NORTHERN WASCO COUNTY PEOPLE'S UTILITY DISTRICT  
REGULAR SESSION  
MAY 1, 2018  

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

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

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; Principal Engineer & Strategic Asset Planner Paul Titus; Operations & Engineering Manager Pat Morehart; Key Accounts Manager Justin Brock; Contracts & Risk Specialist Sue Powers; Lead Senior Financial Analyst Lana Egbert; Director of Corporate Services Cyndi Gentry; Executive Assistant Kathy McBride; and Chief Finance Officer/Director of Finance & Enterprise Risk Harvey Hall.  

Visitors: Matthew Klebes, City of The Dalles; Dallas Fridley, Oregon Employment Department; Alan Birchfield, Trampus Bringman, Paul Ufford and Lane Magill, Wasco County Sheriff’s Office; Terry Stark, Tygh Valley Rural Fire Protection District; Victor Johnson; Kathy Fitzpatrick, Mid-Columbia Economic Development District; Antoine Tissot, The Dalles Kiwanis Club; Lu Seapy, Wasco County 4-H Association; Keith Simoric, Moss Adams; Donna Lawrence, Wasco County-The Dalles Museum Commission; Sharon DeHart, Deschutes Rim Health Clinic; and Kathy Norton, Port of The Dalles.  

PUBLIC COMMENT  

There was no public comment.  

2017 AUDIT REPORT FROM MOSS ADAMS  

Keith Simoric from Moss Adams presented to the Board copies of the Final Audit for Northern Wasco County People’s Utility District for the period of December 31, 2017 and 2016.
At this time, Simoric presented a PowerPoint Presentation entitled Northern Wasco County People’s Utility District Final Audit Communication with Those Charged with Governance. A copy of said PowerPoint Presentation is hereto attached and marked as Exhibit 1.

Some of the highlights from Simoric’s presentation are as follows:

- The District received an Unmodified (Clean) Opinion of the Financial Statements.
- Management has done a lot of work to clean up items that were noted in the first year of the audit. Some internal control items, noted previously as material weaknesses, have been rectified in the current year.
- Financial statements are presented fairly in accordance with the U.S. Generally Accepted Accounting Principles (GAAP).
- An audit adjustment was made to record accrued interest for the 2016 revenue bonds in the amount of $39,000.
- One instance of non-compliance was noted due to lack of evidence of posting a public bid notice. No evidence of posting was kept on file.
- Key controls were found to be effective.
- No instances of fraud were identified throughout the audit.
- Overall, management is able to design and implement controls that are appropriate and help protect the District’s resources.
- No material weaknesses were found on internal controls. A few best practices were noted during the fieldwork with management staff.

President Williams thanked Simoric for the audit presentation.

{{(Director Smith moved to accept the 2017 Audit for Northern Wasco County People’s Utility District. Director Howe seconded the motion; it was then passed unanimously.)}}

ECONOMIC UPDATE FROM DALLAS FRIDLEY, OREGON EMPLOYMENT DEPARTMENT REGIONAL ECONOMIST

Dallas Fridley, Oregon Employment Department Regional Economist, presented a PowerPoint Presentation entitled “Wasco County Economic Update”. A copy of said PowerPoint Presentation is hereto attached and marked as Exhibit 2.

Highlights of Fridley’s presentation are as follows:

- The main focus of the data presented is on Wasco County, Oregon.
- Fridley believes that the unemployment rate will be higher in 2018 than it was back in 2017.
• The high peak employment month is July.
• Fridley does not see a lot of growth in jobs over the year.
• State government jobs are down by 110 jobs due to home health care workers being reclassified under the private industry category.
• Wasco County’s annual average for unemployment in 2017 is 4.1%
• Wasco County’s unemployment average rate was the same as the State of Oregon over the last three years.
• Wasco County’s population in 2017 was 26,115. Per capita personal income was $42,287.
• Of the 36 Counties located in the State of Oregon, Wasco County ranked 9th highest in per capita personal income.
• Unincorporated areas are driving Wasco County’s growth.
• Wasco County’s year-to-date median home price in 2017 is $205,300.

Some discussion occurred upon the conclusion of Fridley’s presentation.

**ECONOMIC DEVELOPMENT GRANT APPLICATIONS**

President Williams informed the Economic Development Grant Applicants that they will have 10 minutes to provide a brief presentation on their grant request and for questions and answers.

General Counsel James Foster informed the grant applicants that no decision will be made this evening by the Board. The earliest that a decision will be made is in June.

Director Gonser stated that this is a procedure that the Board has been following for years. It provides the Board will some additional time to think about the proposed projects prior to rendering a decision.

President Williams stated that two of the grant applications were received one day past the specified deadline. The District’s instructions state “no later than 5 p.m., April 18, 2018”. President Williams wondered what the Board feels about these two late applications.

Foster stated that if the Board was not going to hear presentations based on applications being received past the deadline than those people should have been notified of that. He suggested that the Board hear the presentations and then decide whether to award grant funding to those projects.

President Williams responded that the Board has not met in the last month; the Board did not have an opportunity to notify the grant applicants.
Director Smith stated that every year it has been clearly stated what the deadline is. He would hate to set a precedent that the Board accepts late applications.

Some discussion occurred. All applicants will be allowed to make a brief presentation.

**City of The Dalles:**

Matthew Klebes, City of The Dalles Representative, and Victor Johnson, local citizen, were present to discuss the grant request from the City of The Dalles in the amount of $20,000 to cover a portion of the cost of the installation of kiosks, wayfinding panels, official Hub signage, decorative stone seat wall, shade structure and landscaping reflecting the historic highway at the City of The Dalles Gorge Hub.

The following are a few highlights from Klebes' presentation:

- The Columbia Gorge Highway State Trail will create a safe bicycle corridor from Portland to The Dalles. The State Trail is estimated to increase spending in the area by $6.3 million.
- The Dalles is the eastern gateway to the Columbia River Gorge, with favorable weather.
- The Dalles and other entities are working together to have the Columbia Gorge Highway State Trail recognized as a world class destination.
- The City of The Dalles Gorge Bike Hub will be located at the Lewis and Clark Festival Park.
- The Columbia Gorge Highway State Trail is 73 miles long.

Victor Johnson recently attended the Alternative Transportation Summit in Portland. Oregon is known as a world bicycle destination. Johnson learned at the Summit that around 27% of tourist cyclists earn over $100,000 per year and 22% earn over $200,000. They bring a large financial impact to the area with a little footprint.

Johnson stated that they are also working with the Blue Zones on the connector trail from the Aquatic Center to the Senior Center. This is good for tourism and local citizens. The Lewis and Clark Festival Park is like the front porch of the community. There will be information available at the Gorge Hub for tourist travelling through the area.

Johnson thanked the Board of Directors for reinvesting in the community.

Some discussion occurred regarding the City of The Dalles' grant request.

Director Smith stated that he has been a cyclist in The Dalles for over 35 years and has worked on various committees and projects. He noted that the State of Oregon has talked about this project in prior years. Director Smith is surprised that one amenity has been left out of this proposal, which is bicycle lockers.
Klebes stated that there was significant outreach and communications on the design of the project. He is not sure why lockers were excluded from the project.

General Counsel James Foster noted that one requirement is that a detailed budget be submitted by grant applicants. No detailed budget was submitted as to projected revenue. The other issue is that construction is slated to begin in four years from now, as opposed to the next 12 months.

Klebes stated that it is the City of The Dalles' intent to partner the Northern Wasco County PUD grant with the City of The Dalles. If funding is secured the project would proceed in 2019.

**Deschutes Rim Health Clinic:**

Sharon DeHart, District Manager for White River Health District, was present to discuss the grant request from the Deschutes Rim Health Clinic in the amount of $20,000 for the District's “We Care Campaign”, which is a capital campaign to expand the Deschutes Rim Health Clinic, located in Maupin, Oregon.

The following are some highlights from DeHart's presentation and to questions asked by members of the Board of Directors:

- South Wasco County is growing at a rapid rate resulting in an increase in health service needs.
- The Deschutes Rim Health Clinic has one to six new patients each week.
- The White River Health District needs a new home for the Deschutes Rim Health Clinic since they have outgrown their existing building, which was initially built as a temporary building.
- The Clinic serves South Wasco County, as well as the 70,000 to 80,000 touring members of the public.
- The new Clinic being planned will include space to provide urgent care. Currently there is no urgent care services between Redmond and Gresham.
- The need for the Health Clinic is significant.
- The White River Health District is currently $1.1 million short. DeHart is researching an opportunity that could save the Health District $1 million.
- Northern Wasco County PUD covers about a quarter of the White River Health District’s territory.
- The White River Health District will own the new Clinic Building.

Foster informed DeHart that the biggest issue with the Deschutes Rim Health Clinic Application is that the Clinic is located outside the District. This is the first application that the District has received from an entity outside the District’s territory but who is
providing services to District customers. The District will need to consider whether the project can be funded.

Director Gonser told DeHart that he thinks the Health District is doing good work.

**Dufur School District:**

There was no representative present from the Dufur School District.

**Mid-Columbia Economic Development District:**

Kathy Fitzpatrick, Mid-Columbia Economic Development District (MCEDD) Mobility Manager, was present to discuss the grant request from Mid-Columbia Economic Development District in the amount of $5,469.55 to help fund a bus shelter, bus stop signage, vehicle signage and facility sign at The Dalles Transit Center.

The following are some highlights from Fitzpatrick’s presentation and to questions asked by members of the Board of Directors:

- MCEDD has taken over the administration for The LINK, The Dalles and Wasco County’s transportation system.
- The Link currently offers Dial-A-Ride, door to door transportation services in The Dalles and Wasco County.
- Over the last year MCEDD has been working with all transportation providers to expand services in the Columbia River Gorge.
- MCEDD has been recommended for approval for an Oregon Department of Transportation (ODOT) grant that would fund The Link’s first deviated fixed-route bus service starting April 2019, which would improve service to key destinations in The Dalles with connections to other regional transportation providers.
- MCEDD has also been recommended for approval of an additional ODOT grant to fund bus shelter facilities and bus stop signage. This grant covers both The Dalles and Hood River.
- MCEDD’s is proposing to use the PUD grant as matching funds for the bus shelter at The Dalles Transit Center, which is a component of the combined grant request to ODOT.
- The new bus shelter will be located adjacent to The Dalles Transit Center. The existing shelter at the site is for Greyhound riders.
- MCEDD has been guaranteed to receive the ODOT Grant for the bus shelter facilities and bus stop signage. The notice to proceed will be issued on July 1, 2018.
Tygh Valley Rural Fire Protection District:

Terry Stark, Tygh Valley Rural Fire Protection District Volunteer and Board Member, was present to discuss the grant request from the Tygh Valley Rural Fire Protection District in the amount of $4,960 to purchase eight new Semi Closed Breathing Apparatus (SCBA) bottles and associated valves.

The following are some highlights from Stark's presentation:

- Tygh Valley Volunteer Fire Department's Semi Closed Breathing Apparatus (SCBA) bottles and backpacks were received from the Mid-Columbia Fire & Rescue District three years ago, which replaced some of Tygh Valley Fire Department's outdated bottles.
- The life expectancy of the Department's SCBA bottles is within the year.
- The SCBA bottles are inspected. Back in May 2016, the Fire Department received a good rating resulting in lower insurance rates for local citizens.
- This equipment is an essential tool for the Tygh Valley Rural Fire Protection District to be certified.
- The new SCBA bottles have a 15-year life expectancy.

Wasco County Sheriff Reserves:

Alan Birchfield, Sergeant, Wasco County Sheriff's Office, was present to discuss the grant request from the Wasco County Sheriff Reserves in the amount of $20,000 to augment the process of selecting, hiring on a volunteer basis, and outfitting ten new Reserve Deputies for the Wasco County Sheriff's Office.

The following are some highlights from Sergeant Birchfield's presentation and to questions asked by members of the Board of Directors:

- Photocopies of equipment proposed to be purchased, as outlined and identified in the project budget, was presented to members of the Board of Directors.
- Of the $20,000 being requested, $3,600 is for background investigations, medical and psychological exams for six new reserves. The remainder of the grant request is for the purchase of equipment.
- Back in the 1980s and 1990s the Sheriff's Department had 12 to 15 Reserve Deputies. The Sheriff's Office currently has only seven Reserve Deputies.
- The Sheriff's Office relies heavily on their Reserve Deputies.
- The Sheriff's Office over the last three years has had an average of three Reserve Deputies. The Sheriff's Office would like to have 15 volunteers.
President Williams asked Chief Finance Officer/Director of Finance & Enterprise Risk Harvey Hall if the District’s budget has any funding that could be used outside the Economic Development Grant process.

Hall responded by stating that nothing has been designated; but the District could have capacity to fund something outside the grant program.

General Counsel Foster stated that exams are not considered bricks and mortar expenses.

Paul Ufford, Wasco County Sheriff’s Office Representative, stated that they wanted to be upfront with their funding request; exams are a part of the selection process.

Director Howe asked where the funding came from in the past to fund the Reserve Deputies Program.

Sergeant Birchfield stated the funding came from the Reserve Deputies Program’s budget, which is $3,000 per year. What has changed is not the amount of the annual Reserve Program’s budget, but the number of volunteers that the Sheriff’s Office wants to bring on. Every year it is a fight to keep the funding level at $3,000.

Some discussion occurred regarding the Reserve Deputy Program.

Birchfield noted that the Sheriff’s Office will not be able to expand the Reserve Deputies Program if funding is not received since the Department cannot pay for the exams due to limited funding.

Ufford stated that the Sheriff’s Office has not applied for other grants. He is currently researching the Ford Foundation Grant Program.

Port of The Dalles:

Kathy Norton, Port of The Dalles Representative, was present to discuss the grant request from the Port of The Dalles in the amount of $20,000. The Port of The Dalles Grant request would fund parking lot lighting, upgraded restrooms, power pedestals, and a portion of the irrigation installation at the Klindt Cove Park.

The following are some highlights from Norton’s presentation and to questions asked by members of the Board of Directors:

- The Port of The Dalles is partnering with The Dalles Kiwanis and Northern Wasco County Parks & Recreation District to create a wonderful park at Klindt Cove.
- Parking lot lighting, heated restrooms and installation of two (2) power pedestals are being proposed which will help to encourage events at the park.
Other partners are providing the Port of The Dalles with other components for the improved and expanded park.

The Dalles Kiwanis will be installing an attractive sign.

Other improvements proposed for a later date are playground and play equipment and a butterfly garden.

General Counsel Foster had a question on the Port of The Dalles' budget as to the proposed revenue and expenditures for the project, and the matching fund grant.

Norton responded to Foster's question by stating that the revenues are shown on the top section of their budget; expenses are located in the next section. The Port of The Dalles has received the matching funds.

Foster informed Norton that the District has never funded a contingency fund before.

Norton stated that they wanted to set aside contingency funding for unknown electrical expenses since Hage Electric does not know what they will find when installing the street lines.

Norton noted that the parking lot improvement will be done by Crestline Construction.

Norton stated that the Port of The Dalles can remove the request for contingency funding.

Director Smith stated that this project has been under The Dalles Kiwanis Club for years, and they have done nothing with it. The park in the past gets taken over during the fishing season.

Norton responded by stating that Northern Wasco County Parks & Recreation District has already budgeted for the maintenance of Klindt Cove Park. The Parks & Recreation District will maintain the park for the life of the State Parks Grant, which is 20 years.

Antonio Tissot, The Dalles Kiwanis Representative and Budget Committee Member for the Northern Wasco County Parks & Recreation District, stated that a couple of years ago the Kiwanis raised $5,000 to install steps at Klindt Cove. Picnic tables and benches have also been installed.

Tissot noted that this past earth day six to seven Kiwanis did a cleanup at Klindt Cove. He mentioned the signage that will be installed at the park by The Dalles Kiwanis.

Norton stated that the Kiwanis have been a great partner with the Port of The Dalles. The completion of the park improvements will provide a lighted parking lot with year
around restrooms. Northern Wasco County Parks and Recreation District is looking at improving river access to the beach.

_Wasco County/City of The Dalles Museum Commission:_

Donna Lawrence, President of the Wasco County/City of The Dalles Museum Commission, asked if their application was one of the two late applications.

After Lawrence learned that the Museum Commission's application was submitted one day late, she respectfully rescinded their funding request.

Foster told Lawrence that it is important for the Museum Commission to talk to the District's energy conservation staff since there is funding available to assist businesses and residents when energy efficient heat pumps are installed.

_Wasco County 4-H Association:_

Lu Seapy, Stem Program Coordinator, was present to discuss the grant request from the Wasco County 4-H Association in the amount of $12,000 for materials and supplies for Maker and Destination Imagination Program in Wasco County. The grant will help continue the Stem Career Development Program currently serving middle school aged students.

The following are some highlights from Seapy's presentation and to questions asked by members of the Board of Directors:

- The 4-H Stem Career Development Program reaches 1,400 to 1,700 youth annually. There are many different types of programs offered.
- The Wasco County 4-H Association is requesting funds for the afterschool stem programs in The Dalles, Dufur, and Maupin.
- In the last two years, the Stem Career Development Program has served 130 youth from five different schools.
- The youth participating in this high intensity program have completed over 5,313 hours of stem programming, which includes robotics, computer science and stem field trips and side visits. Students average between 70 to 250 hours of stem programming on their own time.
- Youth participating in the Stem Career Development Program have a greater knowledge of available jobs; have high esteem and better grades. The current job market requires more technology literacy.
- Wasco County 4-H Association has lost a major federal grant in the amount of $11,000, which has placed the afterschool program at risk. After school programming is not a priority with the current federal administration.
Seapy presented to the Board a copy of the letter from Scott Elmshaeuser, Executive Director/Director of Development of the Oregon 4-H Foundation, dated February 27, 2015. The letter is proof that the Wasco County 4-H Association is an affiliate of the Oregon 4-H Foundation and that they are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. A copy of said letter is hereto attached and marked as Exhibit 3.

Foster acknowledged that the Wasco County 4-H Association is qualified under the District’s Economic Development Grant Program based on their 501(c)(3) status.

Some discussion occurred regarding the materials proposed to be purchased and whether Wasco County 4-H Association is seeking other funding sources.

At 8:05 p.m. the Board recessed to take a break.

At 8:10 p.m. the Board reconvened.

**CONSENT AGENDA**

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

- Regular Session Minutes of April 3, 2018
- March Outage Report
- Energy Management/Marketing Report
- February Checks/Vouchers
- Audited December 2017, Financial Report
- March Financial Report
- March Write Offs

The Board considered the approval of the May 1, 2018 Consent Agenda.

{**Director Smith moved to approve the May 1, 2018 Consent Agenda as presented. Director Karp seconded the motion; it was then passed unanimously.**}
2018 QUARTER 1 REPORT

General Manager Roger Kline stated that the 2018 Quarter 1 Report reads a little differently as compared to last year’s reports. The Board will see longer definitions under the Reliability KPI’s Section of the Report.

The Board of Directors felt that the Quarter 1 Report looks good.

NEW BUSINESS

Consideration and Adoption of Resolution #02-2018 in the matter of adopting amended Public Contracting Rules and Prescribing Rules for Procedure for Public Contracting:

Chief Finance Officer/Director of Finance & Enterprise Risk Harvey Hall stated that staff has brought before the Board a proposal to amend the District’s Public Contracting Rules and Policy. The current policy and rules were adopted by the Board back in 2014 by Resolution. Hall noted that the 2014 provisions are included in the amended Policy and Rules. Staff wanted to ensure that current laws and regulations are being met and that procedures are clarified on exceptions. The new policy and procedures provide clear guidance to staff.

Hall noted that Contracts & Risk Specialist Sue Powers did most of the work on the policy and procedures, with assistance from General Counsel James Foster. The policy under review today has been updated from the version provided to the Board at last month’s meeting.

President Williams complimented Powers, Foster and Hall for their work on updating the District’s Public Contracting Policy and Rules.

Contracts & Risk Specialist Sue Powers informed the Board that she started writing a new document that was inclusive of the existing policy, as well as addressing other areas where there were questions from staff. Staff now has procedures for internal use. Powers did not have a redline document to begin with.

Powers stated that staff will receive training on the public contracting policy and procedures. The small procurement threshold has been changed from $5,000 to $10,000.

Some discussion occurred.
Director Gonser moved to adopt Resolution #02-2018 in the matter of adopting amended Public Contracting Rules and Prescribing Rules for Procedure for Public Contracting. Director Karp seconded the motion; it was then passed unanimously.

Memorandum from General Manager Roger Kline regarding Neighbor to Neighbor – Program Update:

General Manager Roger Kline provided the Board with an update on the District’s Neighbor to Neighbor Program. A copy of Kline’s memorandum is hereto attached and marked as Exhibit 4.

Director Karp provided staff with kudos for reaching out to the community to increase donations to the Neighbor to Neighbor Program.

Director Smith asked if the District has a donation cap for the Neighbor to Neighbor Program, since the Board has agreed to match donations made to said program.

Kline stated that staff will look at that as the District goes through the budget process.

OLD BUSINESS

There was no old business to discuss.

ITEMS FROM BOARD MEMBERS

There were no items to discuss from members of the Board of Directors

BOARD REPORTS / ITEMS FROM BOARD MEMBERS

Oregon People’s Utility Districts Association (OPUDA):

Director Gonser reported as follows on the recently attended OPUDA Board Meeting:

- Revised and current Bylaws of OPUDA will be emailed to Board members for their review and consideration at the OPUDA Board Meeting in May.
- The Northern Wasco County People’s Utility District Board of Directors will go through the proposed revisions to OPUDA’s Bylaws.
- New legislative bills will probably be pushed to help cushion the PERS liability.
• The Romain Group recently attended an Oregon Department of Energy (ODOE) Meeting. ODOE staff explained there will be a large Energy Supplier Assessment (ESA) increase because ODOE’s budget income is dropping.
• The Oregon Citizens’ Utility Board (CUB) and NW Energy Coalition want all Customer Owned Utilities (COUs) under the Public Utility Commission’s (PUC) regulation for energy efficiency. OPUDA and COU’s lobbyists will draft a letter in response to this matter.
• Bonneville Power Administration (BPA) reported: that water is just a hair below average right now as last month was very wet; March was at 112.1 million-acre feet (MAF), today it was at 120.5 MAF; and the snow pack is up.
• There will probably be a BPA Spill Surcharge. The District might want to plan for another spill surcharge, 1.25%, in the 2019 budget.

Northwest Public Power Association:

Director Smith reported that the Northwest Public Power Association (NWPPA) Annual Conference will be held in Boise, Idaho on May 20 – 23, 2018.

NWPPA will be holding a future seminar on Bitcoins.

President Williams stated that Northern Wasco County PUD’s General Manager Roger Kline will be one of the presenters at the “NWPPA’s HDL Workshop: Are you Ready for Blockchain, Data Centers, and Grow Operations?”.

General Counsel Foster is interested in attending said Workshop.

**APPROVAL OF FUTURE MEETINGS/TRAVEL/OR RELATED MATTERS**

- May 2, NRU - Dan Williams, Howard Gonser and Clay Smith
- May 2, PPC Forum – Dan Williams, Howard Gonser and Clay Smith
- May 3, PPC Executive Committee Meeting - Dan Williams, Howard Gonser and Clay Smith
- May 18 - OPUDA Meeting – Dan Williams, Howard Gonser, Connie Karp and Clay Smith
- May 20-23 – NWPPA Annual Conference - Dan Williams, Howard Gonser, Connie Karp and Clay Smith
- June 6, NEMS, NESC & NIES – Dan Williams, Howard Gonser, Connie Karp, Clay Smith and Roger Howe
- June 6, PPC Forum - Dan Williams, Howard Gonser, Connie Karp, Clay Smith and Roger Howe
- June 7, PPC Executive Committee Meeting - Dan Williams, Howard Gonser, Connie Karp, Clay Smith and Roger Howe
June 7, NWPPA HDL Workshop – Dan Williams, Howard Gonser, Connie Karp, Clay Smith, Roger Howe and James Foster
June 22, OPUDA Meeting – Dan Williams, Howard Gonser, Connie Karp, Clay Smith and Roger Howe
September 19-20, OPUDA Annual Conference – Dan Williams, Howard Gonser, Connie Karp, Clay Smith and Roger Howe

EXECUTIVE SESSION

At 8:40 p.m. President Williams 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.

Those present for the Executive Session included the Board of Directors, General Counsel James Foster; General Manager Roger Kline; Assistant General Manager/Director of Power Resources Kurt Conger; Principal Engineer & Strategic Asset Planner Paul Titus; Chief Financial Officer/Director of Finance & Enterprise Risk Harvey Hall; Engineering & Operations Manager Pat Morehart; and Key Accounts Manager Justin Brock.

At 9:03 p.m. the Board convened under ORS 192.660(2)(h) to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

At 9:17 p.m. the Board adjourned from Executive Session to return to Regular Session.

There being no further business the meeting adjourned at 9:18 p.m.

[Signature]
President

ATTEST:

[Signature]
Secretary
Northern Wasco County People’s Utility District
Final Audit Communication with Those Charged with Governance

May 1, 2018
AGENDA

What does an audit of the District entail?

Are the financial statements a fair representation of transactions and ending balances for the year?

Did the Board comply with applicable State laws and regulations?

What procedures were performed to identify fraud?

Internal Control Recommendations
What does an audit of the District entail?

**Independent verification of transactions and balances**
- Inspection of source documents
- Verification with third parties
- Analytical review and inquiry procedures
- Perform substantive test procedures

**Evaluation of the effectiveness of internal controls**
- Review key controls in all significant account cycles
- Testing for operational effectiveness
- Reporting of control weaknesses

**Testing compliance with State requirements**
- State requires tests of certain compliance matters
- Incorporated into audit programs and planned audit approach
What does an audit of the District entail?

- Balances and transactions verified against audited amounts and documentation
- Financial statements meet all applicable GAAP, and State requirements
- Supplementary information presented accurately

Technical review of the financial statements

Reporting of audit results

- Reporting to Board of Directors
Are the financial statements a fair representation of transactions and ending balances for the year?

Moss Adams Audit Procedures
- Perform risk assessment to identify significant risk areas
- Perform substantive test procedures
- Perform technical review of financial statements

Results
- Unmodified (clean) opinion provided to the District for its financial statements.
- Financial statements are presented fairly in accordance with US GAAP.

Additional Audit Comments
- Issued our communication to those charged with governance to discuss required items and any audit adjustments noted during the process
Audit Adjustments

<table>
<thead>
<tr>
<th>Audit Adjustments</th>
<th>Amount</th>
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<tr>
<td>To record accrued interest for the 2016 revenue bonds</td>
<td>$39,000</td>
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Passed Adjustments

<table>
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<tr>
<th>Passed Adjustments</th>
<th>Amounts</th>
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<tbody>
<tr>
<td>None noted</td>
<td></td>
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Did the District comply with applicable State laws and regulations?

<table>
<thead>
<tr>
<th>Moss Adams Audit Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Perform risk assessment to identify significant compliance risk areas</td>
</tr>
<tr>
<td>• Perform compliance testing over several areas including public contracting</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Results</th>
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<tbody>
<tr>
<td>• One instance of non-compliance noted – lack of evidence of posting public bid notice</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Additional Audit Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Management is aware of the State compliance requirements that are subject to our audit procedures and monitor compliance throughout the year.</td>
</tr>
</tbody>
</table>
What procedures were performed to identify fraud?

Moss Adams Audit Procedures

• Evaluation of key controls for all significant balances and transaction cycles
• Brainstorm session to identify fraud risk areas
• Interview individuals throughout the District
• Perform ‘surprise’ procedures

Results

• Controls found to be effective
• No instances of fraud were identified throughout the audit

Additional Audit Comments

• Overall, management is able to design and implement controls that are appropriate and help protect the District’s resources.
## Internal Control Recommendations

<table>
<thead>
<tr>
<th>Internal control findings</th>
<th>Category</th>
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<tr>
<td>No material weaknesses – we have discussed a few best practice items with management during fieldwork</td>
<td>Other Matters</td>
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</table>
Acknowledgements

Thanks to the Board, Roger Kline, Harvey Hall, Lana Egbert and other staff for the excellent facilitation of the audit process

- All personnel across all departments were courteous, responsive and fulfilled all of our requests in a timely manner.

- ‘Tone at the Top’ and attitude from management was one of helpfulness, candor, and openness in response to audit requests and discussion points.
Wasco County Economic Update

Northern Wasco PUD

May 1, 2018
Mixed Results in March 2018

Wasco County Labor Force and Industry Employment

<table>
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<th>Labor Force Status</th>
<th>Mar-18</th>
<th>Feb-18</th>
<th>Mar-17</th>
<th>Feb-18</th>
<th>Mar-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civilian Labor Force</td>
<td>12,931</td>
<td>12,846</td>
<td>12,773</td>
<td>85</td>
<td>158</td>
</tr>
<tr>
<td>Unemployment</td>
<td>631</td>
<td>654</td>
<td>585</td>
<td>(23)</td>
<td>46</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>4.9</td>
<td>5.1</td>
<td>4.6</td>
<td>xxx</td>
<td>xxx</td>
</tr>
<tr>
<td>Unemployment Rate, seasonally adjusted</td>
<td>4.2</td>
<td>4.1</td>
<td>4.0</td>
<td>xxx</td>
<td>xxx</td>
</tr>
<tr>
<td>Total Employment</td>
<td>12,300</td>
<td>12,192</td>
<td>12,188</td>
<td>108</td>
<td>112</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nonfarm Payroll Employment</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total nonfarm</td>
<td>10,230</td>
<td>10,210</td>
<td>10,190</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td>Total private</td>
<td>8,210</td>
<td>8,160</td>
<td>7,960</td>
<td>50</td>
<td>250</td>
</tr>
<tr>
<td>Construction</td>
<td>370</td>
<td>350</td>
<td>330</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td>Retail trade</td>
<td>1,710</td>
<td>1,690</td>
<td>1,680</td>
<td>20</td>
<td>30</td>
</tr>
<tr>
<td>Professional and business services</td>
<td>560</td>
<td>550</td>
<td>470</td>
<td>10</td>
<td>90</td>
</tr>
<tr>
<td>Education and health services</td>
<td>2,330</td>
<td>2,350</td>
<td>2,270</td>
<td>(20)</td>
<td>60</td>
</tr>
<tr>
<td>Leisure and hospitality</td>
<td>1,270</td>
<td>1,230</td>
<td>1,240</td>
<td>40</td>
<td>30</td>
</tr>
<tr>
<td>Accommodation and food services</td>
<td>1,170</td>
<td>1,140</td>
<td>1,150</td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td>Government</td>
<td>2,020</td>
<td>2,050</td>
<td>2,230</td>
<td>(30)</td>
<td>(210)</td>
</tr>
<tr>
<td>Federal government</td>
<td>280</td>
<td>290</td>
<td>290</td>
<td>(10)</td>
<td>(10)</td>
</tr>
<tr>
<td>State government</td>
<td>250</td>
<td>250</td>
<td>360</td>
<td>0</td>
<td>(110)</td>
</tr>
<tr>
<td>Local government</td>
<td>1,490</td>
<td>1,510</td>
<td>1,580</td>
<td>(20)</td>
<td>(90)</td>
</tr>
</tbody>
</table>
Unemployment Rates at Historic Low

Wasco County Annual Unemployment Rates: 2006 - 2017

- 2006: 5.4%
- 2007: 4.9%
- 2008: 6.1%
- 2009: 9.1%
- 2010: 9.6%
- 2011: 8.8%
- 2012: 8.4%
- 2013: 7.6%
- 2014: 6.6%
- 2015: 5.6%
- 2016: 4.8%
- 2017: 4.1%
Wasco County and Oregon Track Closely

Oregon and Wasco County Annual Unemployment Rates

<table>
<thead>
<tr>
<th>Year</th>
<th>Wasco County</th>
<th>Oregon</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>5.0</td>
<td>5.0</td>
</tr>
<tr>
<td>2007</td>
<td>5.2</td>
<td>5.2</td>
</tr>
<tr>
<td>2008</td>
<td>5.5</td>
<td>5.5</td>
</tr>
<tr>
<td>2009</td>
<td>5.8</td>
<td>5.8</td>
</tr>
<tr>
<td>2010</td>
<td>6.0</td>
<td>6.0</td>
</tr>
<tr>
<td>2011</td>
<td>6.2</td>
<td>6.2</td>
</tr>
<tr>
<td>2012</td>
<td>6.4</td>
<td>6.4</td>
</tr>
<tr>
<td>2013</td>
<td>6.6</td>
<td>6.6</td>
</tr>
<tr>
<td>2014</td>
<td>6.8</td>
<td>6.8</td>
</tr>
<tr>
<td>2015</td>
<td>7.0</td>
<td>7.0</td>
</tr>
<tr>
<td>2016</td>
<td>7.2</td>
<td>7.2</td>
</tr>
<tr>
<td>2017</td>
<td>7.4</td>
<td>7.4</td>
</tr>
</tbody>
</table>
Education and Health Services Led Growth

Wasco County Job Growth by Industry: 2007-2017

- Education and health services: 660
- Leisure and hospitality: 270
- Other local government: 90
- Professional and business services: 70
- Other services: 70
- Retail trade: 70
- Information: 20
- Local education: -50
- Financial activities: -70
- Mining, logging, and construction: -70
- Wholesale trade: -80
- Indian tribal: -160
Over the Long Term and the Short Term

Wasco County Job Growth by Industry: 2007-2017

- Education and health services
- Leisure and hospitality
- Other local government
- Professional and business services
- Other services
- Retail trade
- Information
- Local education
- Financial activities
- Mining, logging, and construction
- Wholesale trade
- Indian tribal

2007-2015
2015-2017
2017 Industry Payroll Ranked by Size

Wasco County 2017 Industry Payroll: Over $20 Million

Education and health services: $105,220,257
Local Government: $62,686,391
Retail trade: $50,477,585
Natural resources and mining: $41,349,401
Information: $30,386,082
Manufacturing: $30,172,262
Leisure and hospitality: $24,619,803
Federal Government: $24,328,928
Professional and business services: $22,412,246
### Wasco County 2017 Industry Average Wages: Over $20 Million

<table>
<thead>
<tr>
<th>Industry</th>
<th>Average Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and health services</td>
<td>$47,015</td>
</tr>
<tr>
<td>Local Government</td>
<td>$42,413</td>
</tr>
<tr>
<td>Retail trade</td>
<td>$29,027</td>
</tr>
<tr>
<td>Natural resources and mining</td>
<td>$24,181</td>
</tr>
<tr>
<td>Information</td>
<td>$162,492</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$41,906</td>
</tr>
<tr>
<td>Leisure and hospitality</td>
<td>$18,063</td>
</tr>
<tr>
<td>Federal Government</td>
<td>$84,183</td>
</tr>
<tr>
<td>Professional and business services</td>
<td>$43,689</td>
</tr>
</tbody>
</table>

Average Wages – Over $20M Group
Industry Payroll 2017... continued

Wasco County 2017 Industry Payroll: Under $20 Million

- Construction: $16,957,559
- State Government: $15,936,228
- Other services: $11,330,225
- Financial activities: $10,284,182
- Transp., WH & utilities: $8,880,400
- Wholesale trade: $7,900,061
Average Wages – Under $20M Group

Wasco County 2017 Industry Average Wages:
Under $20 Million

- Construction: $48,312
- State Government: $45,532
- Other services: $22,889
- Financial activities: $42,148
- Transp., WH & utilities: $52,547
- Wholesale trade: $51,634
## $1.1 Billion 2016 Personal Income Total

### Personal Income by Major Component

and Earnings by Industry: Wasco County

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal income</td>
<td>$1,104,314,000</td>
</tr>
<tr>
<td>Population</td>
<td>26,115</td>
</tr>
<tr>
<td>Per capita personal income</td>
<td>$42,287</td>
</tr>
<tr>
<td>Earnings by place of work</td>
<td>$718,916,000</td>
</tr>
<tr>
<td>Farm earnings</td>
<td>$94,102,000</td>
</tr>
<tr>
<td>Nonfarm earnings</td>
<td>$624,814,000</td>
</tr>
<tr>
<td>Less: Contributions for government social insurance</td>
<td>$83,434,000</td>
</tr>
<tr>
<td>Adjustment for residence</td>
<td>$3,782,000</td>
</tr>
<tr>
<td>1) Net earnings by place of residence</td>
<td>$639,264,000</td>
</tr>
<tr>
<td>2) Dividends, interest, and rent</td>
<td>$186,393,000</td>
</tr>
<tr>
<td>3) Personal current transfer receipts</td>
<td>$278,657,000</td>
</tr>
</tbody>
</table>
9th Highest Per Capita Income in Oregon

2016 Per Capita Personal Income by Source

- Oregon: $27,464
- Wasco: $24,479

- Transfer Receipts
- Div. Int. & Rent
- Net Earnings
- Per Capita Income

Oregon:
- $27,464
- 9th

Wasco:
- $24,479
- 21st

Note: The image includes a bar chart displaying the per capita personal income by source for Oregon and Wasco in 2016.
4-Counties in Oregon’s Top 10

2016 Per Capita Personal Income by Source

- **Oregon**: $45,399
- **Sherman**: $55,846
- **Hood River**: $48,498
- **Gilliam**: $44,085
- **Wasco**: $42,287
- **Wheeler**: $35,070

Income Sources:
- **Transfer Receipts**
- **Div. Int. & Rent**
- **Net Earnings**
- **Per Capita Income**
Unincorporated Areas Driving Growth


- Wasco County - Unincorporated
- Wasco County - Cities and Towns
- Oregon
- Wasco County
Unincorporated Areas Lead the Region


- Oregon
- Columbia Gorge - Unincorporated
- Columbia Gorge - Cities and Towns
- Columbia Gorge Region
Median Home Prices Keep Rising

Wasco County Year-to-Date Median Home Price

- 2008
- 2015
- 2016
- 2017

$250,000
$225,000
$200,000
$175,000
$150,000
$125,000

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

$205,300
$190,000
$174,900
$165,000
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Join the conversation:
Twitter [@OREmployment](https://twitter.com/OREmployment)
February 27, 2015

Wasco County 4-H Association
400 E Scenic Dr, Suite 2.278
The Dalles, OR 97058

Dear County Association President,

Please consider this correspondence as official notification that the Internal Revenue Service (IRS) has determined that the Wasco County 4-H Association is considered to be exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code effective November 9, 2011.

This exemption from federal income tax is provided under Group Exemption Number ("GEN") 5946 issued to the Oregon 4-H Foundation. Since your Association was included on the list of subordinates that was submitted along with the Oregon 4-H Foundation’s application for group exemption, the IRS considers you to be covered under this group exemption. Please note that you should make reference to GEN 5946 on the Form 990s filed by your Association.

This inclusion under GEN 5946 is contingent upon maintaining Articles of Incorporation and bylaws that conform to the IRS group exemption requirements, and compliance with the terms of the agreements your Association has signed with the Oregon 4-H Foundation and Oregon State University.

If you have any questions, please feel free to contact me or Roger Rennekamp.

Sincerely,

Scott Elmshaeuser
Executive Director/Director of Development
Oregon 4-H Foundation

Acknowledged by:

Dr. Roger Rennekamp
Assoc. Dean of Outreach & Engagement
OSU College of Public Health & Human Sciences
DATE: April 24, 2018

TO: Directors Gonser, Howe, Karp, Smith & Williams

FROM: Roger M. Kline, General Manager

SUBJECT: Neighbor to Neighbor – Program Update

Background

During the March 2018 NWCPUD Board meeting, a presentation was made by representatives from the Mid-Columbia Community Action Council, Inc, Community Action Partnership (CAP) to the Board on their important work, and informed us that our community had already exhausted all its funds for energy assistance for the year. That report, and the follow-on discussion were very informative and both the Board and representatives gained further understanding of each other’s responsibilities and support for our community. GM Kline committed to provide an update on the Neighbor to Neighbor Program and organizational efforts. The following is that update:

Update

After the March 2018 NWCPUD Board of Directors meeting, GM Kline and other District staff reached out to the local community via social media, direct contact, and other communication tools informing the public of the need for financial resources to support the Neighbor to Neighbor (N2N) Program. We were very successful in our outreach and have increased the program by the following values:

<table>
<thead>
<tr>
<th></th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$296.00</td>
<td>$296.00</td>
<td>$575.40</td>
<td>$575.40</td>
</tr>
<tr>
<td>2018</td>
<td>$296.00</td>
<td>$797.85</td>
<td>$1,130.25*</td>
<td>$1,130.25**</td>
</tr>
</tbody>
</table>

* Total donation evenly divided and included in March & April columns
** April billing cycle is not complete. N2N donations may still be being received for 2018.

Two larger donations were made; one by a private individual for $500.00, and the second by a Key Account in the amount of $1,000.00. The total donations received since March 6 equal $2,260.49. The District will also provide matching funds raising the total N2N Program to $4,529.98 for this period.

Summary

The District and community maintain our commitment to supporting all our customer-owners. This was a great opportunity to provide successful outreach which we will continue to do now and into the future.