually on June 1 and December 1 of each year. The Series 2012A and Series 2012B Bonds are not subject to early redemption.

The Series 2012A and Series 2012B Bonds are special limited obligations of the District, payable from and secured by a lien on the Bonneville payments to be made by the Bonneville Power Administration pursuant to the Bonneville Agreement. The Bonneville payments are defined as the amounts required to pay bond principal, interest, and any redemption premium.

Until the District and the Bonneville Power Administration entered into a Settlement and Termination Agreement (Settlement Agreement, see Note 5), the Series 1993 Bonds were being used to finance the McNary Dam Fishway Hydroelectric Project. Under the Power Purchase Agreement executed as of August 27, 1993, the District had agreed to sell the net output of the project to the BPA for a term of thirty years following the completion date of the project. In return, the BPA had agreed to pay during each operating year an amount equal to the annual debt service on the Series 1993 Bonds.

Northern Wasco County People's Utility District

Notes to Financial Statements

Note 6 – Long-Term Debt (continued)

Series 2016 Electric System Revenue Bonds – In October 2016, the District issued 2016 Series (tax-exempt) Electric System Revenue Bonds (2016 Bonds) in the amount of \$11,790,000; proceeds of which, along with bond premium amount of \$1,203,225, are being used to finance improvements to the District's Electric System. Principal on the Series 2016 Bonds is payable annually on December 1, beginning in 2019 and maturing in 2041. Interest on the 2016 Bonds, at 1.85%-5.00% per annum, is payable semi-annually on June 1 and December 1 of each year. A portion of the 2016 Bonds will be subject to redemption prior to maturity.

Scheduled maturities of bonds payable for all outstanding issues are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,805,000	\$ 917,721	\$ 2,722,721
2020	1,865,000	867,112	2,732,112
2021	1,950,000	796,013	2,746,013
2022	2,040,000	701,963	2,741,963
2023	2,130,000	607,950	2,737,950
2024-2028	3,910,000	2,009,400	5,919,400
2029-2033	2,550,000	1,424,375	3,974,375
2034-2038	3,235,000	732,875	3,967,875
2039-2041	2,240,000	141,407	2,381,407
	<u>\$ 21,725,000</u>	<u>\$ 8,198,814</u>	<u>\$ 29,923,814</u>
Totals			

Note 7 – Retirement Plan

The District provides pension benefits for all of its qualified employees through a defined contribution plan (Internal Revenue Code Section 401(k)) administered by the District. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. For employees choosing to opt out of the District's Post-Employment Health Care Benefits Plan, the District agrees to contribute to the 401(k) plan an amount equal to the employee's voluntary contribution to either or both the 401(k) plan and a IRC 457 plan up to a maximum amount of 12% of the employee's straight-time wage. For employees that elect to retain the Post-Employment Health Care Benefits Plan, the District matches employee contributions to the IRC (401k) plan and an IRC 457 plan up to a maximum of 10% of the straight-time wage for each eligible employee with the District match going into the 401(k) plan. Contributions for each employee (and earnings allocated to the employee's account) are fully vested after fifty months of continuous service. Contributions for, and earnings forfeited by, employees who leave employment before fifty months of service are used to reduce the District's current-period contribution requirement.

The total employer contribution was \$316,118 in 2018 and \$321,215 in 2017, equal to the required employer contribution.

Northern Wasco County People’s Utility District
Notes to Financial Statements

Note 8 – Post-Employment Health Care Benefits

Plan description – The District administers a single-employer defined benefit healthcare plan. The plan provides post-employment benefits options for medical insurance to eligible retirees. Benefit provisions are established through District policy. The criteria to determine eligibility includes employee age and years of service. The District’s post-employment healthcare plan does not issue a publicly available financial report. In 2018 the District has adopted the requirements of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

As of the valuation date of July 1, 2017, a total of 5 active employees and 8 inactive employees or beneficiaries receiving benefits were covered by the benefit terms.

Funding policy – Contribution requirements are established through District policy. Eligible retirees are required to pay set premiums established by the insurer equal to 100% of the premium cost up to age 65. Starting at age 65, the District will reimburse eligible retirees for the premium cost of coverage obtained outside of the District up to a maximum of \$350, prorated based on retirement age plus years of service (increased annually by 3%). Funding is on a pay-as-you-go basis. During 2018 and 2017, the District contributed \$45,690 and \$32,398, respectively, to the plan.

Total OPEB liability, OPEB expense (credit), and deferred outflows of resources and deferred inflows of resources related to OPEB – The District’s total OPEB liability of \$1,110, 286 was measured as of December 31, 2017 and was determined by an actuarial valuation as of July 1, 2017.

At December 31, 2018 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	December 31, 2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions or inputs	\$ 31,218	\$ -
Contributions made subsequent to measurement date	48,904	-
	\$ 80,122	\$ -

Northern Wasco County People's Utility District

Notes to Financial Statements

Note 8 – Post-Employment Health Care Benefits (continued)

Deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending December 31,	2019	\$	13,573
	2020		13,573
	2021		4,072
			<u>4,072</u>
		\$	<u>31,218</u>

Actuarial assumptions – The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions.

Valuation Date	July 1, 2017
Measurement Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	3.44%
Inflation	2.50%
Projected Salary Increase	3.50%

Mortality rates for healthy retirees and beneficiaries were based on the RP-2014 Sex-distinct tables, as appropriate.

Discount rate – The discount rate used to measure the total pension OPEB liability was 3.44% percent for the December 31, 2017 measurement date. This rate is consistent with the Bond Buyer 20-year General Obligation Bond index.

Health care cost trend – The health care cost trend starts at 5.75% in the first year and in future years varies between 6.25% and 4.25% due to the timing of the excise tax scheduled to affect health care benefits. The trend then settles to an ultimate rate of 4.25%. Dental costs are assumed to increase 4.00% in all future years.

Sensitivity analysis – Below is a sensitivity analysis around the discount rate of 3.44% as well as the healthcare cost trend rate assumed in the actuarial assumptions:

<u>Discount Rate</u>	<u>1% decrease 2.44%</u>	<u>Current rate 3.44%</u>	<u>1% increase 4.44%</u>
Total OPEB liability	\$ 1,261,670	\$ 1,110,286	\$ 984,865
<u>Healthcare Cost Trend</u>	<u>1% decrease 2.44%</u>	<u>Current rate 3.44%</u>	<u>1% increase 4.44%</u>
Total OPEB liability	\$ 979,445	\$ 1,110,286	\$ 1,270,133

Northern Wasco County People's Utility District

Notes to Financial Statements

Note 8 – Post-Employment Health Care Benefits (continued)

Changes in total OPEB liability – Changes in the total OPEB liability for the year ended December 31, 2018 are shown below:

	<u>Total OPEB Liability</u>
Balance as of December 31, 2017	\$ 1,060,932
Changes for the year:	
Service cost	11,355
Interest on total OPEB liability	38,898
Effect of assumptions changes or inputs	44,791
Benefit payments	<u>(45,690)</u>
Balance as of December 31, 2018	<u>\$ 1,110,286</u>

Note 9 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Effective November 2018, the Board of Directors of the District adopted an Enterprise Risk Management Policy.

The District is a member of Special Districts Insurance Services (SDIS) and pays an annual premium to SDIS for risks of loss, including general liability, automobile liability, public official liability, workers' compensation, and property coverage. Under the membership agreement with SDIS, SDIS is to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain limits. The District purchases additional coverage for its hydroelectric projects through commercial companies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

Note 10 – Power Purchase Agreements

The District executed a Power Sales Agreement with the Bonneville Power Administration (BPA) for the purchase of power for the period October 1, 2011 through September 30, 2028. The agreement is for Load Following service coupled with a Tiered Rate Methodology (TRM). The TRM established an initial Contract High Water Mark (CHWM) load that qualifies for service at BPA's lower cost power (Tier 1) from the Federal Base System (FBS). Any requirement above the CHWM load is known as Above High Water Mark (AHWM) load. The AHWM load obligation for each year is established in advance of each two-year rate period based upon load forecasts and projected FBS capability. The AHWM load can be served with non-federal resources or purchased from BPA as Tier 2 power.

Tier 2 power purchased from BPA is expected to be priced at or around market. The District has elected to serve AHWM load requirements with non-federal resources.

Northern Wasco County People's Utility District

Notes to Financial Statements

Note 10 – Power Purchase Agreements (continued)

During 2014, the District executed Power Sale Contracts with another utility under a Western Systems Power Pool (WSPP) Agreement for the purchase of various quantities of firm power for the period October 1, 2015 through September 30, 2017 at contract prices totaling \$13,269,005. During 2015, the District executed a Power Sale Contract with another utility under a WSPP Agreement for the purchase of firm power for the period October 1, 2017 through September 30, 2020 at contract prices totaling \$25,069,782. All power purchased under these contracts will be resold to one customer. Contracts executed under a WSPP Agreement contain early termination provisions whereby the power can be sold back to the seller at market prices with any resulting difference from the contract amounts becoming due from, or payable to, the original buyer as a Termination Payment. Under the terms of a Collateral Annex to the WSPP Agreement, the District may, from time to time, be required to deliver Performance Assurance amounts consisting of cash deposits, letters of credit, or a combination of both, when market conditions create performance risk exposure for the counterparty. Further changes in market conditions may allow the release of Performance Assurance amounts held by the counterparty. As of December 31, 2018, the District had a secured letter of credit from Bank of the West totaling \$10,000,000 under this Collateral Annex.

During 2015, the District executed a Resource Agreement with Northwest Intergovernmental Energy Supply for the purchase of a fixed quantity of firm power for the period October 1, 2017 through September 30, 2019 at contract prices totaling \$599,009.

The District generates electricity from The Dalles Dam North Fishway, which it sells to a third party electric broker beginning October 1, 2017. Prior to this date, these sales were to an investor-owned electric utility company. The District also generates electricity from McNary Dam North Fishway, which it sells to its residential, commercial, and industrial customers.

Note 11 – Concentrations

Approximately 95% of net electrical output of the District's hydroelectric generating project at the North Fishway of The Dalles Dam was sold to an outside company. These sales represented approximately 2.44% of the District's 2018 and 2017 operating revenues. Approximately 56% and 49% of operating revenues in 2018 and 2017, respectively, were the result of sales to one customer.

Note 12 – Contingencies

In the normal course of business, the District is party to claims and matters of litigation. The ultimate outcome of these matters cannot be presently be determined, however, in the opinion of management of the District, the resolution of these matters will not have a material adverse effect on the District's financial position, results of operations or liquidity.

Required Supplementary Information

Northern Wasco County People's Utility District
Schedule of Changes in the Total OPEB Liability and Related Ratios
December 31, 2018
Last Ten Years*

	12/31/2018
<i>Total OPEB Liability</i>	
Service cost	\$ 11,355
Interest cost	38,898
Effect of assumptions changes	44,791
Benefit payments	(45,690)
Net change in total OPEB liability	49,354
Total OPEB liability, beginning of period	1,060,932
Total OPEB liability, end of period	\$1,110,286
Covered employee payroll	\$ 343,042
Total OPEB liability as a percent of covered payroll	323.66%

* Fiscal year 2018 was the 1st year of implementation, therefore only one year is shown.

Other Supplementary Information

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Northern Wasco County People's Utility District

Schedule of Revenues and Expenses

	Years Ended December 31,	
	2018	2017
OPERATING REVENUES		
Sales of electricity		
Residential	\$ 10,019,002	\$ 10,114,462
Commercial and industrial	33,458,996	25,776,034
Irrigation	197,176	179,898
Public street and highway lighting	415,447	360,569
Other sales	3,288	3,660
The Dalles Dam Hydroelectric	1,113,061	911,135
Other operating revenues	417,159	316,555
Total operating revenues	45,624,129	37,662,313
OPERATING EXPENSES		
Cost of purchased power	30,336,248	25,529,124
Power production expenses		
License and permit costs	46,786	86,906
Operation and maintenance	1,051,504	1,219,136
Transmission	189,854	190,061
Total power production expenses	1,288,144	1,496,103
Transmission expenses		
Maintenance of station equipment	107,880	188,426
Maintenance of overhead lines	34,925	9,154
Total transmission expenses	142,805	197,580
Distribution expenses		
Meter expenses	107,432	178,962
Miscellaneous distribution expenses	206,522	353,717
Rents	18,414	10,567
Maintenance of station equipment	162,085	155,890
Maintenance of overhead lines	1,669,926	1,508,508
Maintenance of underground lines	160,157	165,248
Maintenance of line transformers	8,905	43,222
Maintenance of street lighting and signal systems	26,867	68,628
Maintenance of meters	13,119	26,118
Maintenance of miscellaneous distribution plant	12,096	17,458
Maintenance of communication expense	7,952	941
Total distribution expenses	2,393,475	2,529,259
Customer accounts expenses		
Meter reading expenses	216,715	206,035
Customer records and collection expenses	527,404	459,436
Uncollectible accounts	18,000	18,000
Miscellaneous customer accounts expenses	3,137	1,667
Total customer accounts expenses	765,256	685,138

Northern Wasco County People's Utility District Schedule of Revenues and Expenses

	Years Ended December 31,	
	2018	2017
Customer service and informational expenses		
Customer assistance	\$ 417,440	\$ 635,034
Informational	201,682	216,717
Total customer service and informational expenses	<u>619,122</u>	<u>851,751</u>
Administrative and general expenses		
Administrative and general salaries	1,933,311	1,801,500
Office supplies and expenses	418,824	324,983
Outside services employed	410,162	422,395
Property insurance	198,767	190,997
Injuries and damages	31,393	36,791
Miscellaneous general expenses	679,718	504,519
Total administrative and general expenses	<u>3,672,175</u>	<u>3,281,185</u>
Depreciation and amortization of electric plant	<u>2,623,332</u>	<u>2,286,823</u>
Taxes	<u>1,760,763</u>	<u>1,422,318</u>
TOTAL OPERATING EXPENSES	<u>43,601,320</u>	<u>38,279,281</u>
NET OPERATING EXPENSES	<u>2,022,809</u>	<u>(616,968)</u>
Nonoperating revenues (expenses)		
Investment income	420,207	274,040
Patronage capital credits	3,709	7,974
Clean fuel credits	4,600	-
Non-operating rental income	-	15,940
Non-operating income - work orders	239,634	-
Non-operating expense - work orders	(222,999)	-
Insurance proceeds for disposition of damaged property	39,069	1,040,152
Gain on disposition of property	14,877	52,086
Loss on disposition of property	(7,325)	(4,895)
Loss on disposition of damaged property	-	(1,290,946)
Interest on debt	(478,176)	(517,841)
Amortization of debt premium and loss on refunding	47,810	47,810
Gain on sale of transmission rights	32,178	43,421
Total non-operating revenues (expenses)	<u>93,584</u>	<u>(332,259)</u>
Income (Loss) before capital contributions	2,116,393	(949,227)
Contributions in aid of construction	<u>127,644</u>	<u>413,753</u>
Change in net position	<u>\$ 2,244,037</u>	<u>\$ (535,474)</u>

Northern Wasco County People's Utility District
Schedule of Bond and Revenue Obligations Debt Service Transactions
Year Ended December 31, 2018

	Principal Transactions			
	Outstanding 1/1/2018	2018 Issues	2018 Retirements	Outstanding 12/31/2018
Series 2012A Bonds	\$ 7,520,000	\$ -	\$ -	\$ 7,520,000
Series 2012B Bonds	3,875,000	-	1,460,000	2,415,000
Series 2016 Bonds	11,790,000	-	-	11,790,000
Totals	<u>\$ 23,185,000</u>	<u>\$ -</u>	<u>\$ 1,460,000</u>	<u>\$ 21,725,000</u>
	Interest Transactions			
	Matured 1/1/2018	2018 Maturities	2018 Payments	Matured 12/31/2018
Series 2012A Bonds	\$ -	\$ 376,000	\$ 376,000	\$ -
Series 2012B Bonds	-	97,543	97,543	-
Series 2016 Bonds	-	476,313	476,313	-
Totals	<u>\$ -</u>	<u>\$ 949,856</u>	<u>\$ 949,856</u>	<u>\$ -</u>

Northern Wasco County People's Utility District
Schedule of Future Bond Debt Service Requirements
December 31, 2018

Year	Series 2012A Bonds			Series 2012B Bonds			Series 2016 Bonds			Total Future Requirements		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2019	-	376,000	376,000	1,490,000	65,408	1,555,408	315,000	476,313	791,313	1,805,000	917,721	2,722,721
2020	610,000	376,000	986,000	925,000	27,399	952,399	330,000	463,713	793,713	1,865,000	867,112	2,732,112
2021	1,605,000	345,500	1,950,500	-	-	-	345,000	460,513	795,513	1,950,000	796,013	2,746,013
2022	1,685,000	265,250	1,950,250	-	-	-	355,000	436,713	791,713	2,040,000	701,963	2,741,963
2023	1,765,000	181,000	1,946,000	-	-	-	365,000	426,950	791,950	2,130,000	607,950	2,737,950
2024	1,855,000	92,750	1,947,750	-	-	-	380,000	412,350	792,350	2,235,000	505,100	2,740,100
2025	-	-	-	-	-	-	395,000	400,375	795,375	395,000	400,375	795,375
2026	-	-	-	-	-	-	410,000	384,575	794,575	410,000	384,575	794,575
2027	-	-	-	-	-	-	425,000	368,175	793,175	425,000	368,175	793,175
2028	-	-	-	-	-	-	445,000	351,175	796,175	445,000	351,175	796,175
2029	-	-	-	-	-	-	460,000	333,375	793,375	460,000	333,375	793,375
2030	-	-	-	-	-	-	485,000	310,375	795,375	485,000	310,375	795,375
2031	-	-	-	-	-	-	510,000	286,125	796,125	510,000	286,125	796,125
2032	-	-	-	-	-	-	535,000	260,625	795,625	535,000	260,625	795,625
2033	-	-	-	-	-	-	560,000	233,875	793,875	560,000	233,875	793,875
2034	-	-	-	-	-	-	590,000	205,875	795,875	590,000	205,875	795,875
2035	-	-	-	-	-	-	615,000	176,375	791,375	615,000	176,375	791,375
2036	-	-	-	-	-	-	650,000	145,625	795,625	650,000	145,625	795,625
2037	-	-	-	-	-	-	680,000	113,125	793,125	680,000	113,125	793,125
2038	-	-	-	-	-	-	700,000	91,875	791,875	700,000	91,875	791,875
2039	-	-	-	-	-	-	725,000	70,000	795,000	725,000	70,000	795,000
2040	-	-	-	-	-	-	745,000	47,344	792,344	745,000	47,344	792,344
2041	-	-	-	-	-	-	770,000	24,063	794,063	770,000	24,063	794,063
Totals	<u>\$ 7,520,000</u>	<u>\$ 1,636,500</u>	<u>\$ 9,156,500</u>	<u>\$ 2,415,000</u>	<u>\$ 92,807</u>	<u>\$ 2,507,807</u>	<u>\$ 11,790,000</u>	<u>\$ 6,469,509</u>	<u>\$ 18,259,509</u>	<u>\$ 21,725,000</u>	<u>\$ 8,198,816</u>	<u>\$ 29,923,816</u>

**Independent Auditors Comments
(Required by Oregon State Regulations)**

Report of Independent Auditors on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Oregon Auditing Standards*

Board of Directors
Northern Wasco County People's Utility District

We have audited the accompanying financial statements of Northern Wasco County People's Utility District (the District) as of and for the year ended December 31, 2018 and have issued our report thereon dated May 1, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The accounting records and related internal control structure.
- The amount and adequacy of collateral pledged by depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to program funded wholly or partially by other governmental agencies.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no matters of noncompliance with those provisions that are required to be reported under Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for determining our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

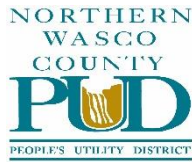
This report is intended solely for the information and use of the District's management, the Board of Directors, and the Secretary of State, Divisions of Audits of the State of Oregon and is not intended to be and should not be used by anyone other than these specified parties.



Julie Desimone, Partner for Moss Adams LLP
Portland, Oregon
May 1, 2019



MOSSADAMS



MEMORANDUM
OPERATIONS & ENGINEERING MANAGER
NORTHERN WASCO COUNTY PEOPLE'S UTILITY DISTRICT

DATE: May 1, 2019

TO: PUD Board of Directors

FROM: Patrick Morehart, Operations & Engineering Manager

PRESENTED BY: Tom McGowan – Program Manager Joint Use and Regulatory Compliance

SUBJECT: Consideration to Award Pole Attachment Audit

Background

In establishing a proactive Joint Use Program, the District needs to know the type of Attachments and the owner of those attachments currently attached to District owned poles. A proactive program is one in which pole attachment detail activity is tracked to support pole occupant billing, pole transfer completion, and data used to help maintain system capacity and operating capabilities. As such, the District issued a Pole Attachment Audit - Request For Proposal that would audit approximately 6,800 District owned poles and would gather attachment data such as:

- Pole location
- Attachment Height
- Attachment Type
- Attachment Owner

Enterprise Risk Management Considerations

The District has not audited its poles for pole attachments in over 12 years. Audited pole information would assist in enhancing the Joint Use Program by providing:

- Detailed and comprehensive foreign owned attachment information to support pole Occupant rental billing.
- Position the District to utilize pole loading software to provide Pole Loading Analyses (PLA) to Attachment Application processing and proactive facility reliability assessments
- Consolidate Joint Use and Audit information into one system
- Provides an opportunity to increase annual recurring pole rental revenue
- Total cost of Audit is \$228k and includes a base Audit (Tier 1) price of \$99k and a (Tier 2) price of \$129k for calibrated pole images. (Tier 1) costs will be prorated to Pole Occupants based on the number of their attachments and Tier 2 costs will be charged to accounts included in calculating pole rental rates.
- Pole Attachment Audit costs are not in the Engineering and Operations 2019 Expense Budget

Recommendation

After consideration and application of the evaluation criteria, staff recommends the Board award the Pole Attachment Audit contract to Osmose Utilities Services to provide pole attachment audit services (Tier 1) and calibrated pole pictures (Tier 2). Amount to be awarded is \$227.5k.

Criteria used to determine the qualified contractor:

Evaluation Results

Evaluation Component	Component	Osmose	Osmose	Osmose	Ques	Ques	Ques	CSS Corp	CSS Corp	CSS Corp
	Weight	Price	Rating	Weighted Avg	Price	Rating	Weighted Avg	Price	Rating	Weighted Avg
PRICING - (45%)										
Tier 1	35.00%	98,600.00	5	1.75	801,176.00	2	0.70	571,200.00	3	1.05
Tier 2	2.00%	128,860.00	2	0.04	21,692.00	5	0.10	34,000.00	4	0.08
Tier 3	8.00%	<u>836,400.00</u>	2	0.16	<u>240,108.00</u>	4	0.32	<u>170,000.00</u>	5	0.40
	Total Price	1,063,860.00			1,062,976.00			775,200.00		
	Price Weighted Avg			1.95			1.12			1.53
QUALIFICATIONS / EXPERIENCE - (40%)										
Attachment Audit Experience	15.00%		5	0.75		4	0.60		2	0.30
Qualifications										
OPUC Pole Attachment Rules	4.00%		2	0.08		2	0.08		2	0.08
Facility Identification	6.00%		3	0.18		4	0.24		2	0.12
Workforce Qualification / Avail	15.00%		3	0.45		3	0.45		3	0.45
	Qualification Weighted Avg			1.46			1.37			0.95
PROJECT & DATA MANAGEMENT - (15%)										
Project Management Approach	5.00%		3	0.15		3	0.15		3	0.15
Field Data Collection Process	7.50%		5	0.38		5	0.38		3	0.23
Data Transfer/Upload Process	2.50%		4	0.10		4	0.10		2	0.05
	Project Management Weighted Avg			0.63			0.63			0.43
	Total Weighted Average	100.00%		4.04			3.12			2.91

2019 Pole Attachment Audit

Northern Wasco County PUD Board of Directors
May, 2019



2019 Pole Attachment Audit

Scope:

- Audit 6,800 Wood Distribution Poles in The Dalles and Tygh Valley
- Start Date – June 3rd
- Completion Date – October 18th
- Goal - Record all Foreign Owned Attachments on District Owned Poles
- Data Points to be gathered for each pole includes:
 - Pole Structure and Location
 - Attachment Owner
 - Verification of Pole Owner
 - Attachment Type and Height
 - Imminent Danger situations
 - Double Wood
 - Calibrated Pictures



Audit Information for each pole



Funding Request

- Total Cost \$228k
 - Tier 1 - \$ 99k Base Audit
 - Tier 2 - \$129k Calibrated images

- Cost per pole \$33.45
 - Tier 1 – \$14.50
 - Tier 2 - \$18.95

- Vendor Osмосе Utilities Services

- Pole Audit Cost is not in Engineering & Operations
2019 Expense Budget



Benefits

- Comprehensive per pole foreign owned attachment information to support Licensee pole rental billing
- Well positioned to utilize pole loading software to provide Pole Loading analyses for Attachment application processing and proactive facility reliability assessments
- \$98k for Tier 1 Audit costs can be prorated and billed directly to Licensees based on the number of Licensee attachments. The \$128k Tier 2 costs will be charged to accounts used to calculate 2020 pole rental rates.
- “Catch Up” PUD Licensee Pole Application processing backlog in NJUNS
- Provides foundation to develop Joint Use module in Futura (Asset Data Base) utilized by Engineering and other departments
- Joint Use and Audit information consolidated into one system
- Opportunity to increase annual recurring pole rental revenue



Request For Proposal (RFP) Process

- RFP issued March 29, 2019
- Answers to Responders questions provided on April 11, 2019
- Proposals were due no later than April 19, 2019 at 10:00am
- Three Proposals were submitted on time; two were not
- Weighted Average methodology used to evaluate Proposals and to make vendor selection
- If Approved; issue 'Intent to Award' on May 8, 2019
- Projected Audit start date - June 3, 2019
- Projected Audit complete date – October 18, 2019



Proposed Next Steps

- Issue 'Intent to Award' Pole Audit to Osmose Utilities
- Develop and issue RFP for Pole Load Analysis using calibrated images from Pole Audit
- Develop Joint Use module in Futura Asset Management Data Base to be able to load pole Audit data and track ongoing Attachment transaction detail
- Share Audit information with Finance and coordinate/update Licensee 2020 Pole Attachment Billing

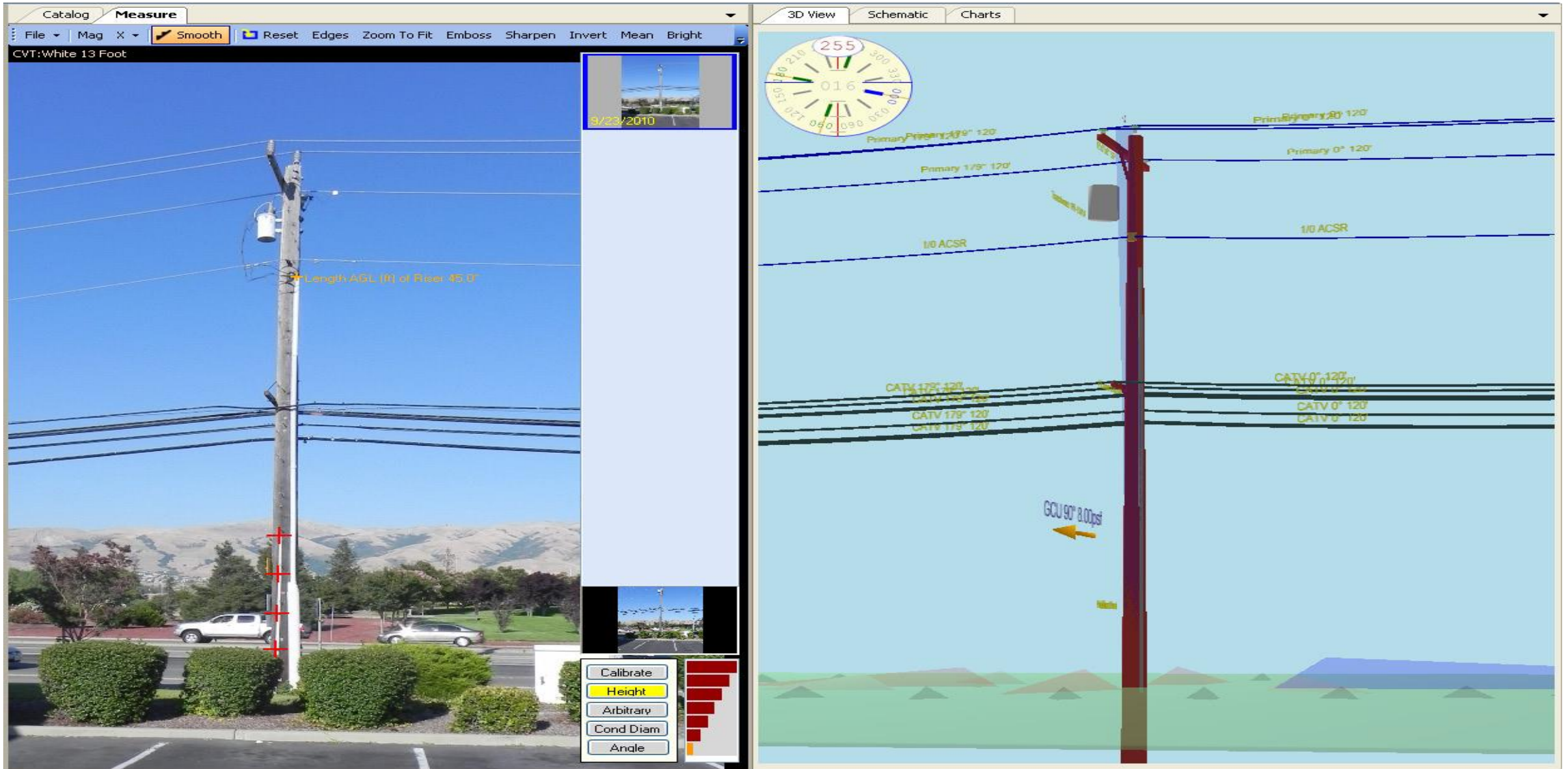


APPENDIX

- Example - Calibrated image for Pole Loading Analysis
- RFP Evaluation Results
- Current Joint Use Licensee Billing
- After Audit Licensee Billing (projected)
- Back office Preparations



Calibrated Image used in Pole Loading Analysis Software



Evaluation Results

Evaluation Component	Component Weight	Osmose Price	Osmose Rating	Osmose Weighted Avg	Ques Price	Ques Rating	Ques Weighted Avg	CSS Corp Price	CSS Corp Rating	CSS Corp Weighted Avg
PRICING - (45%)										
Tier 1	35.00%	98,600.00	5	1.75	801,176.00	2	0.70	571,200.00	3	1.05
Tier 2	2.00%	128,860.00	2	0.04	21,692.00	5	0.10	34,000.00	4	0.08
Tier 3	8.00%	<u>836,400.00</u>	2	0.16	<u>240,108.00</u>	4	0.32	<u>170,000.00</u>	5	0.40
Total Price		<u>1,063,860.00</u>			<u>1,062,976.00</u>			<u>775,200.00</u>		
Price Weighted Avg				1.95			1.12			1.53
QUALIFICATIONS / EXPERIENCE - (40%)										
Attachment Audit Experience	15.00%		5	0.75		4	0.60		2	0.30
Qualifications										
OPUC Pole Attachment Rules	4.00%		2	0.08		2	0.08		2	0.08
Facility Identification	6.00%		3	0.18		4	0.24		2	0.12
Workforce Qualification / Avail	15.00%		3	0.45		3	0.45		3	0.45
Qualification Weighted Avg				1.46			1.37			0.95
PROJECT & DATA MANAGEMENT - (15%)										
Project Management Approach	5.00%		3	0.15		3	0.15		3	0.15
Field Data Collection Process	7.50%		5	0.38		5	0.38		3	0.23
Data Transfer/Upload Process	<u>2.50%</u>		4	<u>0.10</u>		4	<u>0.10</u>		2	<u>0.05</u>
Project Management Weighted Avg				0.63			0.63			0.43
Total Weighted Average	100.00%			4.04			3.12			2.91

Current Joint Use Licensee Billing

- Annual Joint Use billing approximates \$93k for 6,900 poles
- Total District wood distribution poles ~ 6,800
- Attachments per pole ~ 1.01
- Regulated Annual Rental Rate \$14.06 per foot of vertical pole space occupied



Projected After Audit Licensee Billing

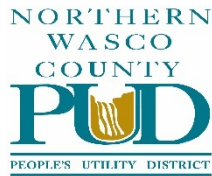
- Attachments per pole expected to increase to an average of 1.5
- Rental rate \$14.06 per foot of vertical pole space occupied
- Projected Billing - \$143k ($1.5 * 6800 * \14.06)
- Annual Recurring Revenue increase - \$50k ($\$143k - \$93k$)



Back-office Preparations

- Licensee notification and coordination
 - CenturyLink
 - Q-life
 - Charter Communications
 - LS Networks
 - Axxis/Gorge Net
- NJUNS PA ticket update and closing plan
 - Close/update open PA tickets related to audited attachments
- Finance coordination and timing for:
 - Updated 2020 Attachment Licensee billings
 - Billing to Licensees for prorated share of Audit costs





MEMORANDUM
OFFICE OF THE GENERAL MANAGER
NORTHERN WASCO COUNTY PEOPLE'S UTILITY DISTRICT

DATE: May 2, 2019
TO: Directors Gonser, Howe, Karp, Smith & Williams
FROM: Roger M. Kline, General Manager
SUBJECT: 2019 Organizational Performance Update & Q1 Results

Background

Early in 2016, The Board of Directors approved the organizational dashboard quarterly reporting methodology, comparing the stated values of the organization to the operational and strategic work the PUD was to accomplish throughout the year. In 2017 the Board and executive management team (EMT) agreed that a transition to the *Key Performance Area* (KPA) and their associated *Key Performance Indicators* (KPI) would be even more beneficial for the Board's understanding and monitoring of the PUD's functional areas. Please consider the following comments in conjunction with the provided organizational performance dashboard.

Key Performance Area – Workforce

There is no greater importance to employees, the community, or our customer-owners than to accomplish all our work safely. In recognition of its hard work in 2018, the District was awarded 3rd place in the safety category by the Northwest Public Power Association at its Engineering & Operations Conference during Q1.

Competitive compensation and a market-based pay structure continues to be updated as positions are recruited for and/or reviewed. A separate memorandum has been delivered to the Board outlining current compensation for our employees as compared to the market. Our overall position as related to market mid-points remains at 96%.

Key Performance Area – Finance

Budget execution was very successful during Q1. Work planning, *Financial Policy* work and continued growth and expanded utilization of Enterprise Risk continues to prove valuable to the District.

The field work by our external auditor Moss-Adams was completed during Q1 with an expectation for a clean audit to be delivered to the Board of Directors in May.

All Finance KPI's are well within tolerances.

Key Performance Area – Customer

The *Energy Conservation Department* performed admirably, helping customers conserve 266 kWh of energy through residential and commercial projects, weatherization, rebates, and other excellent work during Q1. This is very similar to the Q1 completion of 2018. The Energy Efficiency Upgrade Program (EEUP) that the Board of Directors approved during 2018 is proving very successful and helpful to our community.

The Interactive Voice Response (IVR) pay by phone system has increased in utilization over the course of Q1. More detailed metrics will be provided to the Board in the near future.

Social media contacts, news, and other traditional media outreach continued through Q1 with positive results.

Key Performance Area – Power Supply

The Bonneville Power Administration achieved *substantial completion* at the Quenette Creek Substation for our large data customer in Q1. Further testing and energization will be completed in Q2.

Annual maintenance outages were completed at both McNary and The Dalles Fishway projects during Q1. Separate dashboards are included for both McNary and The Dalles Fishway Hydroelectric Projects.

Key Performance Area – Electric Service Delivery

In the area of *Electric Service Delivery*, the first quarter of 2019 was very successful with much infrastructure work accomplished.

Our Tree Trimming & Vegetation Management Contractor continues to perform exceptionally in support of our customers and community.

Large capital planning continues to improve and evolve as infrastructure needs are better understood. The electric service delivery system's replacement, refurbishment, and reinvestment needs continue to grow and are being prioritized based on risk. Thank you to the Board for supporting these efforts as we ensure reliability, reduce risk and ensure safety for our community and customers.

Key Performance Area – Enterprise Operations

The Project Management Office (PMO) is addressed specifically on the included separate dashboard. All projects are progressing as per their approved scope, schedules and budgets with appropriate project controls in place.

Summary

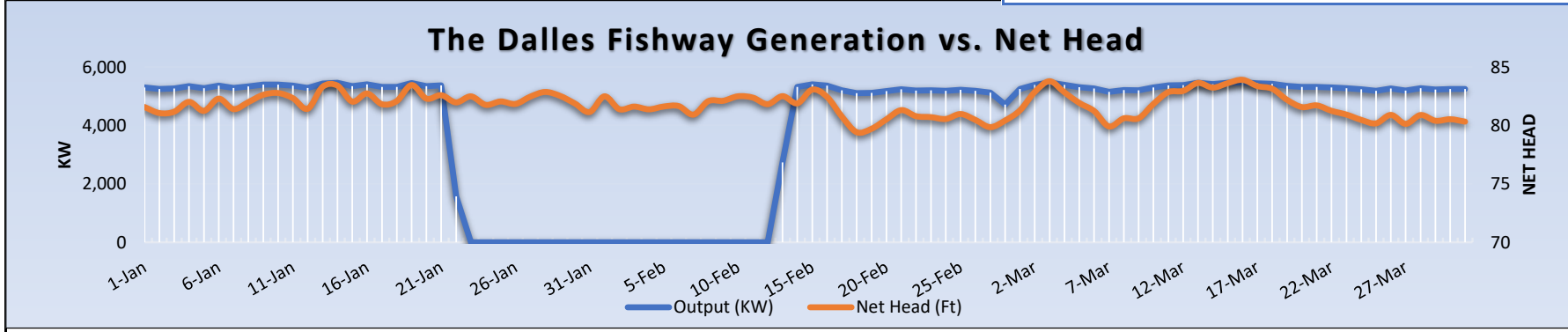
Q1 has started off very well for the District and our customer-owners. The organization is performing very well in most areas. We will continue to improve business processes and work with the Board to refine, update, and develop governing policies to ensure all parties are satisfied with the performance of the organization.

2019 NWCPU Performance Dashboard										
Results by Quarter										
		Target	Q1	Q2	Q3	Q4	Year	Benchmark	Source	Comments
Key Performance Area		Workforce								
Key Performance Indicator	Safety Training Completed	> 95%	94%					90%	APPA	
	Lost Work Days	0	0					4	APPA	
	OSHA Recordable Incidents	0	0					5	APPA	
	Miles Driven	N/A	19,187					Industry	Policy	
	Vehicle Accidents	0	2					2.60	Previous Year	Car vs. deer
	Accident Costs	\$0.00	\$5,568.95					\$4,053.96	Previous Year	#54 & #71 \$4355.15 Reimbursed by Insurance
	Competative Compensation	> 80-120%	96.00%					100%	NWPPA	
Key Performance Area		Finance								
Key Performance Indicator	Bond Rating	A1	A1					A1	Rating Agency	
	External Audit	Clean	Clean					Clean	Policy	2018 External Audit is Clean but to be Presented in May
	Rates	1st Quartile	1st Quartile					Mid-C/OPUDA	Region	
	Debt Service Coverage (DSC)	>1.25	16.87					2.32	APPA	
	Budget to Actuals	5% tolerance	96.86%					Industry	Policy	Bud-Act Rev: 101.4% Exp: 96.9%
	Current Ratio	2.6	2.9					Median	APPA	
	Operating Ratio	0.864	0.804					Median	APPA	
	Pilot/Cilt \$	3%	3.0%					N/A	Policy	
	Debt to Total Asset	0.324	0.260					Median	APPA	
Key Performance Area		Customer								
Key Performance Indicator	Energy Conservation (MWh)	> 1200	266					1.2MW	Previous Year	
	Meter Reading Accuracy	< 0.30%	0.11%					Industry	Directive	For Q1 there were 34 errors in 30,360 reads.
Key Performance Area		Power Supply								
Key Performance Indicator	The Dalles Fishway Project									
	Availability	> 95%	99.87%					95%	NERC	
	Forced Outage	< 3%	0.09%					3%	NERC	
	Planned Maintenance	> 95%	100.00%					95%	Policy	
	McNary Hydro Project									
	Availability	> 95%	100.00%					95%	NERC	
	Forced Outage	< 3%	0.00%					3%	NERC	
Planned Maintenance	> 95%	100.00%					95%	Policy		
Key Performance Area		Electric Service Delivery								
Key Performance Indicator	SAIDI - Average outage duration for each customer	< 52.677	4.9860					202.449	Prev Year / APPA	
	SAIFI - Average number of interuptions	< 0.342	0.0338					.9541	Prev Year / APPA	
	CAIDI - Average Outage duration customer experiences	< 153.992	147.6990					180.7475	Prev Year / APPA	
	ASAI - Average Availability Index	> 99.9899%	99.996%					99.9615	Prev Year / APPA	
	Diversified System Losses	< 3.59%	2.90%					3.59%	Prev Year / APPA	
	Diversified Load Factor - kWh / Peak Load / Hours	> 52.07%	65.78%					52.07%	Prev Year / APPA	
	Load Factor - kWh / Peak Load / Hours	> 62.72%	71.36%					62.72%	Prev Year / APPA	
Key Performance Area		Enterprise Operations								
Key Performance Indicator	Work Order Completion	on sched	Y					5% of sched	Directive	
	Service Order Completion	on sched	Y					5% of sched	Directive	
	Tree Program Service Order	on sched	Y					5% of sched	Directive	
	IT Service Desk Ticket	on sched	TBD					5% of sched	Directive	
	Project Management Office	3% Milestone	Y					5% of sched	Directive	
	Fleet Vehicle Maintenance	on sched	100%					5% of sched	Directive	
	Facilities Work Order Comp	on sched	100%					5% of sched	Directive	

Quarter	Q1	Scheduled Outage Hours	536:05:00
From	1/1/2019 1:00	Forced Outage Hours	2:02:00
To	4/1/2019 0:00	Total Hours Offline	538:07:00
Available Hours	2159:00:00	EAF%	99.87%
Total PM's Generated To-Date	116	% Online	75.08%
Completed PM's To-Date	116	Total MWh's Generated	8,598
		aMW's	3.99

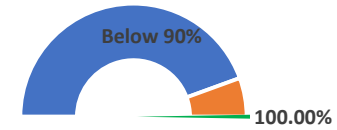
Cause	Outage	Qtr	Start Date	Duration	End Date
Annual COE and PUD Outage	SCHEDULED	Q1	1/22/2019 7:00	536:05:00	2/13/2019 15:05
Plant trip, unknown reason	FORCED	Q1	2/28/2019 4:18	2:02:00	2/28/2019 6:20

Scheduled Maintenance Completion			
Outage Durations (Hours)			
Quarter <input checked="" type="checkbox"/> Q1 <input type="checkbox"/> Q2 <input type="checkbox"/> Q3 <input type="checkbox"/> Q4			



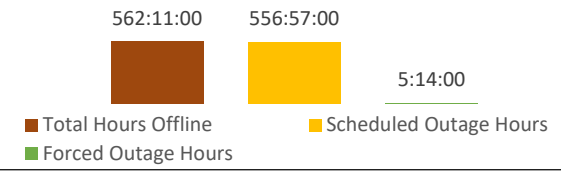
Quarter	Q1		Available Hours	2159:00:00
From	1/1/2019 1:00	Scheduled Outage Hours	556:57:00	
To	4/1/2019 0:00	Forced Outage Hours	5:14:00	
Total PM's Generated	145	Total Hours Offline	562:11:00	
Completed PM's	145	EAF %	99.67%	
		% Online	73.96%	
		Total MWh's Generated	15,921	
		aMW's	7.38	

Scheduled Maintenance Completion



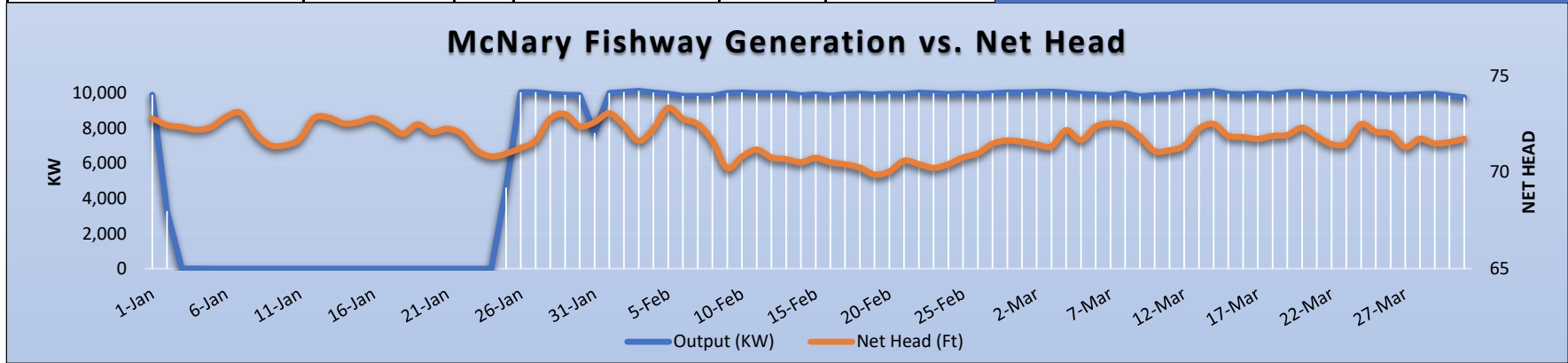
Cause	Outage	Qtr	Start Date	Duration	End Date
Annual ACOE Outage	SCHEDULED	Q1	1/2/2019 7:00	556:57:00	1/25/2019 11:57
BPA Line Outage (line 6)	SCHEDULED	Q1	1/31/2019 7:15	5:14:00	1/31/2019 12:29

Outage Durations (Hours)



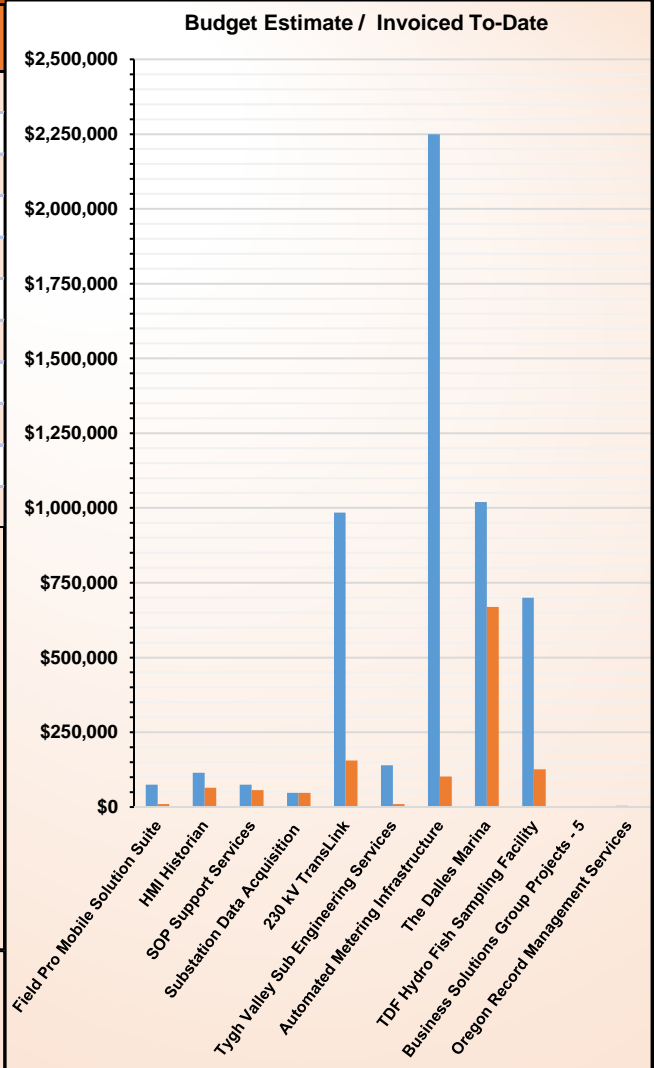
Quarter

Q1
 Q2
 Q3
 Q4

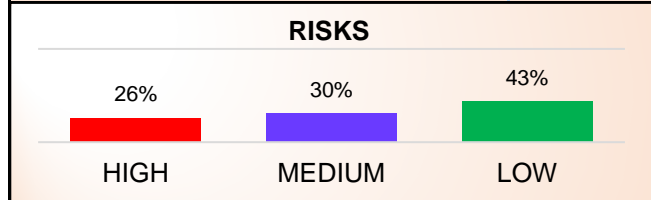
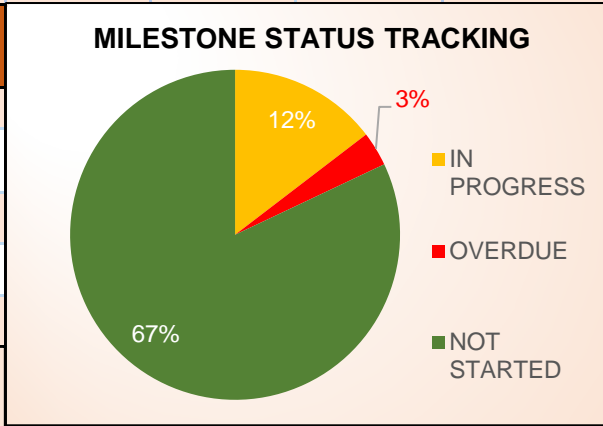


PROJECT PORTFOLIO DASHBOARD

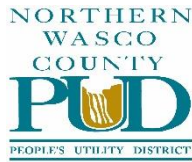
PROJECT NAME	TIMELINE		PROJECT ELEMENTS		
	Begin	Finish	Phase	Estimated Budget	To-Date Amount
Field Pro Mobile Solution Suite	9/3/2018	6/30/2019	Executing	\$75,260	\$10,000
HMI Historian	10/24/2018	3/31/2019	Controlling	\$114,890	\$64,542
SOP Support Services	4/17/2018	3/31/2019	Monitoring	\$75,000	\$56,250
Substation Data Acquisition	10/18/2018	3/1/2019	Closed	\$47,100	\$47,100
230 kV TransLink	9/16/2018	6/1/2020	Executing	\$985,000	\$155,782
Tygh Valley Sub Engineering Services	2/1/2019	6/1/2019	Planning	\$140,000	\$9,574
Automated Metering Infrastructure	10/16/2017	5/31/2019	Executing	\$2,250,000	\$101,920
The Dalles Marina	1/22/2018	4/30/2019	Executing	\$1,019,624	\$669,163
TDF Hydro Fish Sampling Facility	8/8/2017	3/1/2020	Planning	\$700,000	\$125,727
Business Solutions Group Projects - 5	4/1/2019	6/30/2019	Initiating	TBD	TBD
Oregon Record Management Services	6/1/2019	9/1/2019	Initiating	\$4,464	\$0



PIPELINE TRACKING	
Projects In-Flight	16
Projects Closing	0
Projects On Hold	1
Projects Closed	15
Total Projects	31



ISSUES TOTAL	
CLOSED	56
PENDING	23
OPEN	23



MEMORANDUM
DIRECTOR OF CORPORATE SERVICES
NORTHERN WASCO COUNTY PEOPLE'S UTILITY DISTRICT

DATE: May 7, 2019

TO: Board of Directors

FROM: Cyndi Gentry, SPHR, SHRM-SCP

SUBJECT: Change to district Post-Retirement Health benefit

The district offers a Post-Retirement Health benefit to all non-union employees at the time of hire. This benefit was removed from the Collective Bargaining Agreement during the 2019 bargaining sessions. A description of this plan can be found at the end of this memo.

This benefit now falls under the Other Postemployment Benefits (OPEB) standard (GASB 75). Under GASB 45 (old rule), OPEB expense was tied to funding (amount paid), and the total actuarial liability was only disclosed in the footnotes. Under GASB 75 (new rule), OPEB liability is recorded and expense is recognized as a change in liability. The district has the option to "fund" the liability by setting aside monies to pay future benefits, reducing the liability. GASB 75 also defines specific methods and assumptions that must be used in actuarial studies. According to Bakery Tilly, new studies will have to be completed every 2 years until all employees under the plan reach a certain age or pass away.

At this time, the district has eight (8) retirees utilizing this benefit, one (1) retiree eligible for this benefit when she turns 65, and four (4) active employees enrolled in the option. The most recent selection of this option was a 2011 hire. Newer employees have no interest in this benefit, but rather see value in the additional match for their 401k. The district spends a disproportionate amount of time and money on this benefit, for a small number of participants.

I am recommending that the board approve ending this benefit option for new employees, while grandfathering the plan for those already enrolled. I am also asking for the board's support of researching buy-out options for employees with this benefit.

This recommendation is consistent with the district's strategic objective of financial stability, including continuous improvements in the efficiency and effectiveness of budgeting, risk analysis, and financial reporting. This recommendation is also consistent with the district's strategic objective of recruiting, engaging, and retaining high performing employees.

Post Retirement Health Plan (*Employee Handbook, page 36-38*)

The District establishes and maintains a retiree-only premium reimbursement arrangement (“Plan”) to provide a post-retirement health benefit for eligible former employees. The District hereby amends and restates the Plan effective as of the date of adoption below.

To be eligible for benefits from the Plan, a former employee must meet all of the following criteria:

- Irrevocably elect ten percent (10%) matching retirement contribution under the District’s retirement plan;
- Have completed 20 or more years of service with the District;
- Remain on the District’s group insurance plan up to age 65; and
- Obtain insurance from another source and provide proof of insurance to the District.

The benefit, in the form of a credit to reimburse the retired employee’s substantiated health insurance premiums (Prescription, Dental, Vision and Supplemental Medicare) and the retiree spouse’s substantiated insurance premiums for Dental and Vision only, is not available until either:

- The employee reaches 65 years of age and retires, or,
- A retired employee (“retiree”) reaches age 65 if the employee retired earlier and remained on the District’s group insurance plan (assuming they have met all the requirements for staying on that plan) until reaching age 65.

The maximum reimbursement credit (“MRC”) under the Plan shall be the lesser of the following:

- \$350 (three hundred fifty dollars) per month for 2004, increasing at a rate of three percent (3%) per year beginning January 1, 2005, as noted below:

Calendar Year	MRC
2004	\$350.00
2005	\$360.50
2006	\$371.32
2007	\$382.45
2008	\$393.93
2009	\$405.75
2010	\$417.92
2011	\$430.46
2012	\$443.37
2013	\$456.67
2014	\$470.37
2015	\$484.48

- The amount of the premium for the qualifying coverage for the retiree.

The MRC is determined based on the cost of the retiree’s coverage and the retiree spouse’s coverage for dental and vision.

“Retirement” is defined as an employee with 25 years or more of service and/or is at a minimum, 60 years of age. At the time of Retirement, the amount of the retiree’s monthly reimbursement credit is determined as follows:

age at Retirement + years of service with the District = % of the MRC payable

Examples:

- An employee retires with 30 years of service at age 65 in 2004.
 $65 + 30 = 95$; 95% of \$350 = \$332.50 monthly benefit (or the amount of the premium for qualifying coverage, if less).
- An employee retires with 25 years of service at age 62 in 2014.
 $62 + 25 = 87$; 87% of \$470.37 = \$409.22 monthly benefit (or the amount of the premium for qualifying coverage, if less).

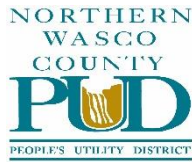
A pre-65 retiree must remain covered by the District’s group insurance plan up to age 65 to be eligible to receive premium reimbursement under this Plan. A retiree is no longer eligible to be covered under the District’s group insurance plan once they reach 65. In order to be eligible to receive premium reimbursement, the retiree must obtain qualifying health insurance coverage (Prescription, Dental, Vision and/or Supplemental Medicare) from another insurance carrier once they reach 65.

The retiree will be required on Retirement and annually thereafter during the month of December, to furnish to the District a statement from a health insurance carrier showing the qualifying health insurance coverage (Prescription, Dental, Vision and/or Supplemental Medicare) being purchased, the term of the coverage, the monthly premium cost, and who is covered. The retiree is required to notify the District if the health insurance coverage on file with the District is cancelled or replaced by an alternative insurance policy.

The District and retiree are required to enter into an agreement annually which outlines the terms of the premium reimbursement credit and payment. The District, upon receipt of substantiation of amounts spent for qualifying health insurance coverage, agrees to pay the retiree a premium reimbursement credit on a quarterly basis at a time determined by the District. Quarterly payments will be made directly by the District to the retired employee during the months of January, April, July and October.

In order to be eligible for the Plan, an employee must make a one-time irrevocable election to participate in this Plan or to opt-out of this Plan in connection with his or her elections under the retirement plan when first eligible (i.e. within the first 90 days of employment).

This Plan is intended to qualify as a “self-insured medical reimbursement plan” under Code section 105, and the qualifying expenses reimbursed by it are intended to be eligible for exclusion from participating retirees’ gross income under Code section 105(b).



MEMORANDUM
DIRECTOR OF CORPORATE SERVICES
NORTHERN WASCO COUNTY PEOPLE'S UTILITY DISTRICT

DATE: May 7, 2019
TO: Board of Directors
FROM: Cyndi Gentry, SPHR, SHRM-SCP
SUBJECT: Personal Leave Policy Amendment

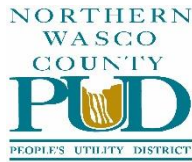
The district allows employees to sell back up to one-third (1/3) of their accrued PTO balance in the last month of each quarter. During the 2019 bargaining session, this was changed for union employees.

The administration of this option on each quarter is an administrative burden for payroll. It also allows employees to take their PTO bank below 40 hours. We would like to amend the employee handbook, offering the same option that union employees have. This language is as follows.

In May and November of each year, the employee may sell back to the District their accrued time, in excess of forty (40) hours, payable at one-hundred percent (100%) of the employees then current wage rate.

I am recommending that the board approve this change to the Personal Leave Policy for non-union employees.

This recommendation is consistent with the district's strategic objective of financial stability, including continuous improvements in the efficiency and effectiveness of budgeting, risk analysis, and financial reporting. This recommendation is also consistent with the district's strategic objective of recruiting, engaging, and retaining high performing employees.



MEMORANDUM
DIRECTOR OF CORPORATE SERVICES
NORTHERN WASCO COUNTY PEOPLE'S UTILITY DISTRICT

DATE: May 7, 2019
TO: Board of Directors
FROM: Cyndi Gentry, SPHR, SHRM-SCP
SUBJECT: Workers Compensation Policy Amendment

During the 2019 bargaining session, the following article was change in the CBA.

Old

For the first nine (9) months of work related disability, the District shall pay the disabled employee the difference between the amount paid to the employee by the Workers Compensation Insurance Carrier and one hundred percent (100%) of what the employee would have received after taxes and Social Security, if the employee had been paid regular straight-time wages, based on the number of dependents that the employee was claiming at the time of injury. (See Appendix A for sample calculations.)

New

An employee may utilize any remaining accumulated personal leave to make up the difference between the amount paid to the employee by the Workers' Compensation Insurance Carrier and one-hundred percent (100%) of what the employee would have received after taxes and Social Security, if the employee had been paid regular straight-time wages, based on the number of dependents that the employee was claiming at the time of injury.

The district will no longer pay wages when a union employee is out on a time-loss workers compensation injury, but employees may use their accrued PTO to make up any difference in their time-loss payments and a regular, straight-time work week.

I am recommending that the board approve a similar change to the Workers Compensation Policy for non-union employees. I have included a copy of the recommended policy and the current policy at the end of this memo.

This recommendation is consistent with the district's strategic objective of financial stability, including continuous improvements in the efficiency and effectiveness of budgeting, risk analysis, and financial reporting.

Current

Workers' Compensation

All employees are fully covered by Workers' Compensation insurance for any injuries of illness sustained on the job. In the event of an injury, you **MUST** inform your supervisor as soon as an injury occurs. If your supervisor is not available, contact the Benefits Administrator office. The District will not pay for injuries or illnesses that occur as a result of participation in an off-duty recreational, social, or athletic activity we sponsor.

On-the-job injuries are subject to the Workers' Compensation laws of this State and Workers' Compensation coverage is provided to this District through Special Districts Association of Oregon (SDAO). Hydro employees are subject to State of Washington Workers' Compensation.

An employee should report any injury to his/her immediate supervisor on the day it happens, whether or not it will be a time lost accident. When an employee loses time because of a job-related accident or illness, the time lost must be reported under Workers' Compensation.

For the first nine months of disability, the District pays the difference between the amount paid the disabled employee by Workers' Compensation and one hundred percent of what the employee would have received after taxes and social security, if the disabled employee had been paid regular straight time wages.

After completion of the nine (9) months period described previously, if the employee is still disabled, he/she may utilize any remaining accumulated personal leave.

The District will advance (in effect, loan to the employee) that portion of the employee's wage which will be paid by Workers' Compensation. The employee is required to repay the advance as compensation payments are received. Repayment will be by endorsing the Compensation check to the District. Lost time payments made by the District are subject to Social Security withholding for the first six (6) months and to federal and State tax withholding.

The Workers' Compensation payment will normally be 66.7% of the employee's gross straight wage, but not over the maximum dollar amount permitted by law. Workers' Compensation payments advanced by the District must be submitted to the payroll clerk immediately upon receipt of Workers' Compensation check and stub. Misuse of disability benefits will subject the employee to disciplinary action up to and including termination.

When an employee has a medical appointment for a job-related injury or illness, the appointment should be made to minimize the time absent from work and not exceed the actual time required. For appointments that can be scheduled, prior arrangements should be made with the supervisor. Time taken for such appointments shall be reported to Special Districts Association of Oregon.

Recommended

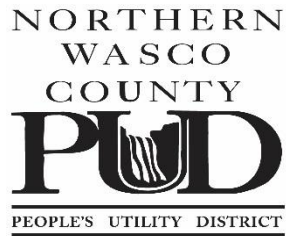
Workers' Compensation

On-the-job injuries or illnesses are subject to the Workers' Compensation laws of this State and Workers' Compensation coverage is maintained by the district. Hydro employees are subject to State of Washington Workers' Compensation.

In the event of an injury, you **MUST** immediately inform your supervisor. If your supervisor is not available, contact the safety office. The District will not pay for injuries or illnesses that occur because of participation in an off-duty recreational, social, or athletic activity we sponsor.

When an employee loses time because of a job-related accident or illness, the time-loss must be reported under Workers' Compensation. Workers' Compensation time-loss payments will normally be 66.7% of the employee's gross straight wage, but not over the maximum dollar amount permitted by law. An employee may utilize any remaining accumulated personal leave to make up the difference between the amount paid to the employee by the Workers' Compensation Insurance Carrier and what the employee would have received if the employee had been paid regular straight-time wages.

When an employee has a medical appointment for a job-related injury or illness, the appointment should be made to minimize the time absent from work and not exceed the actual time required. For appointments that can be scheduled, prior arrangements should be made with the supervisor. Time taken for such appointments shall be reported to the workers compensation insurance carrier.



DATE: May 7, 2019
TO: NORTHERN WASCO COUNTY BOARD OF DIRECTORS
FROM: Lana Egbert, Lead Sr. Financial Analyst
RE: Pole Contact Rate Change

The District's pole contact rental rate has been updated for 2019 based on the 2018 financial statements. The annual rental rate will increase from \$14.06 (2018 rate) to \$16.47 per contact if the licensee is compliant and \$16.67 (2018 rate) to \$19.84 per contact if not compliant.

Certified letters will be sent to pole contact licensees of the proposed new rates on May 8th, 2019. The Licensees will be allowed 60 days for comment. The recommendation is that the District make the following changes effective July 1st, 2019. CenturyLink is the District's only licensee whose billing begins on July 1st, 2019 all others begin on January 1st, 2020.

NORTHERN WASCO COUNTY PEOPLE'S UTILITY DISTRICT

AMENDED POLE CONTACT RATES

Effective July 1, 2018

COMPLIANT RATE:

\$14.06 per contact

NON-COMPLIANT RATE:

\$16.67 per contact

ADOPTED this 3rd day of July, 2018



President

ATTEST:



Secretary

Adopted: 07/03/18

Amended Pole Contact Rates

NORTHERN WASCO COUNTY PEOPLE'S UTILITY DISTRICT

POLE CONTACT RATES

Effective July 1, 2019

COMPLIANT RATE:

\$16.47 per contact

NON-COMPLIANT RATE:

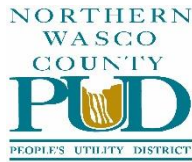
\$19.84 per contact

ADOPTED this 7th day of May, 2019.

President

ATTEST:

Secretary



MEMORANDUM
ENERGY MANGEMENT PROGRAM
NORTHERN WASCO COUNTY PEOPLE'S UTILITY DISTRICT

DATE: May 7, 2019
TO: Board of Directors
FROM: Lance Kublick
SUBJECT: Energy Management Program Funding

Background:

With the success of the district's energy efficiency programs the energy management staff is anticipating a challenge to continuing the momentum of the programs. In line with the District's conservation goals the low-income program continues to be successful and commercial lighting has increased activity. A rebate of over \$46,000 was recently paid to Dufur School for their complete building LED upgrade. In addition, Mid- Columbia Fire and Rescue, Petersburg School and Columbia Gorge Discovery Center also have plans for LED projects totaling over \$50,000.

Currently the District collects Energy Efficiency (EE) credits/dollars from the BPA EE budget in two ways. The first is by following BPA guidelines on approved measures and reporting these measures to BPA monthly. The second is in the form of performance payments, based on estimated kWh saved on the reported measures.

To maintain stability of our programs and benefit our customers staff will not claim the performance payments for the remainder of this year. This will make \$36,000 available for customer rebates. This change will not decrease the amount of credits we can claim in EE credits. Staff will not claim BPA performance payments and use those funds to extend the rebates paid to our customers.

Budget Impact:

Staff will be using additional District funds not to exceed \$50,000. This money will not be used until BPA EE credits have been exhausted. If available any additional BPA credits will be utilized before spending additional District funds. These funds will be made available to maintain current conservation programs for the remaining BPA rate period through September 2019.

This recommendation is consistent with the District's strategic goals of providing excellent customer service and our commitment to supporting our community by increasing commercial program activity and continuing to help our low-income customers.

**AMENDMENT NUMBER ONE
NORTHERN WASCO COUNTY PEOPLES' UTILITY DISTRICT 401(K) PLAN**

BY THIS AGREEMENT, Northern Wasco County Peoples' Utility District 401(k) Plan (herein referred to as the "Plan") is hereby amended as follows, effective as of May 1, 2019, except as otherwise provided herein:

1. The section of the Adoption Agreement entitled "TRUSTEE(S) OR INSURER(S)" is amended as follows:

TRUSTEE(S) OR INSURER(S) (Plan Sections 1.34 and 1.61):

a. **Insurer.** This Plan is funded exclusively with Contracts and the name of the Insurer(s) is:

(1) _____ (2) _____ (if more than 2, add names to signature page).

b. **Individual Trustee(s).** Individual Trustee(s) who serve as Trustee(s) over assets not subject to control by a corporate Trustee. (Add additional Trustees as necessary.)

Name(s)	Title(s)
_____ Director, Subdivision #1	_____
_____ Director, Subdivision #2	_____
_____ Director, Subdivision #3	_____
_____ Director, Subdivision #4	_____
_____ Director, Subdivision #5	_____
_____ Principal Engineer/Chief Innovation Officer	_____
_____ Executive Assistant	_____

Address and telephone number

1. Use Employer address and telephone number
2. Use address and telephone number below:

Address: _____
Street

City State Zip

Telephone: _____

c. **Corporate Trustee(s)** (add additional Trustees as necessary)

Name: _____

Address: _____
Street

City State Zip

Telephone: _____

Directed/Discretionary Trustee. Unless otherwise specified below, if there is a corporate Trustee, it will serve as a Directed (nondiscretionary) Trustee (Plan Section 1.18) and if there is an individual Trustee, he or she will serve as a Discretionary Trustee (Plan Section 1.19) over all Plan assets (select all that apply; leave blank if defaults apply)

d. Directed Trustee exceptions (leave blank if no exceptions):

Directed Trustee over specified Plan assets (select all that apply; leave blank if none apply)

1. The corporate Trustee will serve as Directed Trustee over the following assets: _____
2. The individual Trustee(s) will serve as Directed Trustee over the following assets: _____

Individual Trustee will serve as Directed Trustee (may not be selected with d.1 or d.2.)

3. over all Plan assets

e. Discretionary Trustee exceptions (leave blank if no exceptions):

Discretionary Trustee over specified Plan assets (select all that apply; leave blank if none apply)

1. The individual Trustee(s) will serve as Discretionary Trustee over the following assets: _____

2. The corporate Trustee will serve as Discretionary Trustee over the following assets: _____
 Corporate Trustee will serve as Discretionary Trustee (may not be selected with e.1 or e.2.)
3. over all Plan assets

Separate trust. Will a separate trust agreement that is approved by the IRS for use with this Plan be used?

- f. No
 g. Yes

NOTE: If Yes is selected, an executed copy of the trust agreement between the Trustee and the Employer must be attached to this Plan. The Plan and trust agreement will be read and construed together. The responsibilities, rights and powers of the Trustee will be those specified in the trust agreement.

2. The section of the Adoption Agreement entitled "CONTRIBUTION TYPES" is amended as follows:

CONTRIBUTION TYPES

The following contributions are authorized under this Plan. The selections made below should correspond with the selections made under the Contributions and Allocations section of this Adoption Agreement.

- a. Elective Deferrals (Section 401(k) Salary Reduction Contributions; includes Roth Elective Deferrals if elected at 24.f.).
 b. Employer Contributions.
 c. Matching Contributions.
 d. Rollover Contributions.
 e. Employee Contributions (The Plan will treat as pick-up contributions under Code §414(h)(2)).
 f. Employee After-Tax Contributions.
 g. This Plan qualifies as a Social Security Replacement Plan.
 h. This is a frozen Plan effective: _____.

3. The section of the Adoption Agreement entitled "COMPENSATION" is amended as follows:

COMPENSATION with respect to any Participant is defined as follows (Plan Sections 1.14 and 1.32).

Base definition

- a. Wages, tips and other compensation on Form W-2
 b. Code §3401(a) wages (wages for withholding purposes)
 c. 415 safe harbor compensation

NOTE: The Plan provides that the base definition of Compensation includes amounts that are not included in income due to Code §§401(k), 125,132(f)(4), 403(b), SEP, 414(h)(2), & 457.

Determination period. Compensation will be based on the following "determination period" (this will also be the Limitation Year unless otherwise elected at option f. under Section B of Appendix A):

- d. the Plan Year
 e. the Fiscal Year coinciding with or ending within the Plan Year
 f. the calendar year coinciding with or ending within the Plan Year

Adjustments to Compensation (for Plan Section 1.14). Compensation will be adjusted by:

- g. **No adjustments** (skip to i. below)
 h. **Adjustments.** Compensation will be adjusted by (select all that apply):
 1. excluding salary reductions (401(k), 125, 132(f)(4), 403(b), SEP, 414(h)(2) pickup, & 457)
 2. excluding reimbursements or other expense allowances, fringe benefits (cash or non-cash), moving expenses, deferred compensation (other than deferrals specified in 1. above) and welfare benefits.
 3. excluding Compensation paid during the "determination period" while not a Participant in the Plan.
 4. excluding Military Differential Pay
 5. excluding overtime
 6. excluding bonuses
 7. other: Temporary work differential pay, on call pay, sell back of personal leave time and imputed income per Sections 61 and 79 of code.; excluding commissions (e.g., describe Compensation from the elections available above or a combination thereof as to a Participant group (e.g., no exclusions as to Division A Employees and exclude bonuses as to Division B Employees); and/or describe another exclusion (e.g., exclude shift differential pay)).

Military Differential Pay Special Effective Date (leave blank if not applicable)

- i. If this is a PPA restatement and the provisions above regarding Military Differential Pay (included unless h.4. is selected) have a later effective date than Plan Years beginning after December 31, 2008, then enter the date such provisions were first effective: _____ (may not be earlier than January 1, 2009; for Plan Years beginning prior to January 1, 2009, Military Differential Pay is treated in accordance with the post-severance Compensation provisions in the following Question).

4. The section of the Adoption Agreement entitled "FORMULA FOR DETERMINING EMPLOYER PROFIT SHARING CONTRIBUTION" is amended as follows:

FORMULA FOR DETERMINING EMPLOYER PROFIT SHARING CONTRIBUTION (Plan Section 11.1(a)(3))

- a. N/A. No Employer Profit Sharing Contributions may be made (skip to Question 28.)

- b. Discretionary contribution, to be determined by the Employer. ANY discretionary profit sharing contribution for a Plan Year will be allocated in the same ratio as each Participant's Compensation bears to the total of such Compensation of all Participants.
- c. 5% (not to exceed 25%) of each Participant's Compensation.
- d. \$_____per Participant.
- e. \$_____per Hour of Service worked while an Eligible Employee.
- f. other: _____
(the formula described must satisfy the definitely determinable requirement under Regulations §1.401-1(b)(1)(ii)).

5. The section of the Adoption Agreement entitled "REQUIREMENTS TO SHARE IN ALLOCATIONS OF EMPLOYER CONTRIBUTIONS AND FORFEITURES" is amended as follows:

REQUIREMENTS TO SHARE IN ALLOCATIONS OF EMPLOYER CONTRIBUTIONS AND FORFEITURES (select a. OR b. and all that apply of c. or d.)

- a. **No conditions.** All Participants share in the allocations regardless of service completed during the Plan Year or employment status at the end of the Plan Year. (skip to next Question.)
- b. **Conditions for Participants NOT employed at the end of the Plan Year.**
 - 1. A Participant must complete more than _____Hours of Service.
 - 2. A Participant must complete a Year of Service.
 - 3. Participants will NOT share in the allocations, regardless of service.
 - 4. Participants will share in the allocations, regardless of service.
 - 5. Other: _____(must be definitely determinable, not subject to Employer discretion and may not require more than one Year of Service (or Period of Service if the elapsed time method is selected))
- c. **AND, Waiver of conditions for Participants NOT employed at the end of the Plan Year.** Participants who are not employed at the end of the Plan Year due to the following shall be eligible to share in the allocations regardless of the above conditions (select all that apply):
 - 1. Death.
 - 2. Total and Permanent Disability.
 - 3. Early or Normal Retirement.
- d. **Conditions for Participants employed at the end of the Plan Year.**
 - 1. No service requirement.
 - 2. A Participant must complete a Year of Service.
 - 3. A Participant must complete at least _____Hours of Service during the Plan Year.

6. Section A. in the "EMPLOYER MATCHING CONTRIBUTIONS" section of the Adoption Agreement is amended as follows:

EMPLOYER MATCHING CONTRIBUTIONS (Plan Section 11.1(a)(2))

A. **Matching Formula.**

- a. N/A. There will not be any Employer matching contributions (skip to next Question).
- b. The Employer ... (select 1. or 2.)
 - 1. **Discretionary.** The Employer may make matching contributions equal to a discretionary percentage, to be determined by the Employer, of the Participant's Elective Deferrals.
 - 2. **Fixed - uniform rate/amount.** The Employer will make matching contributions equal to _____% (e.g., 50) of the Participant's Elective Deferrals.

AND, in determining the Employer matching contribution above, only Elective Deferrals up to the percentage or dollar amount specified below will be matched: (select 3. and/or 4. OR 5.)

- 3. _____% of a Participant's Compensation.
- 4. \$_____.
- 5. a discretionary percentage of a Participant's Compensation or a discretionary dollar amount, the percentage or dollar amount to be determined by the Employer on a uniform basis for all Participants.
- c. **Discretionary - tiered.** The Employer may make matching contributions equal to a discretionary percentage, to be determined by the Employer, of each tier, to be determined by the Employer, of the Participant's Elective Deferrals.
- d. **Fixed - tiered.** The Employer will make matching contributions equal to a uniform percentage of each tier of each Participant's Elective Deferrals, determined as follows:

NOTE: Fill in only percentages or dollar amounts, but not both. If percentages are used, each tier represents the amount of the Participant's applicable contributions that equals the specified percentage of the Participant's Compensation (add additional tiers if necessary):

Tiers of Contributions (indicate \$ or %)	Matching Percentage
First _____	____%
Next _____	____%
Next _____	____%
Next _____	____%

- e. **Fixed - Years of Service.** The Employer will make matching contributions equal to a uniform percentage of each Participant's Elective Deferrals based on the Participant's Years of Service (or Periods of Service if the elapsed time method is selected), determined as follows (add additional tiers if necessary):

Years (or Periods) of Service	Matching Percentage
_____	_____ %
_____	_____ %
_____	_____ %

For purposes of the above matching contribution formula, a Year (or Period) of Service means a Year (or Period) of Service for:

1. vesting purposes
2. eligibility purposes

In determining the Employer matching contribution above, only Elective Deferrals up to the percentage or dollar amount specified below will be matched (select all that apply; leave blank if not applicable):

3. _____% of a Participant's Compensation.
4. \$_____.

- f. **Other:** Match equal to 100% of deferrals, limited to 5% of compensation for employees participating in the District OPEB and limited to 7% of compensation for employees not participating in the District OPEB plan. (the formula described must satisfy the definitely determinable requirement under Regulations §1.401-1(b)).

7. Section D. in the "EMPLOYER MATCHING CONTRIBUTIONS" section of the Adoption Agreement is amended as follows:

D. Allocation Conditions. Select o. OR p. and all that apply of q. or r.

- o. No conditions. All Participants share in the allocations regardless of service completed during the Plan Year or employment status at the end of the Plan Year. (skip to next Question.)
- p. Conditions **for Participants NOT employed at the end of the Plan Year.**
 1. A Participant must complete a Year of Service.
 2. Participants will NOT share in the allocations, regardless of service.
 3. Participants will share in the allocations, regardless of service.
 4. Other: _____ (must satisfy the definite written allocation formula, may not be subject to Employer discretion and may not require more than one Year of Service (or Period of Service if the elapsed time method is selected))
- q. **AND, Waiver of conditions for Participants NOT employed at the end of the Plan Year.** Participants who are not employed at the end of the Plan Year due to the following shall be eligible to share in the allocations regardless of the above conditions (select all that apply):
 1. Death.
 2. Total and Permanent Disability.
 3. Early or Normal Retirement.
- r. **Conditions for Participants employed at the end of the Plan Year.**
 1. No service requirement.
 2. A Participant must complete a Year of Service.
 3. A Participant must complete at least _____ (not to exceed 1,000) Hours of Service during the Plan Year.

8. Section E. in the "EMPLOYER MATCHING CONTRIBUTIONS" section of the Adoption Agreement is amended as follows:

E. Matching Contribution to be made to: Select s., t. or u.

- s. Matching to deferrals to this plan ONLY
- t. Matching to the Employer's 457(b) plan ONLY
- u. Matching to both 401(k) and 457(b) deferrals

The Employer executes this Amendment on the date specified below.

Date: _____

Northern Wasco County Peoples' Utility District

By: _____
EMPLOYER

Director, Subdivision #1

By _____
TRUSTEE

Director, Subdivision #2

By _____
TRUSTEE

Director, Subdivision #3

By _____
TRUSTEE

Director, Subdivision #4

By _____
TRUSTEE

Director, Subdivision #5

By _____
TRUSTEE

Principal Engineer/Chief Innovation Officer

By _____
TRUSTEE

Executive Assistant

By _____
TRUSTEE

CONSIDERATION OF THE REQUESTS FOR PROPOSALS RECEIVED FOR RETIREMENT PLANNING SERVICES

Kathy McBride

Executive Assistant

SUMMARY OF REQUEST FOR PROPOSAL PROCESS

- ❖ Special Counsel Iris Tilley meets with Board of Trustees on February 6, 2018 after being engaged by District to look over Retirement Plans with Nationwide to determine if the plans are compliant with federal regulations.
- ❖ The Board of Trustees heard a presentation from Northwestern Mutual Representatives on February 6, 2018 on their analysis of the Districts 401(k) Profit Sharing Plan and the 457(b) Plan. Northwestern Mutual proposes to serve the District as intermediary for investment monitoring and provider suitability, education of employees, and to provide a description and analysis of the retirement plans.
- ❖ In March 2018, Special Counsel Iris Tilley initiates a Request for Proposals (RFP) process with various plan representatives intending to provide the Board of Trustees and plan participants with similar information as presented previously by Northwestern Mutual Representatives.

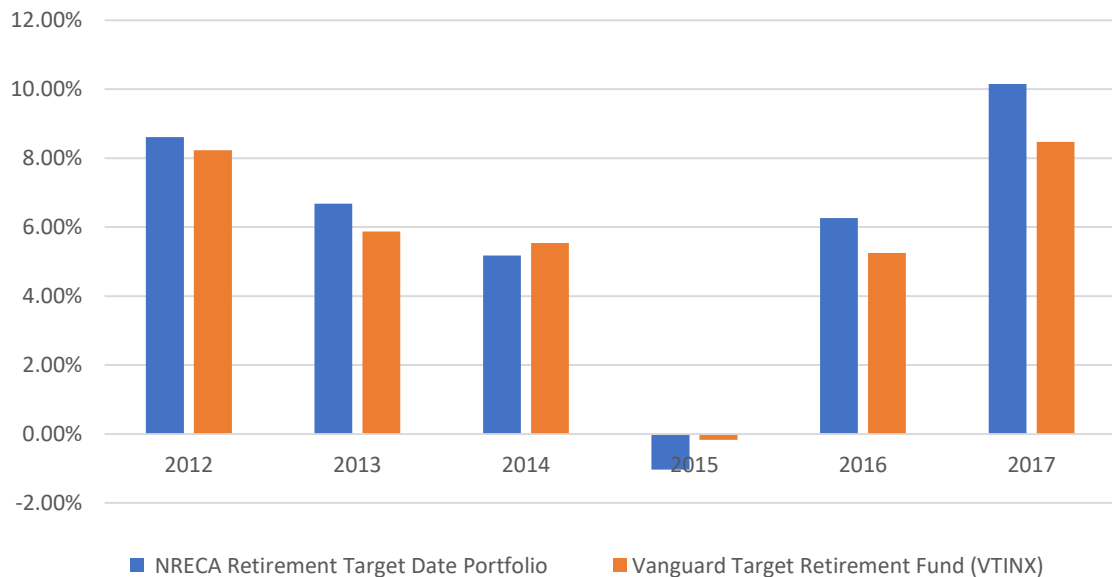
- ❖ The Board of Trustees heard Retirement Plan Presentations from the following on the dates listed below:
 - * September 4, 2018 from John Coats
 - * September 28, 2018 from Northwestern Mutual
 - * October 2, 2018 from National Rural Electric Cooperative Association (NRECA)
- ❖ On November 6, 2018 the Board of Trustees considered the Requests for Proposals received to provide retirement plan services. A lengthy discussion occurred regarding the proposals received and whether the Board of Trustees want to move away from the Stable Value Fund offered by Nationwide.
- ❖ The Board of Trustees requested information pertaining to the participation level in the Stable Value Fund, as well as additional information on the services that the NRECA will provide for the District's 457(b) Fund.
- ❖ In January 2019, a Retirement Plan Survey was distributed to all plan participants. Responses were received back from 47 employees, 2 former employees, 2 retirees and 2 Board Members.
- ❖ On March 12, 2019 the Board of Trustees met again to consider the Request for Proposals and the comments received back from the survey of plan participants.

- ❖ At the conclusion of the meeting, Special Counsel Iris Tilley was directed to provide the District with fund comparisons between the NRECA's propriety funds and current investment funds through Nationwide. These comparisons will then be shared with staff and plan participants.
- ❖ An electronic survey was conducted during the week of April 29th through May 3rd. The following question was asked in this survey: "I'm in favor of the District switching Retirement Plan Services to the NRECA?"
- ❖ A total of 46 responses have been received back out of 49. All responses received, other than one with "no opinion", were in favor of the Retirement Plan Services offered by the NRECA.
- ❖ Special Counsel Iris Tilley provided plan participants with the following Charts of Calendar Year Returns for Target Date and Core Funds. These Charts illustrate the comparison between the NRECA and Vanguard type funds.
- ❖ Also provided to plan participants was the NRECA's 401(k) Price Returns as of March 31, 2019.

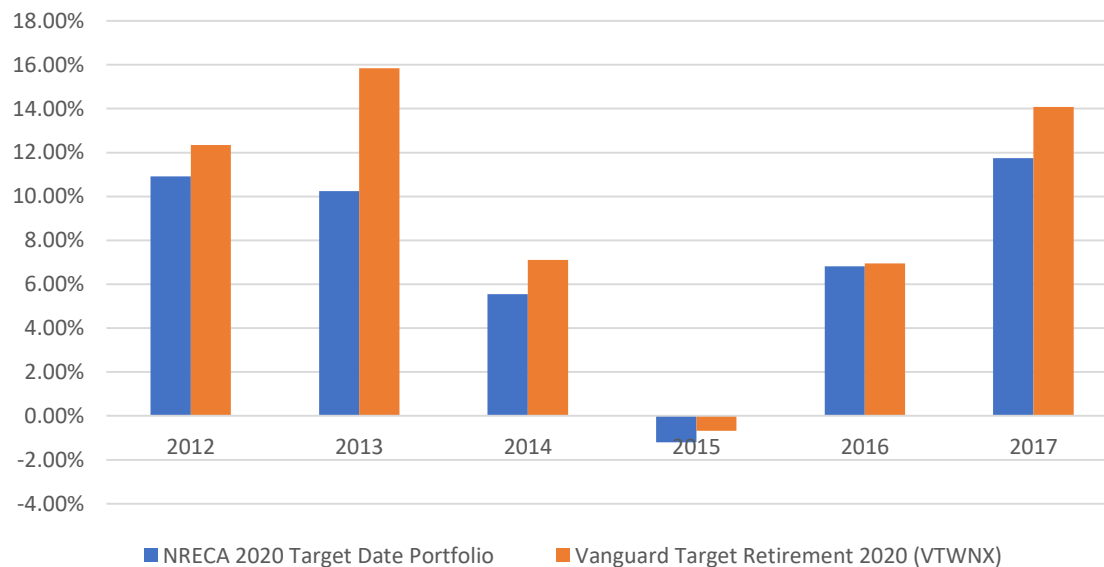
Chart of Calendar Year Returns: Target Date Funds

Vanguard performance does not reflect the deduction of the \$20 annual account service fee that may be applied when a Vanguard fund balance is below \$10,000. If this fee was included, performance would be lower. Nationwide performance does not include sales charge.

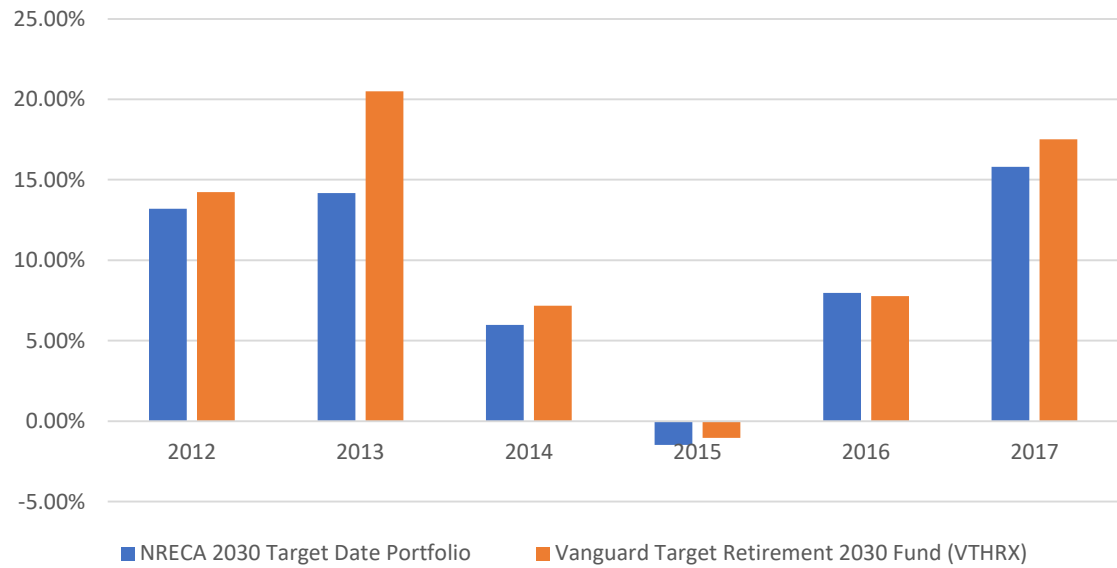
Retirement Target Date Portfolio: Calendar Year Returns



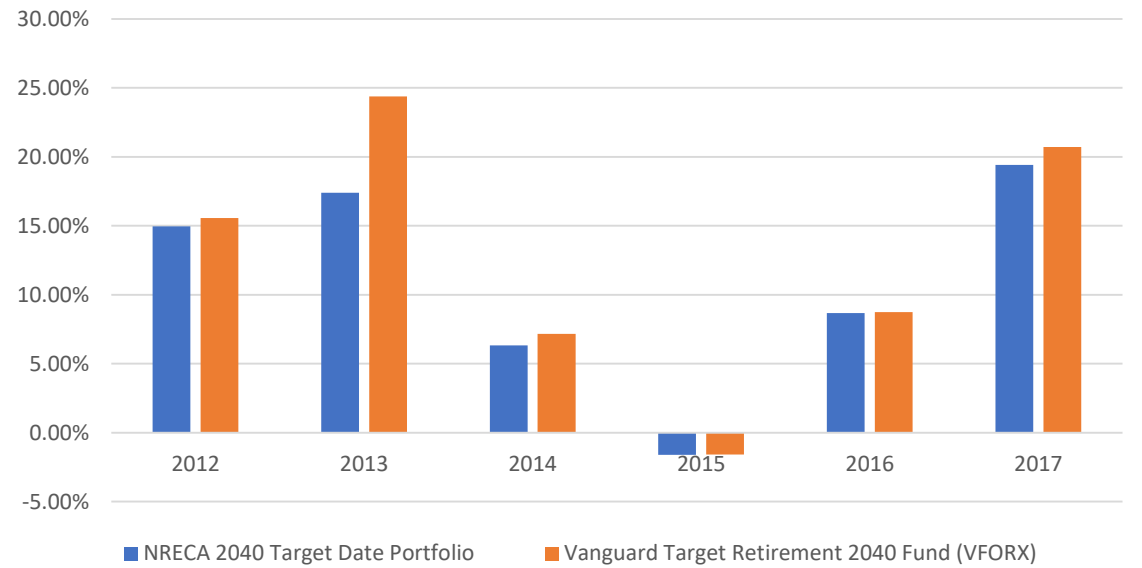
2020 Target Date Fund: Calendar Year Returns



2030 Target Date Fund: Calendar Year Returns



2040 Target Date Fund: Calendar Year Returns



2050 Target Date Portfolio: Calendar Year Returns

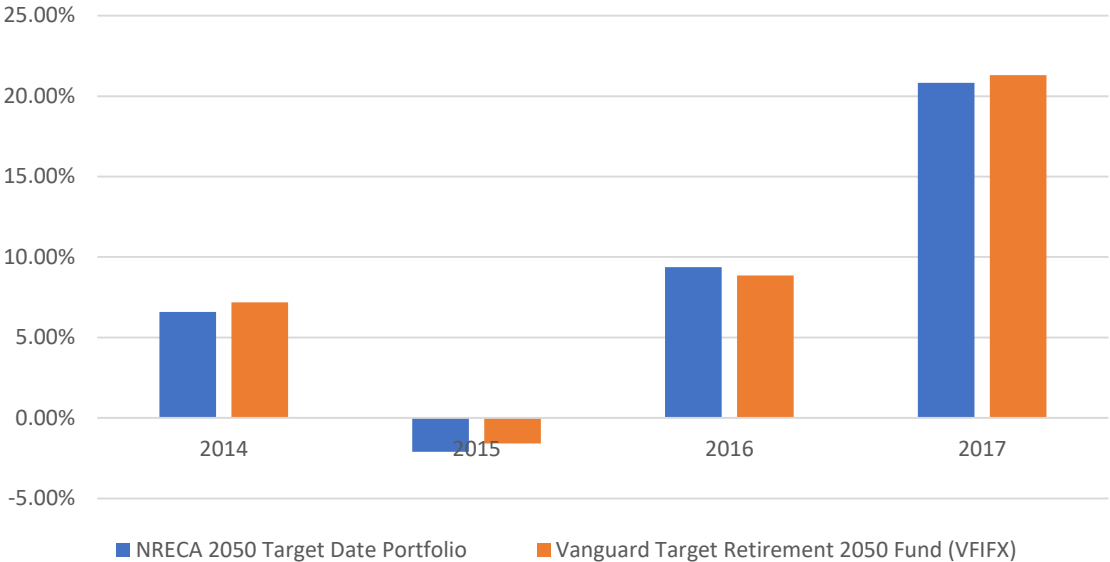
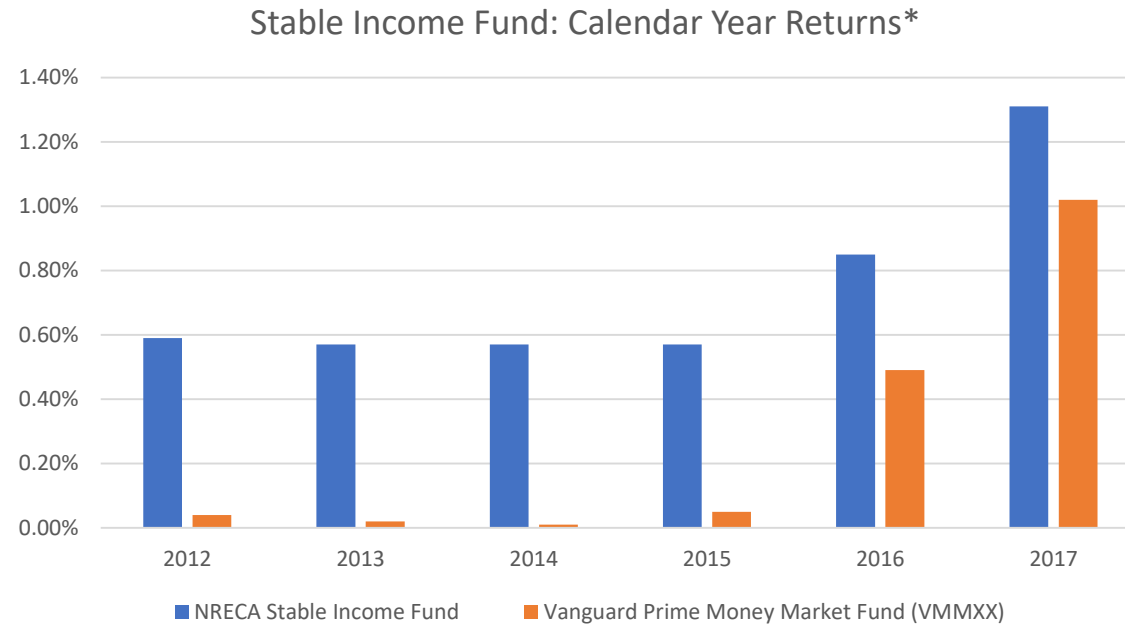
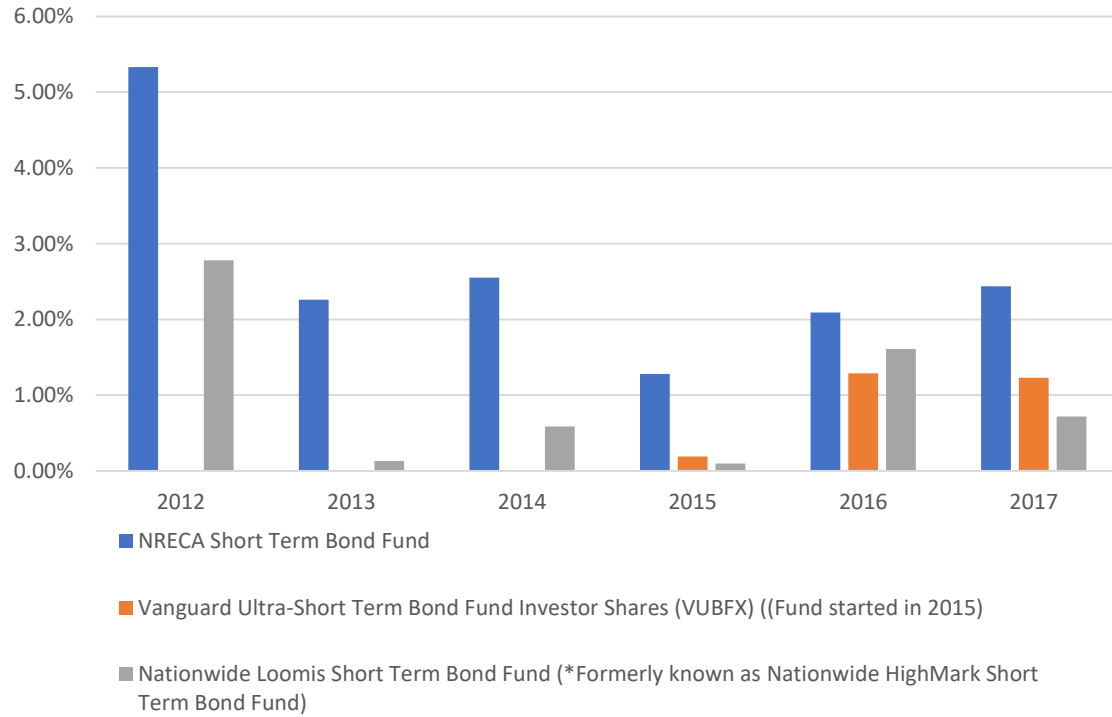


Chart of Calendar Year Returns: Core Funds

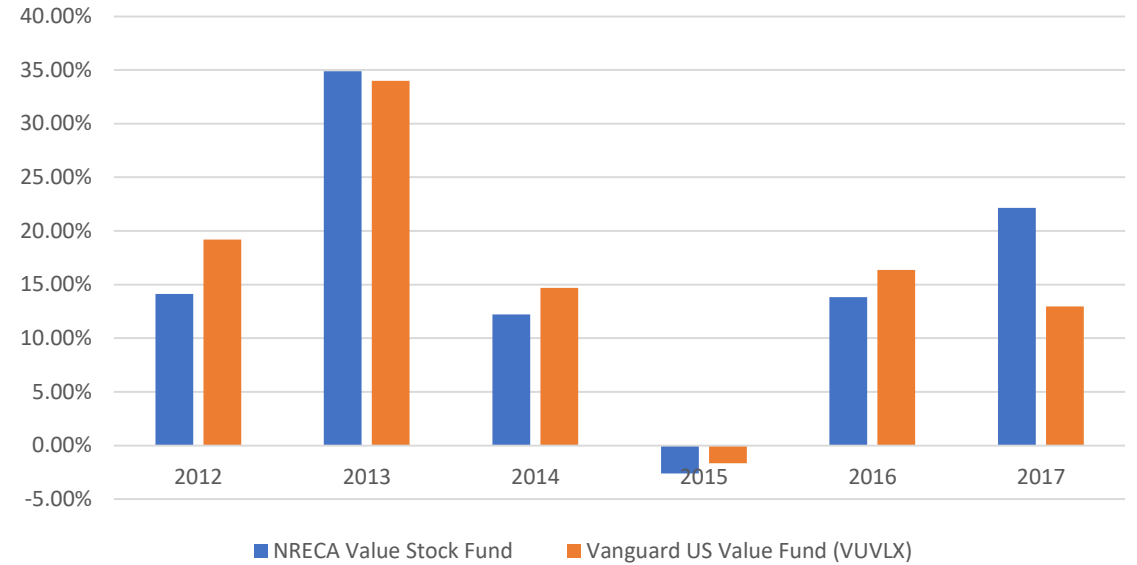
Vanguard performance does not reflect the deduction of the \$20 annual account service fee that may be applied when a Vanguard fund balance is below \$10,000. If this fee was included, performance would be lower. Nationwide performance does not include sales charge.



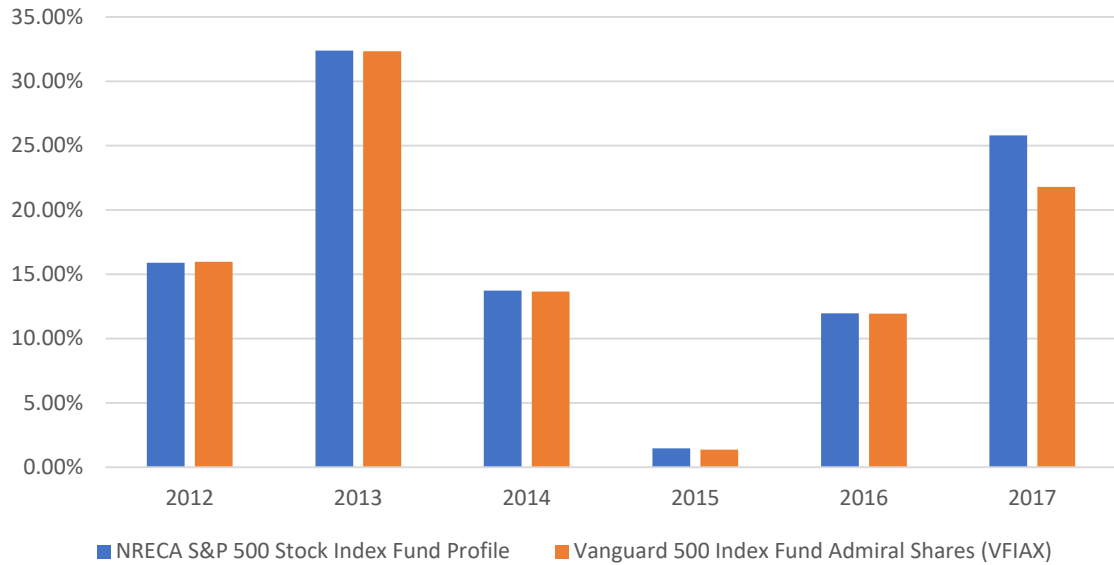
Short Term Bond Fund: Calendar Year Returns*



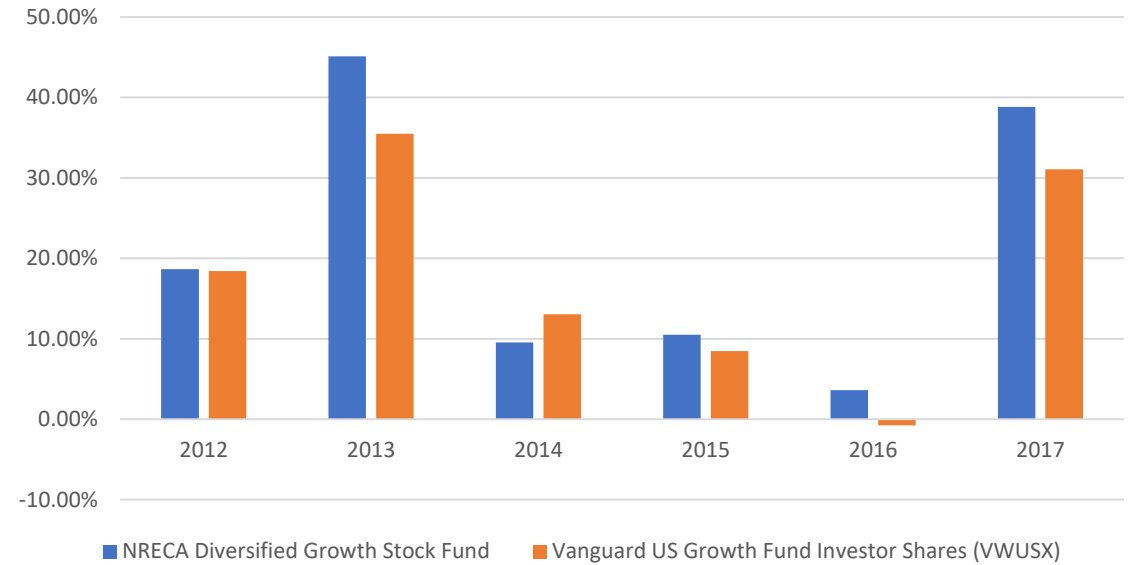
Value Stock Fund: Calendar Year Returns*



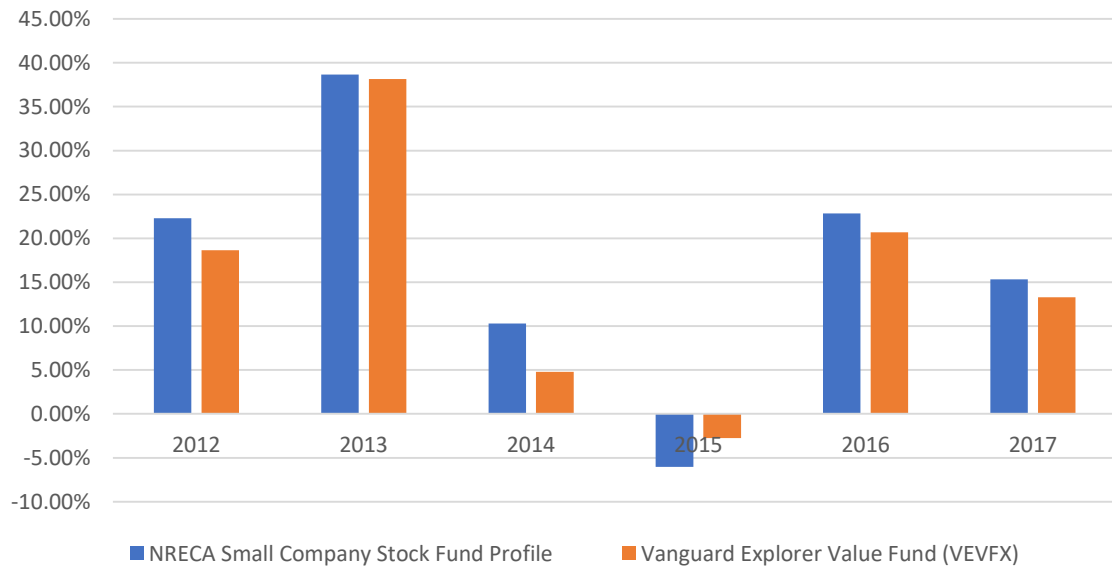
S&P 500 Stock Index Fund: Calendar Year Returns*



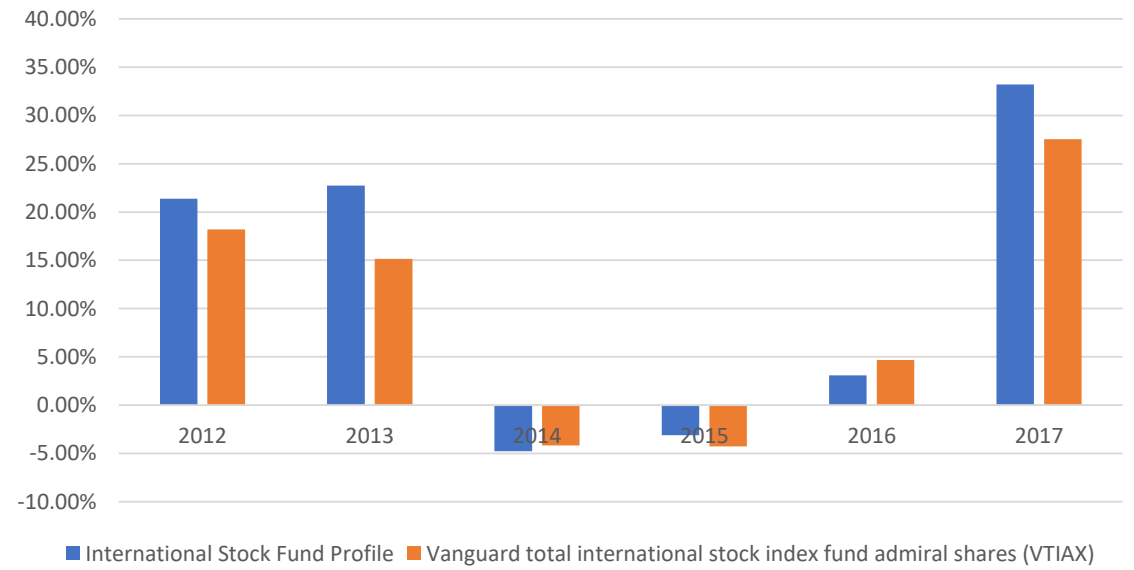
Diversified Growth Stock Fund: Calendar Year Returns*



Small Company Stock Fund: Calendar Year Returns*



International Stock Fund: Calendar Year Returns*





**NRECA 401(k) Price Returns
As of March 31, 2019**

PERFORMANCE SUMMARY REPORT

	MONTH	QTD	YTD	1 YEAR	2 YEARS	3 YEARS	5 YEARS	10 YEARS	20 YEARS	INCEP
U.S. EQUITY										
Diversified Growth Fund	1.04	14.81	14.81	14.12	22.22	22.14	15.31	19.36		
Value Stock Fund	0.79	11.65	11.65	7.03	10.34	12.99	9.04	14.58	7.15	
S&P 500 Stock Index Fund	1.92	13.60	13.60	9.24	11.45	13.22	10.65	15.58	5.69	
Small Company Stock Fund	-3.04	14.60	14.60	-14.59	-1.66	4.90	3.53	14.96		
NON-U.S. EQUITY										
International Stock Fund	1.92	12.51	12.51	-2.59	8.16	9.81	3.66	9.53	3.84	
U.S. FIXED INCOME										
Short Term Bond Fund	0.77	1.45	1.45	3.37	2.45	2.18	1.89	3.68	3.57	
BALANCED										
Retirement Target Date Portfolio	1.50	6.67	6.67	3.78	4.81	5.27	3.90	6.92		4.35
2020 Target Date Portfolio	1.48	7.04	7.04	3.72	5.27	6.00	4.32	8.54		4.31
2030 Target Date Portfolio	1.50	9.44	9.44	4.18	6.79	7.92	5.41	10.23		4.89
2040 Target Date Portfolio	1.51	11.43	11.43	4.46	8.07	9.44	6.28	11.60		5.30
2050 Target Date Portfolio	1.49	12.48	12.48	4.56	8.50	10.18	6.59			7.02
2060 Target Date Portfolio	1.48	12.52	12.52	4.55						3.79
CASH EQUIVALENTS										
Stable Income Fund	0.23	0.67	0.67	2.49	1.81	1.33	0.80	0.41	1.77	

Source: State Street Investment Analytics

The performance information for the Small Company Stock Fund includes its experience as the Small-Company Stock Index Fund from inception through March 27, 2009. The performance information for the Diversified Growth Stock Fund includes its experience as the Nasdaq-100 Index Tracking Stock Fund from inception through March 27, 2009. The Retirement Target Date Portfolio, 2020 Target Date Portfolio, 2030 Target Date Portfolio and 2040 Target Date Portfolio all have an inception date of April 14, 2008. The 2050 Target Date Portfolio has an inception date of November 1, 2013. The performance information for the Stable Income Fund includes its experience as the Money Market Fund from inception through November 30, 2017.

The investment returns shown above represent past performance, which does not guarantee future results. The investment return and principal value of an investment will fluctuate



Read before entering into Executive Session:

The Northern Wasco County PUD will now meet in Executive Session.

The Executive Session is being held pursuant to ORS 192.660(2)(g) to consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations.

*Representatives of the news media and designated staff shall be allowed to attend the Executive Session. All other staff and members of the audience are asked to leave the room. **Representatives of the news media are specifically directed not to report on any of the deliberations during the executive session, except to state the general subject of the session as previously announced.** No decision may be made in Executive Session. At the end of the Executive Session, we will return to open session and you are welcome to return back into the room.”*



Stephanie Krell <stephaniek@co.wasco.or.us>

Oregon Connections Conf - Oregon Connections Keynote Speakers

1 message

BERRIAN Pam C <PBerrian@eugene-or.gov>
To: BERRIAN Pam C <PBerrian@eugene-or.gov>
Cc: TAMARIN Christopher * BIZ <Christopher.Tamarin@oregon.gov>

Mon, May 6, 2019 at 12:08 PM

We are pleased to announce that our 2019 Keynote Speaker will be Jean Rice of the National Telecommunications and Information Administration. Jean is a telecommunications expert and advisor who works with federal agencies, tribal, local and state governments, industry, universities and non-profits on smart cities and communities projects and provides technical assistance to support deployment of broadband infrastructure. For 25 years, she was the CEO of a telecommunications consulting company for US cities and states.

Our second Keynote speaker on Friday will be Trevor Yarrish, CEO and Founding Partner of ZEAL, a southern Oregon company empowering innovators to deliver the future of Web + Mobile Apps.

The 2019 conference will explore "**Smart communities,**" strategies, applications, enabling technologies and Oregon initiatives. Topics include smart cities, Internet of Things, new developing technologies, smart solutions for rural cities and public policy.

The conference is scheduled for Thursday and Friday, October 24 and 25, 2019 at the Ashland Hills Hotel and Suites in Ashland <https://ashlandhillshotel.com/>. Special conference room rates are now available for reservations made by phone at 855 482-8310.

The Early Bird registration fee is just \$80.

Find conference information, on-line registration, and updates at www.oregonconnections.info.

Please follow us on *Twitter* <https://twitter.com/ORConnections> and Facebook <https://www.facebook.com/Oregon-Connections-Telecommunications-Conference-374338935943073/>

Please accept this invitation to join us in beautiful Southern Oregon!

Thanks to our valued sponsors Wave Business, Genxsys Solutions, Zayo, Oregon Broadband Advisory Council, Calix, the City of Eugene, Business Oregon and Southern Oregon Economic Development, Inc. !!!

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Stephanie Krell <stephaniek@co.wasco.or.us>

Oregon Business Magazine, May 2019

2 messages

Lee Weinstein <lee@weinsteinpr.com>

Thu, Apr 25, 2019 at 6:14 AM

To: Stephanie Krell <stephaniek@co.wasco.or.us>, Dale Lepper <DaleL@mcmc.net>, Darcy Long-Curtiss <dlong-curtiss@ci.the-dalles.or.us>, John Amery <john@aristonetworks.com>, Keith Mobley <mobley@ortelco.net>, Mike Middleton <mikem@co.wasco.or.us>, Rod Runyon <rrunyon@ci.the-dalles.or.us>, Scott Hege <scoth@co.wasco.or.us>, Tawnya Williams <tawnyaw@co.wasco.or.us>, Tyler Stone <tylers@co.wasco.or.us>, Carrie Pipinich <carrie@mcedd.org>, Douglas Quisenberry <douglasq@google.com>, Steve Lawrence <SeLawrence1963@gmail.com>, Taner Elliott <tanere Elliott@gmail.com>, Jacob Dunaway <jdunaway@helpmesolutions.com>
Cc: Becky Brun <becky@weinsteinpr.com>

Good morning, QLife-

Attached please find *Oregon Business Magazine's* May cover story about broadband and Oregon's rural communities. Becky worked with writer Amy Milshtein, which includes Maupin and a photo of Mayor Ewing and a quote from Byron Cantrall, CEO of LS Networks. (Weinstein PR worked for LS Network and the City and Chamber of Maupin to announce their new broadband network, which included QLife in the press release.)

The article notes:

The state of Oregon was their biggest financial booster, investing more than \$935,000 in the project. QLife Network, an intergovernmental agency, helped facilitate the project. Private partners [Gorge.net](#), Google, the Columbia Gorge Health Council and LS Networks, a Portland telecommunications service provider, pitched in financially.

LS Networks also designed and installed the network. For a small community, these partnerships are key. "Locally owned, rural internet-service providers are less concerned about returning profits to shareholders and more concerned about building long-term relationships with communities," says Byron Cantrall, CEO of LS Networks. "Smaller rural providers are in it for the long haul."

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Michael Jones, director of research at San Francisco-based Salesforce, is halfway there. He and his wife are moving from Portland to Maupin, where he will work remotely most of the time. "I absolutely rely on high-speed internet to do my job," he says in a press release. "But when I'm not working, I want to spend time getting to know my neighbors and being on the river." Jones is confident that more telecommuters and tech companies will follow him to Maupin.

Thanks, everyone, for your help. Go, Rural Oregon!

Lee & Becky

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GOT DATA?

Broadband gives life to rural economies, but not all can get connected

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FERTILE FUTURE

Rural economies, seeded with connectivity, are bridging the digital divide and growing a local crop of tech-based business.

BY AMY MILSHTAIN

The aha moment, according to Shawn Irvine, struck during an ag-tech meetup in Indy Commons.

A storefront coworking space in downtown Independence, Indy Commons regularly hosts after-hours get-togethers like this. Representatives from government, tech associations and business gather with locals to network, chitchat and hope for the creative collision that sparks the next big idea. That night's cross-section of stakeholders included the governor's regional solutions coordinator, a representative from the state's Department of Agriculture, someone from Intel, a few local growers and people from City Hall, including Irvine, Independence's economic development director.



The group mused about the possibility of a mechanical strawberry harvester. Long considered the holy grail of ag automation, a machine that could pick delicate fruit without damaging it would disrupt agriculture, revolutionize harvesting and make a whole lot of money.

Irvine recalls what happened next. "One of the farmers banged his fist on the table and said, 'Forget about harvesting, what about the food-safety paperwork? It takes so damn long to complete, half the time the crops rot in the field!'"

"Everyone got quiet," according to Irvine. "We knew that should be a solvable problem."

It was. Well, at least part of it was. Intel introduced their Connected Logistics Platform in December 2018 after testing the system's low-cost sensors in the blueberry fields of Independence. The sensors detect location, condition and handling of sensitive, high-value goods, like computer chips or biopharma products or delicate blueberries, and sends the information back to shippers in real time.

The Connected Logistics Platform

creates a transparent supply chain that simplifies logistics and reduces loss. The rest of the solution, a distributed ledger that uses blockchain technology to digitize and certify food-safety paperwork, remains unfinished. And the farmer's pain point continues.

Still, the small city of Independence, population 8,600, tucked away in Polk County about a 15-minute drive from Salem, was the inspiration and test bed for this product and many others. With MINET, its city-owned high-speed broadband, as well as forward-thinking city government, proximity to two state universities and a handful of local entrepreneurs, Independence has emerged as a poster child for rural technical innovation.

But can the model be replicated across the state and the country?

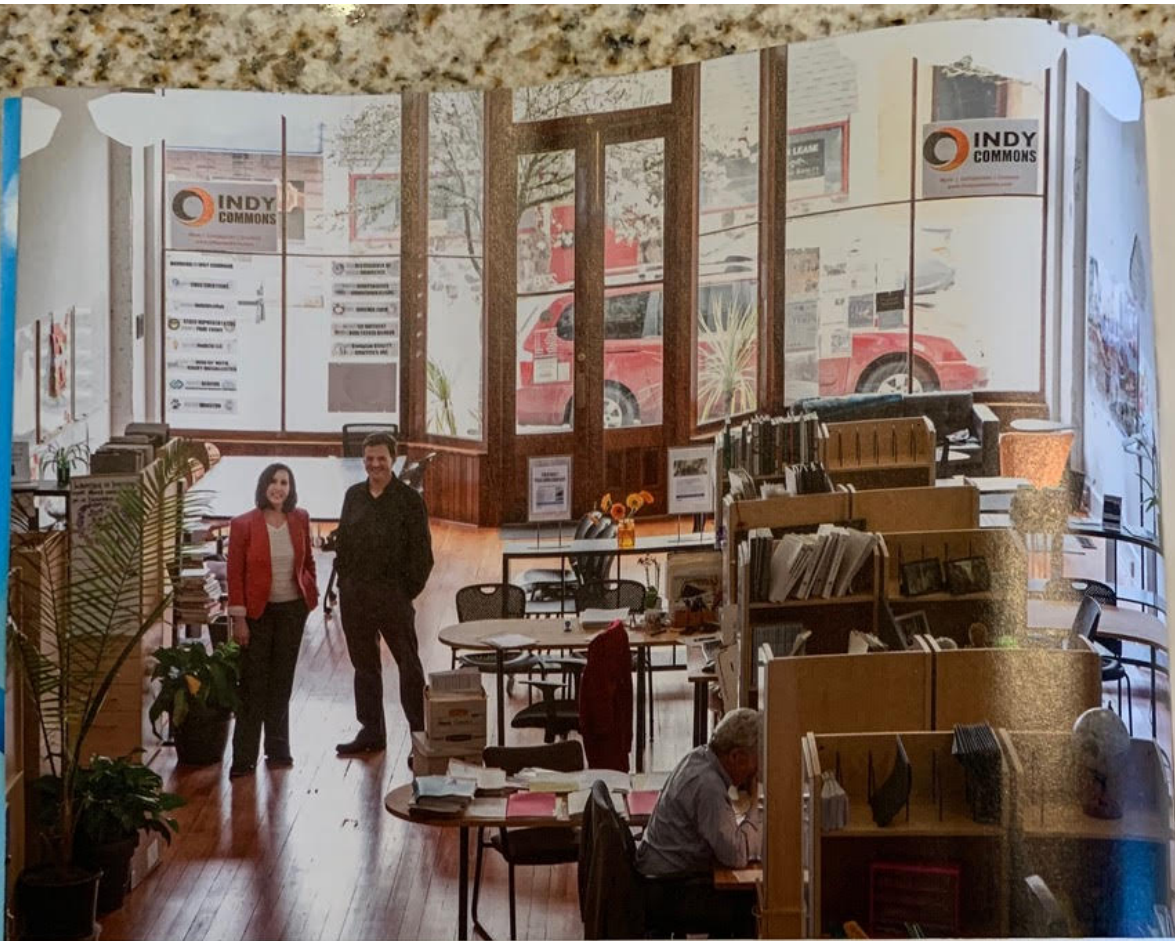
It's an example that's sorely needed. The U.S.'s rural areas were hit hard by the Great Recession and continue to suffer while cities prosper. The story holds true in Oregon, where the state's median rural-county economy finally clawed its way back to recovering 80% of the jobs

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JOAN MCGUIRE



Kate Schwarzler, who opened coworking space Indy Commons, with Shawn Irvine, economic development director of Independence

that existed pre-Great Recession. In contrast, Portland and other urban areas have been at historic highs for years, according to the Oregon Office of Economic Analysis.

Matt Dunne, founder and executive director of the Center on Rural Innovation, calls that lag “the greatest opportunity gap in our country’s history.” A former Google executive who helped bring data centers to rural locations, Dunne believes that fostering digital-economy ecosystems will bring a much-needed rural economic revival. “Solving big problems with a laptop, good connectivity and collaboration has always been the promise of the internet,” he says.

Good connectivity: That’s both the key and the challenge. A 2016 Rural Broadband Strategy report found that only 55% of Oregonians living in rural areas have broadband access compared to 94% of urban dwellers. The biggest barrier to high-speed rural connectivity is cost — \$70,000 per mile of installed

fiber — according to Nick Green, city manager of John Day in Grant County, and not enough people on that mile for private business to recoup the investment.

Back in 2007, leaders in Independence knew the internet was the future. In the middle of a bigger vision to refashion Independence into a vibrant, full-service rural community, the city had already built a lot of momentum. They restored their historic downtown, transforming empty storefronts into a charming destination. The widened sidewalks and added streetlights attracted art galleries, restaurants and a bakery. They built parks along the Willamette River and constructed an amphitheater.

With a reason to visit downtown, high-speed internet was the next step in attracting entrepreneurs to town. Instead of waiting the estimated 15 to 20 years for a private provider to roll out service, Independence partnered with neighboring Monmouth and created MINET at an initial cost of

about \$28 million.

The fiber network landed a big fish right away. Eugene-based FCR, a provider of outsourced live-agent call centers, opened a facility in 2016, bringing 200 tech-enabled jobs with capacity for 100 more. A win for the city for sure, but not quite the “smart rural community” city leaders were envisioning.

However, the combination was enough to attract Kate Schwarzler, owner of Indy Commons, to Main Street. With a consulting business in Denver, the Oregon native came to Independence to visit her parents, who had relocated from Alsea, a tiny logging town, a decade earlier. “I was impressed with what the city had in place and their road map for moving forward,” she says.

Schwarzler opened the coworking spot two years ago. At first uptake was slow. “People didn’t know what coworking was. They thought I invented it,” she says. Today the 12-desk space houses a mix of remote workers, small businesses and three

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JASON E. KAPLAN

government entities. It's grown into a hub of entrepreneurship, networking and a place to host those project-generating meetups.

Indy Commons also played a vital role in Independence taking part in the Rural Innovation Initiative. Beating out 130 communities, Independence joined a nine-city cohort receiving technical assistance from the Center on Rural Innovation. Together the nine are sprinting toward a goal: entering the Regional Innovation Strategies Grant Competition. The grant helps communities seed, build and scale high-tech, job-generating business.

It's a big advantage for a small town with limited resources.

"We were seeking forward-thinking rural communities that are looking to digital-economy ecosystems as a pathway forward," says Dunne. "Independence fits the sweet spot of broadband availability, partnerships with two colleges and downtown assets."

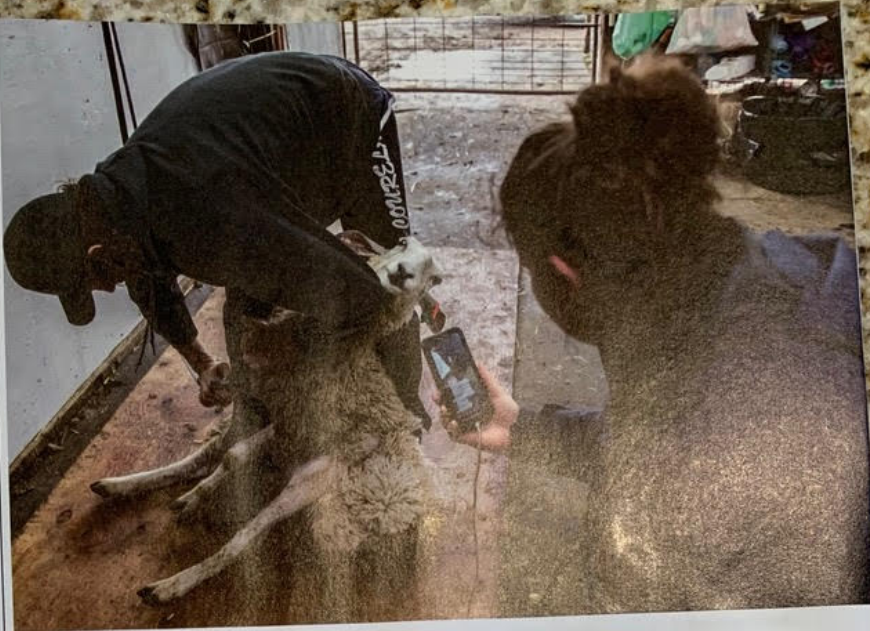
Whether they win the grant or not, Independence looks poised for success. "For a city of its size, it is shocking how much is done there and how well-known they are as an ag-tech incubator," says Mike Reich, CEO, Seabourne Consulting.

Reich had his own aha moment in Independence. He created Sensamo, a cloud-based platform that allows tech-enabled irrigation and weather systems to talk to each other, after speaking to a grower during an Indy Commons ag-tech meetup.

Ironically, he based the company in Portland.

"We're really looking for someone to build a company here," says Irvine. (Sensamo is no longer active due to a lack of federal funding, according to Seabourne.)

There are plenty of other projects in the works. A local couple started a drone company. The Oregon State University Extension program is working on a pilot to create a microclimate computer model for the wine-growing industry. Success, according to Irvine, is close. He's helping create a pipeline of local tech talent, from the high school, from OSU and from neighboring Western Oregon University, that stays in Independence, engages with the city and finds or — even better — creates opportunity.



Jacob Valentine shears a sheep while his associate, Zane Van Horsen, livestreams to Facebook.

Other rural communities are harnessing broadband connectivity to boost their business — with varying success.

Jacob Valentine, owner of Darkside Shearing, is leveraging tech to create his own opportunities. A fifth-generation sheep shearer from Crabtree, a 10-minute drive east of Albany, Valentine shears live on Facebook while members of a closed group, Darkside Live, bid on the fleeces. Most of the 800 members are hobbyists who spin or felt the fleeces for their own projects. They enjoy the community, connection and access to a product with guaranteed quality.

It's an issue in a sector where buyers have to rely on a seller's integrity and hope that their pictures and descriptions match the product. "Shearing live creates transparency," according to Valentine, who brings a crew of shearers and a wool classer to his real-time events. "Buyers know exactly what they're getting and how the animal was treated."

This model allows Valentine to sell fleeces at between \$20 and \$50 a pound. It's great business for him and a good deal for his wool producers. He pays them between \$2 and \$2.50 a pound, a much better deal than the 70 cents a pound a wholesaler would pay.

Yet connectivity still dogs his business model. If a rancher has a bad connection, he advises them to get a Wi-Fi booster or transport the animals to his farm. Even with these fixes, he offers a weeklong silent auction on some fleeces because "not everybody has great internet."

Valentine's business is small scale, but in a rural economy, a few small successes can add up to impactful change. "It doesn't take much to tip the scales," says Skip Newberry, president and CEO, Technology Association of Oregon, pointing to organizations actively looking for test beds. The secret sauce, he says, is finding "a community with the right people in place, who are willing to take some risks and have the political cover to conduct a pilot."

It appears that tiny Maupin, population 430, in Wasco County, found their secret sauce. City officials just unveiled their 1-gigabit-per-second high-speed internet. The \$2 million project took three years and financing from seven partners to roll out.

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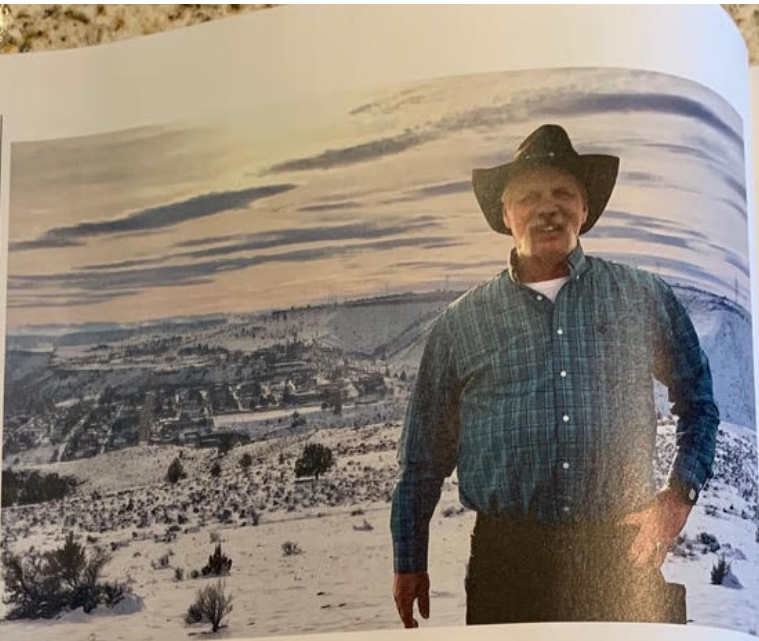
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Michael Jones, director of research at San Francisco-based Salesforce, is halfway there. He and his wife are moving from Portland to Maupin, where he will work remotely most of the time. "I absolutely rely on high-speed internet to do my job," he says in a press release. "But when I'm not working, I want to spend time getting to know my neighbors and being on the river." Jones is confident that more telecommuters and tech companies will follow him to Maupin.

Bringing connectivity is a hot topic on both the federal and state level. The Senate Agriculture and Rural Development Appropriations Subcommittee secured \$1.15



Maupin mayor Lynn Ewing

billion for deployment through the U.S. Department of Agriculture. Help is also coming on the state level with last year's creation of the Oregon Broadband Office. The office will serve as a policy and planning hub and manage state funds earmarked for rural broadband expansion.

Yet for all of the forward motion, bringing broadband to the rest of rural Oregon remains a "hard nut to crack," according to John Day's Nick Green. Green points to those USDA grants like Community Connect and ReConnect that define rural as

five people per square mile. Grant County is a frontier community, a subset of rural, with 1.6 people per square mile.

"Broadband costs the same, \$70,000 per mile, for us as a rural community, with 20% less opportunity to recoup the investment," he says.

Sen. Jeff Merkley has pushed back, querying the USDA about ReConnect's design and limitations. "Access to high-speed internet, especially for rural communities, is crucial in connecting our constitu-

John Day city manager Nick Green shows derelict land in John Day, which is planned for development.



ents to the wealth of information and resources that remains critically underutilized in these areas," he says in a press release.

If the federal scoring changes, it will still take "three to five years to bring broadband to John Day," says Green. Without it, he estimates it will take a decade — or longer.

Green is moving forward with other improvements to John Day, including a new wastewater treatment plant, improvements to the John Day River, and the creation of an innovation gateway with greenhouses, gardens and a place for agriculture research. John Day also offers an aggressive 7% cash-back incentive on any new home built in the city. So far three new homes have taken advantage of the program, a win considering only three homes total were built over the past 10 years.

But without connectivity, John Day will never attract the active retirees and digital commuters vital to a resurgence. Without connectivity, Green fears the city's economy will continue to decline and dispar-

ity will grow. "That's bad for business and bad for the state. We're part of Oregon's heritage; we can't afford to lose this part of the state's identity."

Technological advances may change the calculation. The Technology Association of Oregon's Newberry points to Microsoft's Airband

"Access to high-speed internet, especially for rural communities, is crucial in connecting our constituents to the wealth of information and resources that remains critically underutilized in these areas."

SEN. JEFF MERKLEY

Initiative, which seeks to wirelessly deliver service by deploying broadband through the vacant spectrum or white spaces between broadcast television channels. The Boston Consulting Group suggests that this approach can reduce initial capital and operating costs by

roughly 80%. The FCC seems ready to approve the idea, and the National Association of Broadcasters appears to be somewhat onboard as well.

There's no doubt that better

connectivity will diversify rural economies and make them more resilient. These communities have long bemoaned that their biggest export is their kids. Faster internet will help stem that brain drain, attract newcomers and grow their tax base.

Of course, too much success comes with its own issues. Bend is now the fourth fastest-growing city in the nation according to the U.S. Census Bureau. Much of the growth is fueled by tech workers outpriced in Silicon Valley and willing to telecommute, fly their private plane or make the 10-hour drive to Mountain View. The majority of Bend residents — 58% — don't like it, according to a study by the Bend Chamber of Commerce and DHM Research.

It's a scenario that's crossed Independence's Irvine's mind more than once. He knows his city is too well located not to grow; his goal is to steer that growth. "If in 10 years our median income is high, I don't want it to be because we imported a bunch of rich tech people," he says. "I want to create an ecosystem of expertise and feed our people into it." ☺

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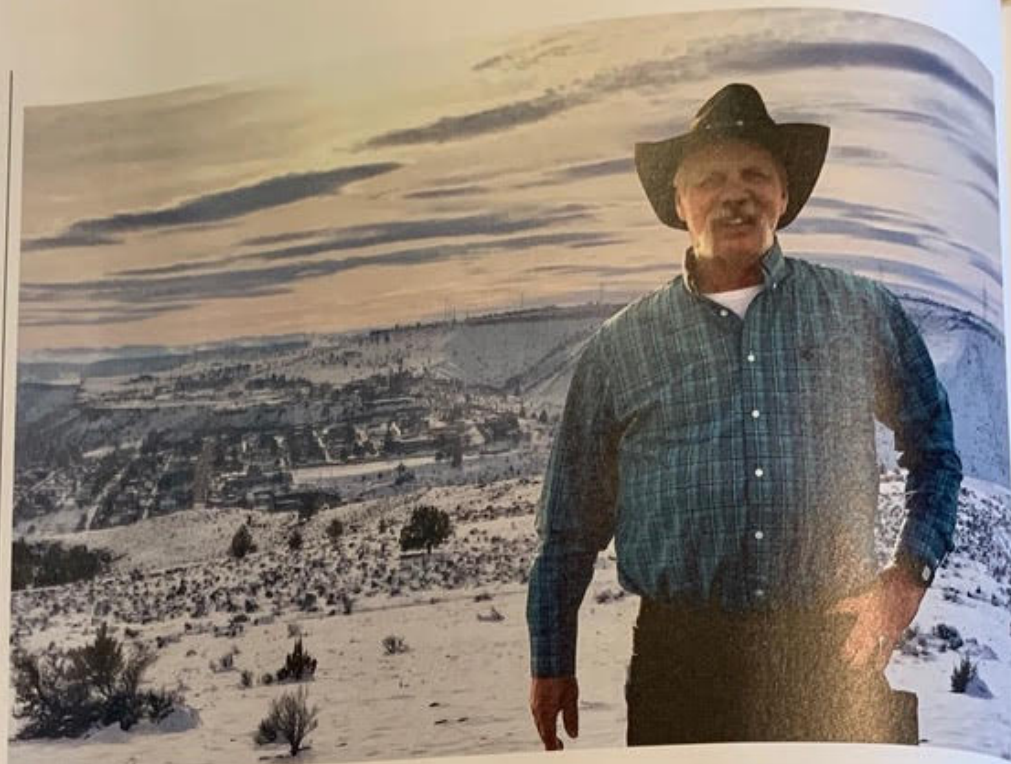
LARGEST INDEPENDENT HUMAN CAPITAL MANAGEMENT COMPANY IN THE PACIFIC NORTHWEST

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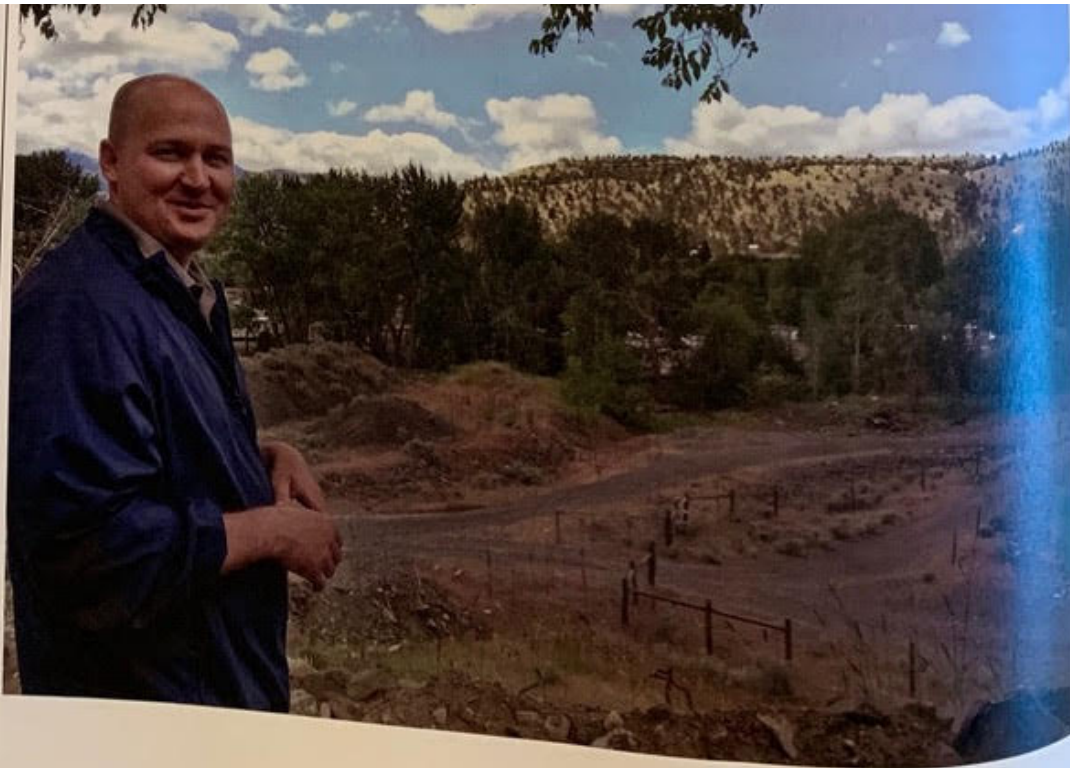
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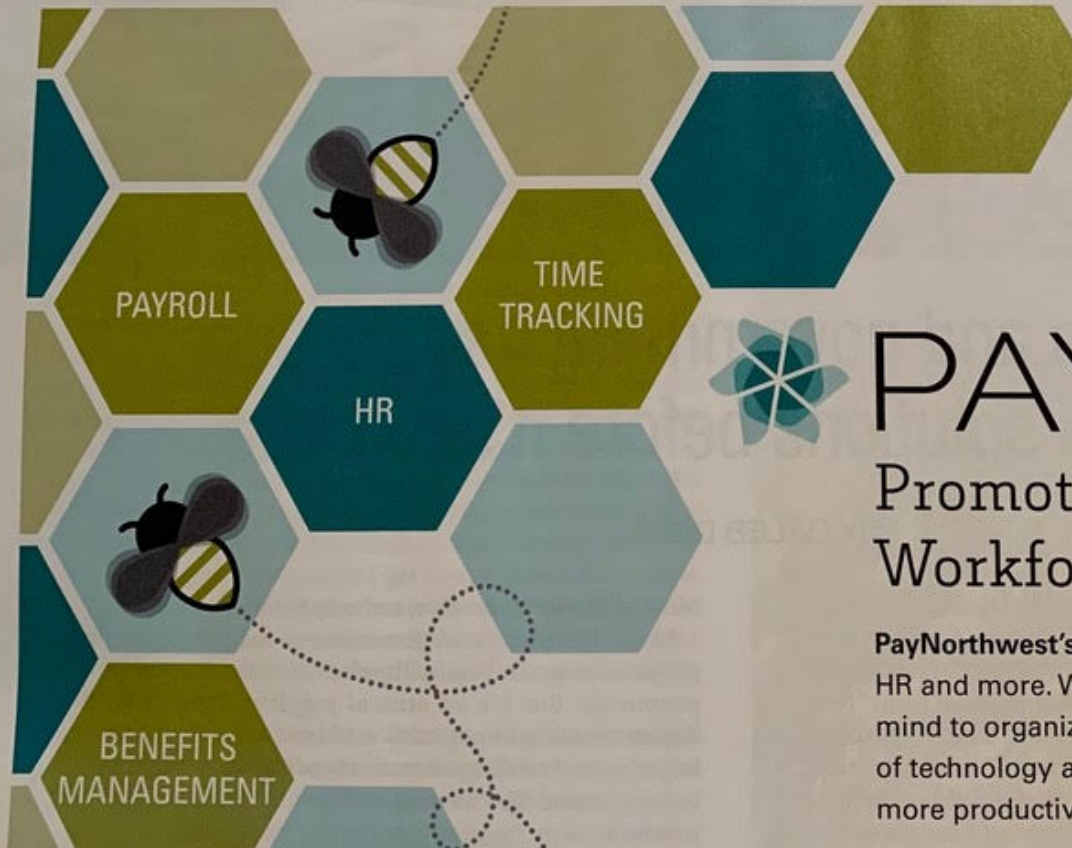
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South Wasco County Broadband Initiative

South Wasco County has continued to see its lack of connectivity impact opportunity for its residents, businesses, and service providers. The area has limited cellular service, and only one wireline internet service provider with speeds in most of the area outside of the City of Maupin that don't meet the FCC definition of broadband. Fixed wireless coverage is also limited by challenging terrain between communities.

The absence of connectivity and competition for customers has created a lack of true, affordable broadband service across much of the County. This gap in service provision in South Wasco County impacts local businesses that are seeking growth, the ability of residents to import jobs via telecommuting, volunteer emergency service providers access to training and reliable communication methods, and impacts students of all ages to complete homework, attend online classes, or complete necessary workforce training.

Despite minimal connectivity, there is use of the available infrastructure that provides a good foundation for improving opportunity with true broadband. Resident surveys completed in 2015 indicated almost 70% of respondents were dissatisfied with their current services with over 90% noting they would purchase a different service if it was available. Additionally, approximately a third of respondents indicated they were already using their minimal connectivity to support home based businesses, and 22% were teleworking.

Wasco County is proposing a fiber build that will support connecting the rural population centers as well as the farms and ranches between them in South Wasco County. The census tract that houses this area is approximately 2.1 people per square mile, making providing scalable infrastructure to support access to opportunity in this area incredibly challenging. As a result, the private sector has not invested to improve infrastructure to meet today's needs let alone prepare for future demands. With this build the County will partner with Q-Life to invest in an open access, fiber optic network that builds on the new connection to the internet in Maupin to bring bandwidth to Juniper Flat, Pine Grove, Tygh Valley, Wamic, and Pine Hollow. This will close the digital divide by creating access to high speed connections at prices comparable to urban areas in highly rural communities.

Cost Estimate:

Request:

Local Commitment: Q-life and Wasco County are committed to partnering to maintain and continue to improve the network once it is built. Given the cost of the build and number of potential customers, Q-Life believes that for this network to be sustainable this commitment will be a substantial investment moving forward.

Next Steps

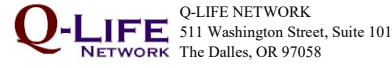
- Add cost estimate-back of the napkin at first(John?) and as we get closer to a formal ask and there is buyin from Board a high level OPC from Commstructure? Assuming this would be more along the lines of a Maupin style build with engagement
- Review proposed project with Board for input/feedback
- Meet with Bonham, Bentz, Smith, Hansel to discuss project. Invite them out for a “State of Broadband” in Wasco County and opportunities to discuss this project, the Cascadia East project, etc? Invite John Huffman as well? Set up immediately after the session and incorporate discussion on any funding programs that have been put in place at the State level during session?
- Explore potential partnership opportunities with ISPs (LSN,GorgeNet, Zayo, Link Oregon aka Oregon Fiber Partnership) and anchor Businesses
 - cell tower builds
 - other funding sources that could support (e-rate for library connections, etc)
 - partnering for the customer service provision
 - Solar Farm for service agreement as way to support some Q-Life match?
- Gather letters of support from local businesses/anchor institutions



Port Build/Chenoweth Expansion Updates

- [Bid Results](#)
- [Change Order](#)

UNIT PRICING FORM
Q-LIFE NETWORK - CHENOWETH EXPANSION - PORT BUILD
 CONTRACT NO. 2019-01



Chenoweth Expansion - Port Build Bid Analysis

						GorgeNet			H&M			NSC				PUSI			TEXSTAR																				
<u>Item</u>	<u>Description</u>	<u>Unit</u>	<u>Qty</u>	<u>Labor</u>	<u>Materials</u>	<u>L & M</u>	<u>Labor</u>	<u>Materials</u>	<u>L & M</u>																														
Underground Infrastructure																																							
UG01	Place One (1) - 4" SCH-40 Conduit	FT	100	\$ 447.00	\$ 2.05	\$ 449.05	\$ 44,905.00	\$ 70.85	\$ 12.02	\$ 82.87	\$ 8,287.00	\$ 200.00	\$ 66.80	\$ 266.80	\$ 26,680.00	\$ 18.00	\$ 1.65	\$ 19.65	\$ 1,965.00	\$ 119.00	\$ 6.76	\$ 125.76	\$ 12,576.00																
UG02	Place 24x36 Intercept Utility Vault w/ Heavy I	EA	6	\$ 4,485.00	\$ 719.01	\$ 5,204.01	\$ 31,224.06	\$ 1,577.93	\$ 1,021.60	\$ 2,599.53	\$ 15,597.18	\$ 5,500.00	\$ 644.46	\$ 6,144.46	\$ 36,866.76	\$ 1,375.00	\$ 1,400.00	\$ 2,775.00	\$ 16,650.00	\$ 2,450.00	\$ 652.69	\$ 3,102.69	\$ 18,616.14																
UG03	Place 3-Way 1.25" SDR 13.5 Innerducts in 4" C	FT	4,400	\$ 4.05	\$ 2.31	\$ 6.36	\$ 27,984.00	\$ 2.50	\$ 3.46	\$ 5.96	\$ 26,224.00	\$ 4.00	\$ 2.98	\$ 6.98	\$ 30,712.00	\$ 1.95	\$ 2.25	\$ 4.20	\$ 18,480.00	\$ 8.45	\$ 1.77	\$ 10.22	\$ 44,968.00																
UG04	Pull Fiber Cable in New 1.25" Innerduct	FT	4,400	\$ 4.85	\$ 1.46	\$ 6.31	\$ 27,764.00	\$ 1.97	\$ 0.14	\$ 2.11	\$ 9,284.00	\$ 1.80	\$ 0.17	\$ 1.97	\$ 8,668.00	\$ 1.25	\$ 1.00	\$ 2.25	\$ 9,900.00	\$ 2.59	\$ 0.49	\$ 3.08	\$ 13,552.00																
UG05	Locate Wire Terminals - Vault Grounding	EA	15	\$ 300.00	\$ 58.81	\$ 358.81	\$ 5,382.15	\$ 588.13	\$ 59.56	\$ 647.69	\$ 9,715.35	\$ 350.00	\$ 54.08	\$ 404.08	\$ 6,061.20	\$ 100.00	\$ 100.00	\$ 200.00	\$ 3,000.00	\$ 491.55	\$ 64.26	\$ 555.81	\$ 8,337.15																
Grand Total						Project Grand Total:						\$ 137,259.21			Project Grand Total:			\$ 69,107.53			Project Grand Total:				\$ 108,987.96			Project Grand Total:			\$ 49,995.00			Project Grand Total:			\$ 98,049.29		



Lone Pine Updates



St. Mary's Backbone Updates



Maupin Updates

- [Commstructure WO #15 Amendment 4](#)



WORK ORDER NO. 15
AMENDMENT NO. 5
TO AGREEMENT FOR PROFESSIONAL SERVICES

BETWEEN

Q-Life
c/o Wasco County Administrator
511 Washington Street #101
The Dalles, Oregon 97058

and

Commstructure Consulting, LLC
811 Railroad Avenue
Oregon City, Oregon 97045

The terms and provisions of the Agreement for Professional Services between Q-Life and Commstructure apply herein unless otherwise specifically revised.

Date: May 9, 2019

Project: Maupin Expansion – Design, Permitting and Construction Project Management

Contract Price:

Original Work Order:	\$	<u>100,000.00</u>
Amendment NO. 1:	\$	<u>50,000.00</u>
Amendment NO. 2:	\$	<u>15,000.00</u>
Amendment NO. 3:	\$	<u>15,000.00</u>
Amendment NO. 4:	\$	<u>10,000.00</u>
This Amendment:	\$	<u>7,500.00</u>
Total to Date:	\$	<u>197,500.00</u>

Time of Completion:

Original Work Orders:	<u>December 31, 2016</u>
Amendment NO. 1:	<u>June 30, 2017</u>
Amendment NO. 2:	<u>December 31, 2017</u>
Amendment NO. 3:	<u>September 31, 2018</u>
Amendment NO. 4:	<u>December 31, 2019</u>
Amendment NO. 5:	<u>December 31, 2019</u>
Revised Date:	<u>December 31, 2019</u>

Description of Amendment:

This amendment is for additional project management and support for the project. Specifically, Continued Joint Use permitting Review and Revision, and Project Stakeholder Coordination due to Wasco Electric Coop (WEC) rejection of the previously approved Design and Joint Use Permits with Q-Life as the Licensee. This Amendment also includes provisions for a services related to negotiating of conflicts between LSN and GorgeNet related to the allocation and installation of service drops and the realignment of the network pathway due to construction of the City of Maupin Civic Center This ongoing support has resulted in consumption of remaining budget from the prior Amendments to date that were allocated for Project Management, Inspection and As-Built / Records Update.

The following is a breakdown and summary for the additional scope of work:

Continued Joint Use Review and Permitting

The revised Joint Use Permits currently remain under review by WEC and are in process. As such, this effort will continue to require coordination and support from Commstructure until final approval is obtained and all make-ready work is completed.

Service Drop Allocation and Installation Conflicts

As Service Drop installation for the project began, conflicts between LSN and GorgeNet installation methods and practices were readily apparent and resulted in some consternation from the pole owner WEC. It became necessary to mediate the situation and facilitate contact between LSN, GorgeNet, and WEC to arrive at a solution that was acceptable to all parties.

Pathway Realignment Due to Maupin Civic Center Construction

Construction of the Maupin Civic Center began while construction of the Maupin FTTx network was in progress. The Civic Center necessitated delay of project completion by Van Dorn Enterprises and it became necessary to put completion of the portion of the project affected on-hold until an alternative pathway was provided by the Maupin Civic Center contractor. This development has resulted in unplanned site visits to Maupin and multiple correspondences with the City of Maupin, WEC, and the contractor engaged in the Civic Center Construction and additional scheduling and coordination with Van Dorn Enterprises to secure a revised pathway for the Maupin FTTx network.

This amendment increases the contract value of the Work Order and Amendments from the original estimated \$ 190,000.00 to \$ 197,500.00 to cover the additional and remaining scope work with anticipated completion in 3Q 2019.

This amendment will utilize the most current Commstructure Hourly Rate Schedule that was updated and revised in 2016. The Original Work Order No. 15 including Amendments No. 1 and No. 2 have been invoiced to date under the former rate schedule.

Approved By:

Q-LIFE

COMMSTRUCTURE CONSULTING, LLC

By: _____

By: Barbara Anton

Title: _____

Title: Owner / CFO

Date: _____

Date: May 9, 2018



Executive Session
