NORTHERN WASCO COUNTY PEOPLE'S UTILITY DISTRICT
WORK SESSION
OCTOBER 1, 2019

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

President Karp called the Work Session to order at 3:00 p.m.

The following individuals were present during the Work Session:

Counsel:  James Foster

NWCPUD Staff: Executive Assistant Kathy McBride

Visitors: None

DISCUSSION ON GOVERNANCE POLICIES

General Counsel James Foster stated that the Board has had a chance to look at the proposed Governance Policies that he has prepared for their consideration. A copy of these proposed policies is hereto attached and marked as Exhibit 1.

Foster stated that the Board will review and discuss the proposed policies today and will provide him with suggested changes to said policies. After which he will then discuss the proposed policies with members of the District's management team to get their input. After the Board has provided him with input on the proposed policies, he will have Executive Assistant Kathy McBride format the policies as needed.

Foster noted when the Board of Directors is ready to adopt the governance policies all prior governance policies will be terminated.

Foster stated that he utilized governance policies from four of the five Oregon People's Utility Districts to develop the proposed policies before the Board of Directors at this time. Policies from Tillamook People's Utility District were not used since he was unable to obtain a copy of their policies.

Foster did not feel that the Board needed to make changes to the District's mission or core values.

The following sections of the proposed governance policies were discussed during the Work Session:
Section 1115, Directors Take Office
Section 1120, Board Vacancies
Section 1125 Orienting New Directors
Section 1130 Authority of the Board of Directors
Section 1135 Legal Counsel
Section 1140 Legislative Function of the Board
Section 1145 Board Duties, Authority and Responsibilities
Section 1150 Time and Place of Meetings
Section 1165 Officers of the Board
Section 1170 Duties of the President
Section 1180 Duties of the Treasurer
Section 1190 Voting by Directors/Abstentions
Section 1195 Determining Agenda for Regular Meetings
Section 1200 Order of Agenda
Section 1201 Public Input and Comment
Section 1205 Procedure to be Followed at Board Meetings/Adjournment
Section 1210 Minutes/Recording of Meetings
Section 1215 Board of Directors’ Code of Conduct
Section 1225 Board Discipline
Section 1230 Duties of Directors Appointed to Outside Organizations
Section 1235 Board Positions on Legislative Matters
Section 1240 Compensation, Benefits and Expense Reimbursements
Section 1245 Reimbursement for Legal Expenses
Section 1250 Whistle-Blower Policy
Section 1260 Board Evaluation
Section 2100 Authority of the General Manager
Section 3100 Budget Preparation and Adoption
Section 3105 Salary and Benefit Surveys
Section 4105 District Support for Community Activities
Section 4115 Contributions

The following are some of the comments made during the Work Session on specific Sections of the Governance Policies.

Foster noted during the discussion that Section 1115 Directors Take Office, should say that the terms of office of all Directors shall commence on the first Monday in January except for appointed Directors. He will send out new proposed language for Section 1115 for the Board’s consideration.

As to Section 1125 Orienting New Directors, President Karp noted that the Board is not currently providing the new Board Member with materials pertinent to the meeting and to explain its use.
Director Howe feels that incoming Directors should be strongly encouraged to enroll in orientation programs provided by Northwest Public Power Association and the American Public Power Association.

Some discussion occurred on the sixth bullet point under Section 1125 Orienting New Directors. Director Howe’s suggested that new Board members should be strongly encouraged to enroll in orientation programs.

Director Gonser did not feel that the language needed to include the word “strongly” since he feels that the encouragement will come from members of the existing Board of Directors. He does not want to put language within the policy that requires the Director to get training.

Director Williams stated we cannot tell the elected official what to do; he feels the recommended language is sufficient.

Some discussion occurred regarding the proposed language under Section 1140 Legislative Function of the Board after a comment was made by Director Williams. Foster will make changes to the proposed section to reflect that policies will be adopted by Resolution and not by Ordinance.

Also discussed was the requirement under Section 1145 Board Duties, Authority and Responsibilities, Finances #3, which requires that the District's adopted budget be furnished to the County Clerk and the Director of the State Department of Energy, and that auditing proposals be received every six years.

Some discussion occurred on Section 1165 Officers of the Board after President Karp stated that the Board currently has a rotation process rather than the Board choosing amongst its Directors who should be the President, Vice President, Secretary and Treasurer.

Director Gonser noted that the Board did not always have a rotation process. He feels it is best to have the rotation process rather than an election process for determining who will be officers of the Board of Directors.

Foster will amend Section 1165 to include language on the rotation of officers rather than electing the officers.

Some discussion occurred regarding Section 1170 Duties of the President after comments were made by Director Gonser and President Karp.

Director Gonser suggested that #3 of said Section be amended to include the page number instead of the section number.
President Karp questioned the language under #6 which states that the President will call for a vote on a pending matter and not wait for a discussion of a motion, if none is readily forthcoming.

Foster stated that #6 does not prohibit a board member to discuss a pending motion. He noted that there is nothing to discuss if there is no second to a motion.

Director Williams questioned the language under Section 1180 Duties of the Treasurer.

Foster responded by stating that in reality those duties are delegated. Foster will review the Oregon Revised Statute 261.425(2) and will make changes in the delegation language if appropriate.

The Board discussed Section 1195 Determining Agenda for Regular Meetings. Foster feels that the General Manager should send the proposed agenda to the President for his/her comments prior to the agenda being finalized.

Some discussion occurred on Section 1200 Order of Agenda after President Karp commented that she does not ask if there are any additional items to be added to the Board’s agenda.

Foster stated that he is suggesting that the Board be provided with the opportunity to add or delete items from the agenda.

The Board of Directors liked Foster’s suggestion of the Board being allowed to either add or delete items from the agenda.

Director Gonser commented that he does not like the language under Section 1200 Order of Agenda as to allowing public comments only on utility business.

President Karp commented that she does not know if we want the board responding to anything since the General Manager normally responds to the comments received from the public.

Foster will amend the bullet point under Section 1120 Order of Agenda to read “The Board will not respond”.

Director Gonser commented on Section 1205, #5. Foster responded by stating that the Board could take up any matter, which required extended deliberations, at a special meeting or at the next regular session meeting.

Some discussion occurred on Section 1210 Minutes/Recording of Meetings after comments were made by Director Howe and President Karp. The comments pertained to the public meeting record being retained as required by law and that audio recordings be accessible on the District’s website.
President Karp suggested that we eliminate the language that audio recordings be posted to the District’s website.

Bullet points #9 and #11 under Section 1215 Board of Directors’ Code of Conduct were discussed after comments were made by Directors Gonser and Williams.

Executive Assistant Kathy McBride was requested to verify the life insurance benefits offered to members of the Board of Directors.

Some discussion occurred on Section 1250 Whistle-Blower Policy after Director Williams questioned whether the word “termination” at the end of the second paragraph is pertinent. Foster responded by stating that this language is not specifically directed to the Directors.

Foster will work on the language under this section after reviewing the District’s current Whistle Blowing Policy. The language under this section may be amended to address only the Directors.

Some discussion occurred on Section 1260 Board Evaluation after comments were made by President Karp and Directors Gonser and Williams regarding bullet points #1 and #2.

Director Gonser suggested that the Board evaluate their performance every two years rather than every three years.

Directors Williams suggested that the Board designate that an evaluation will be done the year after electing members to the Board of Directors.

President Karp likes the language under bullet point #2 where the Board would seek information from the General Manager and from other staff members with whom they routinely interact with.

Foster will modify the language under Section 1260 Board Evaluation to include that the Board will formally evaluate its performance every two years, or every other year.

Foster stated that he plans to bring Section 2: General Manager to members of the District’s management team for their input.

Some discussion occurred on Section 2100 Acquiring Insurance after Director Howe noted that the language in paragraph one is old language. It should also include replacement value on all facilities at the discretion of the Board.

Foster inquired rather all four insurance coverages should be at the discretion of the Board. Director Howe stated that all four should be at the discretion of the Board.
Foster will amend this section to include the additional language that all insurance coverages should be at the discretion of the Board.

Director Gonser commented on Section 4105 District Support for Community Activities. He does not feel that we want to assist in all major community activities through supplying manpower and/or financial assistance.

The Board suggested that Section 4105 be eliminated.

Some discussion occurred on the dollar amount of $500 which is specified under Section 4115 Contributions after Director Howe raised the question as to whether that amount is appropriate at this time.

Upon the conclusion of the review of the proposed policies, Foster stated that these Governance Policies will be brought back before the Board for their consideration in December.

There being no further business the meeting adjourned at 4:28 p.m.

ATTEST:

[Signature]
President

[Signature]
Secretary
Northern Wasco County People's Utility District

BOARD POLICY MANUAL

Updated 2019

MISSION OF NWCPUD ................................................. 3

CORE VALUES & BELIEFS .............................................. 3

SECTION III: BOARD OF DIRECTORS .................................. 4
  1100 Organization and Authority .................................... 4
  1105 Subdivisions .................................................. 4
  1110 Membership on the Board .................................... 4
  1112 Certification of Election Results ............................ 4
  1115 Directors Take Office ........................................ 4
  1120 Board Vacancies ............................................. 4
  1125 Orienting New Directors ...................................... 5
  1130 Authority of the Board of Directors ......................... 5
  1135 Legal Counsel ................................................ 5
  1140 Legislative Function of the Board ............................ 6
  1145 Board Duties, Authority and Responsibilities ............... 6
  1150 Time and Place of Meetings ................................ 7
  1155 Meetings and Executive Sessions ............................ 7
  1160 Special Meetings ............................................. 7
  1165 Officers of the Board ........................................ 8
  1170 Duties of the President ....................................... 8
  1175 Duties of the Vice President ................................ 8
  1180 Duties of the Treasurer ...................................... 8
  1185 Duties of the Secretary ...................................... 8
  1190 Voting by Directors/Abstentions ............................. 9
  1195 Determining Agenda for Regular Meetings .................. 9
  1200 Order of Agenda ............................................. 9
  1201 Public Input and Comment ................................... 10
  1205 Procedure to be Followed at Board Meetings/Adjournment . 10
  1210 Minutes/Recording of Meetings ............................... 10
  1215 Board of Directors’ Code of Conduct ....................... 11
  1220 Use of District Logo; Disclosure of Director Status in Communications .... 12
  1225 Board Discipline ............................................. 13
  1230 Duties of Directors Appointed to Outside Organizations .... 13
  1235 Board Positions on Legislative Matters ..................... 13
  1240 Compensation, Benefits and Expense Reimbursements ....... 14
  1245 Reimbursement for Legal Expenses .......................... 14
  1250 Whistle-Blower Policy ....................................... 15
  1260 Board Evaluation ............................................. 15
SECTION 2: GENERAL MANAGER ................................................. 16
   2100  Authority of the General Manager ............................................. 16

SECTION 3: BUDGET & FINANCE ................................................. 18
   3100  Budget Preparation and Adoption ............................................. 18
   3105  Salary and Benefit Surveys ...................................................... 18

SECTION 4: COMMUNITY RELATIONS ........................................... 18
   4100  Publicity Releases ................................................................. 18
   4105  District Support for Community Activities .................................. 18
   4115  Contributions ........................................................................... 18

SECTION 5: MISCELLANEOUS ......................................................... 19
   5100  Cooperation with Oregon P.U.D.s ............................................... 19
MISSION OF NWCPUD

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

CORE VALUES & BELIEFS

Safety: Working safely and protecting the public, our employees, and the assets we manage is non-negotiable.

Integrity: Being ethical and holding ourselves accountable to conduct business in a fair, honest, open, compliant, and environmentally responsible manner is at the core of what we do.

Customer Service: Providing quality service at a competitive price while being responsive to our customer’s needs creates added value and improves customer satisfaction.

Respect: Encouraging constructive dialogue that promotes a culture of inclusiveness, recognizes our differences, and accepts varying viewpoints will lead us to optimal solutions for even the most difficult challenges.

Operational Excellence: Engaging employees to strive for excellence and continuous improvement ensures that we provide reliable service while managing costs and creating a rewarding work environment.

Sustainability: Maintaining financial integrity, minimizing our environmental impact, and supporting responsible economic development in our communities ensures the long-term viability of the organization and the communities we serve.
SECTION III: BOARD OF DIRECTORS

1100 Organization and Authority
The Northern Wasco People's Utility District operates under authority granted by the People of the State of Oregon and the Oregon Legislature, according to the Oregon Constitution Article I, Section 12, and ORS Chapter 261.

1105 Subdivisions
The District shall be divided into five subdivisions. The boundaries of the subdivisions shall be adjusted periodically to maintain the population of each subdivision to be as equal as possible, in accordance with ORS 261.405(2).

1110 Membership on the Board
The management of a people's utility district shall be vested in a board of five directors. ORS 261.405(1).

Upon formation of a district, annexation, consolidation, merger, and after each decennial United States Census, the board of directors shall by ordinance divide the district into five subdivisions, as nearly equal in population as possible, and where practicable fix the boundaries in conformance with adjacent precinct boundaries. One director shall be elected from each of the five subdivisions. ORS 261.405(2)

Directors shall be electors, shall reside in the subdivision from which they are respectively nominated and elected and shall have resided in the district continuously for two years immediately preceding the date of their election as directors. ORS 261.405(3).

1112 Certification of Election Results
Not later than the 20th day after the date of an election, the County Clerk shall prepare an abstract of the votes and deliver it to the district elections authority. No later than the 40th day after receiving the abstract, the district elections authority (Northern Wasco's Board) shall determine from it the results of the election.

The board must make a determination of the election outcome and notify the county clerk in writing. The notification to the county clerk shall contain a statement indicating whether any candidate elected to district office is qualified to hold the office.

1115 Directors Take Office
The term of office of all Directors shall commence on the first Monday in January (ORS 261.420). The Oath of Office will be administered during the first Board meeting in January.

1120 Board Vacancies
The office of Director shall be considered vacant if:

1. The person elected or appointed to the office of Director fails to qualify for it within 30 days after the term of office commences.
2. Upon the occurrence of an event listed in (ORS 236.010).
When the Board declares a vacancy, the remaining Directors shall meet and appoint a person to fill the vacancy from the electors of the subdivision represented. The appointed Director shall serve until the next biennial election and until a successor is elected and qualified. When a vacancy exists for 30 days, or results from the occurrence of (1) or (2) above, the Governor may fill the vacancy (ORS 261.415).

1125 Orienting New Directors
The Board, assisted by the General Manager, shall assist each incoming Director to understand the Board's functions, policies and procedures at the earliest possible time. The following methods shall be employed:

1. The incoming Director shall be given all necessary material to insure the new member has adequate information in order to conduct the District's business.

2. The incoming Director, prior to assuming office, shall be invited to attend Board meetings and executive sessions, and to participate in its discussions.

3. The General Manager and the President shall make time available to supply material pertinent to meetings and shall explain its use.

4. The incoming Director shall be invited to meet with the General Manager and other administrative personnel to discuss services they perform for the Board.

5. A copy of the Board's policies, the Personnel Policy Manual and relevant financial documents shall be made available.

6. The incoming Director shall be encouraged to enroll in board member orientation programs provided by NWPPA and APPA and such other programs approved by the Board. The costs and expenses of participation in such programs shall be those of the District.

Prior to becoming a Director, the incoming Director may be invited to meet with other Directors and General Counsel to discuss Board operations and responsibilities.

1130 Authority of the Board of Directors
Any duty imposed upon the Board as a body shall be performed at a regular or special meeting and shall be made a matter of record. Any vote shall require the majority vote of a quorum of the Board to pass. A quorum shall be not less than three Directors. The consent to any particular action obtained from individual Directors when the Board is not in session or at which a quorum is not present shall not be an act of the Board and shall not be binding upon the District. (ORS 192.630).

1135 Legal Counsel
Legal counsel shall be appointed by the Board on a continuing basis, with the rate of compensation to be agreed upon from time to time. It shall be the duty of the legal counsel to advise the Board and General Manager on specific legal problems submitted for an opinion, and to make recommendations.
All requests by any individual Director for legal opinions from legal counsel shall be subject to prior Board approval, including cases of potential personal liability.

1140 Legislative Function of the Board

The formulation and adoption of Resolutions and Ordinances shall constitute the basic method by which the Board shall exercise its role as the legislative body of the District and establishing the policy, commitments, obligations and direction of the District. The Line Extension Policy, Customer Service Policies, Generation Interconnection Policy and the Rate Classifications contained in the Rate Schedule shall be adopted or amended by Ordinance. All other action of the Board shall be adopted by Resolution unless otherwise specified by statute. Each Resolution or Ordinance enacted by the Board shall be preceded by an enacting clause substantially as follows:

"Be It Enacted by the Northern Wasco People's Utility District" (ORS 261.460)

Emergency Ordinances shall contain the statement that an emergency exists and specify with distinctness the facts and reasons constituting the emergency. The unanimous vote of all Directors is necessary to pass any emergency Ordinance and no such Ordinance shall be passed with less than four Directors present.

All Ordinances, except emergency Ordinances, shall be adopted by majority vote at a regular meeting or adjourned regular meeting, shall become effective 30 days after passage, unless a later date is specified in the Ordinance.

Unless circumstances require immediate legislative action, the Board should refrain from proposing specific language in the form of an Ordinance at the first meeting where a legislative policy issue is discussed. Instead, where circumstances permit and the Board believes that broader public input would be beneficial, the General Manager shall be instructed to prepare the language of a proposed Ordinance, and, if the General Manager or the Board deems it necessary or advisable, the General Manager shall prepare a staff report on the implication of the Ordinance if adopted.

The Board shall consider the proposed Ordinance for adoption at its next regular meeting (unless an emergency exists), may invite public comment and review the staff report, if any, and such other information as the Board may deem appropriate prior to vote upon the proposed Ordinance.

1145 Board Duties, Authority and Responsibilities

   Capital Outlay: The Board shall approve all expenditures for capital outlay, through the budget process.

   Appraisal and Evaluation of Operation Quality: The Board shall be responsible to determine the effectiveness of the utility programs in terms of the stated objectives.

   Personnel
      The Board shall be responsible for:
      1. Appointment and dismissal of the General Manager.
      2. Annual evaluation of the General Manager, to occur each year.
3. Assuring that at least once a year an evaluation is performed for all personnel by the General Manager or his/her designee.

Budget Making
The Board has the responsibility to:
1. Assist in presenting the needs of the District to the public and in the adoption, through the formulated budget process, of a budget that will meet these needs.
2. Establish rates (ORS 261.465).
3. Approve the annual budget.

Finances
The Board has the responsibility to:
1. Review and approve the annual budget.
2. Review financial reports.
3. The Board shall adopt the effective uniform system of accounts prescribed by the Federal Energy Regulatory Commission (FERC), shall require that accounting for receipts and disbursements for the District be completed in accordance with the FERC system of accounts and shall cause the FERC annual account to be filed with the Director of the State Department of Energy and with the County Clerk of each county in which the District is located (ORS 261.470).
4. Provide for an annual audit of all District funds and any other funds under District supervision. An independent auditor shall be appointed by the Board according to State law. The findings of the annual audit shall be reported to the Board.

Selection of an auditing firm will be based upon written proposals disclosing the firm's professional qualifications, experience, and reputation serving utility clients, and specified fees for service.

In order to promote both continuity and variation of perspective in the audit process, Northern Wasco shall conduct a competitive request for auditing proposal process at least every six years. The current auditor may not submit a competitive request unless they have a concurring partner rotation.

1150 Time and Place of Meetings
Regular business meetings of the Board shall generally be held on the first Tuesday of each month and work sessions as the Board deems appropriate in the officially designated Board facility and are open to the public. At the option of the Board, meetings may be held at other locations and/or at a different time within the District. Notice of Board meetings shall comply with the notice provisions of ORS Chapter 192.630

1155 Meetings and Executive Sessions
The Board follows state public meetings law as outlined in ORS 192.610-690.

1160 Special Meetings
Special meetings of the Board may be called at any time as follows: Upon written or printed notices
issued by the General Manager upon the Order of the President or issued by the General Manager upon the united request of at least three Directors at least 24 hours before such meeting is to be held per ORS 192.640(3).

1165 Officers of the Board
The Board shall choose from among its Directors (ORS 261.425) a President, Vice President, Secretary and Treasurer at its first meeting in January each year, to serve until their successor is chosen by subsequent Board action.

1170 Duties of the President
The duties and powers of the President shall be as follows:
1. To preside at meetings of the Board.
2. To appoint Directors to organizations with Board approval.
3. To orient new Directors in accordance with Policy 1125.
4. To order the call for special meetings.
5. To sign all District instruments authorized by the Board to be executed, except those expressly delegated by the Board, or by statute, to some other agent of the District.
6. To call the vote on a pending matter and not to wait for a discussion of a Motion, if none is readily forthcoming.
7. To vote on matters before the Board, the same as other Directors.
8. To encourage the participation of all Directors in consensus building discussions.
9. To perform such other duties as maybe prescribed bylaw or by the action of the Board.

1175 Duties of the Vice President
It will be the duty of the Vice President to fulfill the duties of the President when the President is unable or unavailable to do so.

1180 Duties of the Treasurer
The Treasurer shall be custodian of all funds of the District, and shall report to the Board all payments made from District funds exceeding a de minimis amount established by the Board. District funds may only be paid out on Order of the Board (ORS 261.425[2]).

The Treasurer shall be responsible to see that the District funds are spent as authorized by the Board through its budget process and as ratified through the Approval of Claims item at Board meetings, and may delegate the administrative task of signature on checks issued on District bank accounts to one or more officers of the District, with such limitations as the Treasurer may deem prudent (ORS 261.420(2)).

The Treasurer shall encourage the Board to operate within the limits of the adopted budget with the assistance of the General Manager or his/her designee.

1185 Duties of the Secretary
The Board shall select a Secretary, who may or may not be a Director. The Secretary shall attend all
public, noticed meetings of the Board unless excused by the President and shall record minutes of those meetings. The Secretary will supply a typed, finished copy of the minutes to be distributed to the Directors prior to the next regularly scheduled Board meeting unless circumstances dictate otherwise. The recordation and typed final copies of the minutes may be delegated to a third party subject to the approval of the Board.

1190 Voting by Directors/Abstentions
The adoption, amendment, repeal and suspension of Motions, Resolutions and Ordinances shall be accomplished by roll call vote, which shall be entered in the minutes of the meeting. Although it is the duty of every Director who has an opinion on the question to express it by vote, any Director may abstain from voting by requesting to be recorded as abstaining and stating the reasons for the record (ORS 192.650(1)(c)).

1195 Determining Agenda for Regular Meetings
In consultation with the President, the General Manager shall develop the regular Board meeting agenda and have developed all informational material about agenda items. Requests for placing items on the agenda shall be given to the General Manager and the President two weeks in advance of the meeting date to give the General Manager time to develop informational materials. Copies of the agenda shall be posted on the District's website, available to all interested parties ORS 261.430(2)).

1200 Order of Agenda
Generally, the following shall be the order of business at all regular meetings of the Board:

Call to Order - Introductions
• Public Comment. Statements from the public are limited to 5 minutes per speaker and are comment period only on utility business, time permitting. The Board will not respond unless to correct inaccurate information.
• Agenda Timeline
  • Requests for additions or deletions
• Deferred Items
• Consent Agenda-approval of minutes/claims

Presentations and Reports
• Finance/Treasurer Report
• General Manager Report
• Such other reports as the General Manager shall deem appropriate

Items for Action
• Motions and Resolutions

Information and Planning Items
• Suggested Items for Future Meetings
• Upcoming Meetings/Events
• Directors’ Concluding Comments
• Adjourn

At the discretion of the President, a recess may be called at any time in the course of the meeting (ORS 261.430(2)).
1201 Public Input and Comment
The Board desires to receive public input at its regular business meetings and Board work sessions. In setting its agenda, the Board shall set aside time for public input, allowing up to 5 minutes per speaker unless a shorter time is specified by the Board when it approves its agenda.

By affirmative vote of the Board, the time allowed for public input or comment may be extended.

1205 Procedure to be Followed at Board Meetings/Adjournment
The following procedures shall be followed at Board meetings:

1. The President shall call the meeting to order promptly at the appointed hour. If the President is not present at the appointed hour, the Vice President shall call the meeting to order. Upon the arrival of the President, the Vice President shall relinquish the gavel to the President.

2. Corrections to the minutes shall be submitted in writing, unless the corrections are minor in nature.

3. The President shall not wait for a discussion of a Motion if none is readily forthcoming, but shall proceed to call the vote. The President may request a Director to put a Motion in writing.

4. Verbal presentations requiring Board action shall become agenda items for later meetings, except where the timeliness of the item requires more urgent action.

5. Items on the agenda, which require extended deliberation, may be taken up at special meetings.

6. Unless otherwise provided in Board policy, or statute, the Robert's Rules of Order may be used as a reference for conducting Board meetings.

Any meeting may be adjourned by Board action or by the President or acting chair to the next regular meeting or to some specified time prior thereto. The President may adjourn the meeting (ORS 261.430(2)).

1210 Minutes/Recording of Meetings
Minutes shall be kept as provided by ORS 192.650, State Public Meetings Law. The Secretary shall sign all official minutes of Board meetings. A copy of the minutes shall be furnished to interested parties upon written request and posted on the District's website. Official minutes and documents distributed at public meetings shall be retained and maintained in a permanent and safe condition. Unseconded Motions, where a second to that Motion was required under Robert's Rules of Order, will not be recorded in the minutes. Motions, seconds and amendments will be recorded in the minutes together with a summary of the views expressed by the Directors. The vote on each Motion and amendment shall be recorded to reflect the vote by each Director.

Public meetings shall also be recorded, except executive sessions, beginning with the Call to Order and terminating on passage of a Motion to adjourn. The audio recording shall be accessible on the
District's website. While the audio recording shall be available to prepare or correct the written minutes, the audio recording shall not be deemed the minutes of the District within the meaning of the Oregon Public Records Law (ORS 261.430(2)).

1215 Board of Directors' Code of Conduct
The District Board adopts the following Code of Conduct, and the Directors agree to individually uphold these standards and to be held accountable by their fellow Directors for the following:

1. Understand that the Board serves as the legislative body of the District and shall determine all questions of policy including setting of rates charged for utility services.

2. Recognize that the Board is not responsible for day-to-day management and administration of the District, except through supervision and engagement of the General Manager.

3. A Director shall refer all Ratepayer complaints or operations-related problems to the General Manager or designee to allow the General Manager the opportunity to investigate and resolve the complaint or problem. A Director shall avoid raising such matters in a Board meeting unless the complaints and problems were not adequately addressed by the General Manager or designee.

4. A Director shall not discuss District operations or management issues with District staff except as authorized by the General Manager.

5. Recognize that each individual Director has no authority, as an individual, to act on behalf of the District except as specifically authorized by the Board.

6. Unless authorized by the Board, a Director shall not purport to make any commitment or representation on behalf of the Board or District.

7. Recognize that all Board action is to be taken in public meetings, duly noticed, by majority vote of a quorum of Directors.

8. Directors shall familiarize themselves with the requirements of Oregon's Public Meetings Law (ORS 192.610-690) and abide by it. Directors shall refrain from taking any action which conflicts with statutory requirements or the purpose of the Public Meetings Law, which is that decisions of governing bodies be arrived at openly, and that the Oregon form of government requires an informed public aware of the deliberations and decisions of governing bodies and the information upon which such decisions were made.

9. Refrain from exploiting his/her position as a Director for personal or pecuniary gain. A Director shall timely disclose any actual or potential conflict of interest and generally recognize that service as a Director is a public trust. Directors shall familiarize themselves with the Oregon Ethics Law, ORS Chapter 244, and shall
abide by it.

10. Prepare for Board meetings by reviewing agenda related materials in advance and make decisions only after all reasonably available facts bearing on a question have been presented and discussed.

11. Respect the opinion of other Directors, graciously adhere to the principle of "majority rule" in Board decisions and refrain from publicly criticizing a decision of the majority except in connection with a Motion to reconsider the decision. A Director shall seek to resolve any personal conflicts with another Director first by direct conversation with the other Director and, if Resolution is not satisfactory, then the Director may seek assistance in resolving the conflict from the full Board, if necessary.

12. As representatives of the District, Directors are to comport themselves in a respectable manner and avoid public statements or conduct that would harm the District's reputation.

13. Directors shall perform their official responsibilities in a professional and courteous manner. At all utility, related meetings, each Director will:
   a. Treat each other with trust and respect.
   b. Treat District staff with respect and consideration.
   c. Refrain from personal attacks and abusive behavior against other Directors, staff or meeting attendees.

14. Directors may request an Executive Session, if necessary, to consider charges or complaints against a Director in accordance with ORS 192.660(2)(b).

15. In public communications and conduct, strive to place the best interests of the District and its Ratepayers above all other concerns (ORS 261.430(2)).

1220 Use of District Logo; Disclosure of Director Status in Communications
The District's logo shall not be used by any person, including Directors and staff, except in connection with District business.

1. Director shall not identify himself or herself as a Director of the District in any written or other public communication which expresses an opinion concerning any District or utility matter, unless the Director either:
   a. Is making a formal communication on behalf of the District pursuant to specific authorization by the Board, or
   b. The Director states in the communication, that the opinion expressed is the director's personal opinion and not that of the Board or the District.
1225 Board Discipline
The Board recognizes that compliance by each Director with the Board of Directors' Code of Conduct, as well as Oregon laws applicable to public officials, generally is necessary for the successful operation and governance of the Board as well as the operation of the District as a citizen-owned utility. Toward that end, the Board shall have the right to impose sanctions against a Director for violations of the Board of Directors' Code of Conduct or applicable Oregon law. The time, date, and/or place of the conduct violating the Board's Code of Conduct shall be identified in the Board discussion before any vote is taken to impose a sanction. Sanctions may include, but are not limited to:

1. A verbal warning, cautioning that prior conduct violated the Code of Conduct or Oregon law in one or more particulars, with a direction that future conduct needs to conform with the Code of Conduct and Oregon law.
2. Refusal to authorize a Director to attend NWPPA, APPA, PPC, PNUCC, NWEC and OPUDA or other organizations as a representative of the District, in which event no per diem or expenses would be payable to such Director for attendance.
3. Removal of the Director as a District appointee to one or more outside organizations.
4. Removal of the Director as an officer of the Board.
5. Censure.
6. Such other actions as may be consistent with Robert's Rules of Order and Oregon law.

The foregoing sanctions are intended to clarify the inherent powers of the Board to govern itself. The selection of the appropriate sanction or sanctions shall be made in the discretion of the Board acting upon Resolution in open session by majority vote, with consideration given to the number of violations and severity of the conduct.

The Board shall be mindful that a sanction may not restrict a Director's constitutional right of free speech (ORS 261.430(2)).

1230 Duties of Directors Appointed to Outside Organizations
As an appointee to an outside organization, it is the responsibility of the Director to represent policies and Resolutions adopted by the Board. If an issue arises, in which the Board has not previously taken a position, it is the responsibility of the Director to represent what he/she believes the Board majority position would be. Should the majority of the Board decide that any action taken by an appointee did not represent the view of the Board; the Board can send a written notice modifying the previous action. Individual Directors do not have the authority to appoint another Director to a committee or task of another organization without the knowledge or acceptance of the other Directors. No appointee shall have authority to bind the District to any duty or obligation without Board action.

1235 Board Positions on Legislative Matters
The Board may take positions on local, state or national legislative or administrative matters of special interest and concern to the District (e.g., Bonneville Power Administration, Northwest Power Planning Council, etc.).
Compensation, Benefits and Expense Reimbursements

1. **Compensation.** Each Director shall receive monthly compensation in amounts established from time to time by Board Resolution.

2. **Benefits.** Each Director may receive, at the option of the director, the following benefits:
   a. Medical insurance coverage;
   b. Dental insurance coverage;
   c. Vision insurance coverage;
   d. Life insurance coverage in the amount of $10,000.;
   e. Accidental death insurance.

   Medical, dental and vision coverage shall be identical to that provided to employees of the District.

3. **Additional Compensation.** Each Director shall receive a daily stipend for meetings attended outside the District in an amount established from time to time by Board Resolution.

4. **Out of Pocket Expenses.** Each Board Member shall be reimbursed for all out of pocket district expenses on a per diem basis identical to all employees of the district. Each director is responsible for submitting their district expenses report prior to such reimbursement.

Reimbursement for Legal Expenses
If a Director expects to incur legal expenses defending a legal claim brought against the Director individually, and

1. The claim concerns conduct or activities related to the performance of a Director's duties at a District board meeting or authorized conference which the Director attended on behalf of the District,
2. The legal expenses are not fully reimbursable by the District's insurer, and
3. The Director intends to seek reimbursement for the expenses to be incurred, then the Director shall notify the Board of the pending claim promptly and keep the Board aware of progress and disposition of the claim.

Upon application by the affected Director, within sixty (60) days following the conclusion of the claim, the Board shall authorize the District to reimburse legal expenses incurred by the affected Director subject to the following conditions:

1. The Director establishes that (a) the Director's conduct or activities were intended to be in furtherance of the District's interests, and (b) the claim is dismissed and the Director is found not be culpable or is otherwise exonerated;
2. If the legal expenses were reimbursable by insurance in part, proof of application to the insurer and confirmation that the insurer allowed the claim to the extent of its coverage;
3. The affected Director provides a sufficiently detailed billing invoice to verify that the legal expenses for which reimbursement is sought, were incurred for the defense of the claim arising out of the Director's conduct on behalf of the District; and

4. An affidavit signed by the Director, delivered to the District's General Manager within sixty (60) days of conclusion of the legal matter, verifying that the submitted information is accurate and truthful and that the charges were reasonable in amount and necessary to the defense of the claim; then the Board shall authorize reimbursement for legal expenses from the District funds.

If the District is named as a party to any such claim, a Director shall not be entitled to reimbursement of legal expenses unless the District has refused to provide a defense for the Director. In no event will a Director be entitled to reimbursement if he or she is found culpable of violating Oregon law in the proceeding.

1250 Whistle-Blower Policy
The District requires that our Directors, managers and employees hold themselves to the highest standards of honest and ethical conduct when conducting the District's business. Should any Director, manager or employee observe an unethical business practice, he/she must report the violation to the appropriate person or persons.

If you observe any improper action or unethical business practice and, in good faith, report such action, you will not suffer any harassment, retaliation, discrimination or adverse employment consequences as a result of this good faith reporting. "Good faith" in this case means that you have reasonable grounds for believing that a violation has occurred. Any allegation not made in good faith, which appears to have been made maliciously or knowingly to be false, will result in disciplinary action up to and including termination.

If an employee or Director observes unethical business practices or improper governmental action and fails to report the violation, that person, too, could be subject to disciplinary action or censure. Any Director, manager or employee who harasses, retaliates or discriminates against someone who has made a complaint of this nature will be subject to disciplinary action up to and including termination of employment or censure and request for resignation from the Board.

Reports of improper governmental action or unethical business practices should be directed to Human Resources, a Senior Manager, the General Manager or the Chair of the Board of Directors. If the complaint involves a person holding any of these positions, it may be made directly to the District's legal counsel. (ORS 659A) (ORS 244.320).

1260 Board Evaluation
1. At least every three (3) years concurrent with the redevelopment of the strategic plan, the Board will formally evaluate its performance. The Board will typically conduct a formal evaluation with the assistance of a knowledgeable independent party. The formal evaluation may include individual and group interviews, written surveys, observation of Board meetings and other appropriate methods that yield consistent outcomes. Each formal evaluation will include written documentation of results and recommendations. The evaluation will consider the following:
a. The effectiveness of the Board's policies and the extent to which the Board has used the policies to perform its functions.

b. The knowledge level and effectiveness of the Board members in performing their duties (individually and collectively).

c. The level of financial, information and other resources available to support the Board in the performance of its functions.

2. When evaluating its performance, the Board will seek information from individual Board members, from the General Manager, from other staff members with whom it routinely interacts, from independent advisors, and from customers and other external stakeholders.

3. The Board will informally evaluate its performance routinely in order to obtain information that may be immediately helpful to a particular situation or whenever requested by one of the Board members. Informal evaluations will not require outside assistance and will typically consist of focused internal inquiries or discussions following Board meetings and other governance functions.

SECTION 2: GENERAL MANAGER

2100 Authority of the General Manager

Chief Administrative Officer
The General Manager shall be chief administrative officer of the People's Utility District, shall have control of administrative functions and financial reporting of the District and shall be responsible to the Board for efficient administration of all affairs of the District placed in his/her charge (ORS Chapter 261.445[3]).

Administrative regulations for the efficient administration of all affairs for which the General Manager has responsibility, and which implement and are in every way consistent with Board policy, shall be formulated at the direction of the General Manager for operation of the District.

The General Manager shall keep the Board informed of the content of administrative regulations, with the understanding that the Board may request review of specific administrative regulations at anytime.

In the development of administrative regulations and procedures, the General Manager shall solicit and weigh the advice and recommendations of those Ratepayers of the District community who will be affected by such provisions, and keep the Board informed of these activities.

Budget Officer
The General Manager shall serve as budget officer. The budget officer shall be responsible for preparation and maintenance of the budget document.
Registered Agent
The Board designates the General Manager as the Registered Agent as required by ORS 198.340.

Supervising Utility's Day-to-Day Management
The General Manager is responsible to the Board for the development of the operational program of the District, budget preparation, personnel administration, District-community relations and the overall supervision of the utility's day-to-day management, subject to the Orders and legislative directions of the Board.

The General Manager will regularly keep the Board informed of the current issues confronting the utility, including emerging regional power planning issues. He/she will suggest alternative strategies and measures by which the Board may want to shape policy to deal with these issues.

The General Manager will be responsible to assist the Board by keeping each Director informed of all pertinent data and reports germane to current and emerging issues. He/she, in coordination with the President, will enhance the education and orientation of Directors and provide for a flow of formation to them.

Meeting with the President of the Board
The General Manager will meet frequently with the President and assist him/her to be in frequent communication with all other Directors so that there will be an orderly and timely flow of information and preparation for the discussion and debate of issues, including significant administrative decisions made or proposed to be made by the General Manager.

The General Manager shall be responsible for systems of financial accounting and control which establish clear audit trails for all District assets, liabilities, resources and expenditures. These systems shall comply with State and Federal laws and with generally accepted municipal accounting principles and be in compliance with Federal Energy Regulatory Commission rules.

Only the General Manager, or his/her designee, may commit the District to financial obligations or contractual agreements. No obligation may be incurred unless it has been first authorized in the budget or by the budget change process. Any person otherwise obligating the District financially or contractually may be held personally liable for such obligation.

Acquiring Insurance
The General Manager shall be responsible to acquire insurance from the most cost effective source. In order to assure this result, the Board may employ special consultants and designate agents for the purchase of adequate insurance coverage. All insurance policies shall be reviewed and put out for bid at least every three years.

Adequate insurance coverage shall be maintained for: 1) fire and extended coverage on all facilities owned or occupied by the District; 2) comprehensive liability; 3) money and securities, including bonds on individual employees; 4) Board insurance, including errors and omissions policy; and 5) other coverage as deemed prudent.
Facilitating Input from the Public on Controversial Decisions
The General Manager shall develop channels for individuals, groups and committees to present reports and recommendations to the Board in the instance or reasonable expectation of major differences of opinion. It is emphasized, however, that the Board considers such a cooperative endeavor as entirely advisory.

Preserving Public Records
The General Manager shall be responsible for insuring that all non-exempt public records of the District are preserved and made available to the public in accordance with the Public Records Laws.

SECTION 3: BUDGET & FINANCE

3100 Budget Preparation and Adoption
At the direction of the Board, the General Manager shall direct staff to make continuous studies of budget needs and prepare recommendations on programs and services needed for the Citizens Finance and Rates Advisory Committee consideration. The recommendations of advisory committees, interested Ratepayers and entities within the District shall be considered in developing the budget document. The Board shall solicit such input annually during the consideration of the budget. The Board is responsible for establishing rates (ORS 261.465).

3105 Salary and Benefit Surveys
A benchmark study comparing like utilities for Cost of Living (COLA) information will be conducted annually. The Board must consider any proposed COLA during the budget process.

If approved by the Board, the COLA would be effective January 1 of the new budget year.

SECTION 4: COMMUNITY RELATIONS

4100 Publicity Releases
All publicity releases shall be channeled through the office of the General Manager or a designated representative. Only the President, the General Manager or other person designated by the Board is authorized to speak for the District as an official District spokesperson.

4105 District Support for Community Activities
The District shall endeavor to assist all major community activities through the supplying of manpower and/or financial assistance within budgetary constraints.

4115 Contributions
All contributions must be approved by either the General Manager or the Board. The General Manager has authority to approve individual contributions totaling $500 or less or when a contribution involves the use of public purpose funds. Contributions in excess of that amount must be approved by a majority vote of the Board.

A. It is the District's policy to occasionally contribute dollars to some or all of the following purposes from the current operating budget:
   1. Educational purposes, including scholarships and internships.
2. Specific requests by Directors to be reviewed by the Board.
3. Non-educational purposes that relate to community development and meet with the District's business of energy service and the District's written mission statement and goals.

B. In general, the District's policy does not allow contributions or in-kind services for the following purposes:
   1. Discriminatory, sectarian or denominational programs and organizations.
   2. Political campaigns.
   3. Tax-supported public education institutions for general purposes.
   4. In general, any profit-making or commercial enterprise.

C. It is desirable that contributions be confined to donations of cash, and that contributions of services and labor be minimized for reasons of liability and loss of time on the job.
   1. In no case is the utility able to contribute:
      a. Electricity.
      b. Any service for which a fee is normally charged.

   2. In some cases, it is desirable for the District to contribute specific services for qualified community service organizations and programs:
      a. Unique and skilled labor and/or equipment available only from the District.
      b. Loaned personnel for community-wide benefit programs.

SECTION 5: MISCELLANEOUS

5100 Cooperation with Oregon P.U.D.s
The District's best interests are served by working cooperatively with other Oregon consumer-owned utilities in legislative matters.

It is the policy of the District to give all encouragement and reasonable assistance to other public power entities. Special assistance will be given, within budget constraints, to newly formed or forming people's utility districts. Attendance at meetings, participation in studies, speaking to interested groups and provision of information and support are examples of this assistance.