NORTHERN WASCO COUNTY PEOPLE'S UTILITY DISTRICT
REGULAR SESSION
NOVEMBER 28, 2017

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

President Gonser called the Regular Session to order at 6:01 p.m.

The following individuals were present during the Regular Session:

Counsel: James Foster

NWCPUD Staff: General Manager Roger Kline; Principal Engineer & Strategic Asset Planner Paul Titus; Chief Financial Officer/Director of Finance & Enterprise Risk Harvey Hall; Operations & Engineering Manager Pat Morehart; Emergency Management & Special Projects Kevin McCarthy; Director of Corporate Services Cyndi Gentry; Assistant General Manager/Director of Power Resources Kurt Conger; Executive Assistant Kathy McBride; Senior Financial Analyst Mackenzie Wolfe; Contract Risk Specialist Sue Powers; and Asset Program Manager Steve Horzynek.

Visitors: Bruce & Carolyn Shoemaker

Chief Financial Officer/Director of Finance & Enterprise Risk Harvey Hall introduced to the Board the new Contract Risk Specialist Sue Powers. He provided a brief background on Powers’ education and work history.

Introductions were made at this time.

PUBLIC COMMENT PERIOD

There was no public comment.

CONSENT AGENDA

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

- Regular Session Minutes of October 24, 2017
- October Outage Report
- Energy Management/Marketing Report
The Board considered the approval of the November 28, 2017 Consent Agenda.

{{Director Williams moved to approve the November 28, 2017 Consent Agenda as presented. Director Howe seconded the motion; it was then passed unanimously.}}

CUSTOMER SATISFACTION SURVEY PRESENTATION

Director of Corporate Services Cyndi Gentry introduced Bruce and Carolyn Shoemaker from Acti-Dyne Survey Research. The Shoemaker's have conducted studies for many of the Oregon People's Utility Districts Association members. The Customer Satisfaction Survey was posted on the District's website, in customer statements, as well as calling customers. Gentry stated that the majority of the responses came from the phone calls and not the access to the survey on the web.

Bruce Shoemaker provided the Board with his research background. He noted that the Residential and Commercial Benchmark Study will be a benchmark study for the District. If a new study is done down the road the survey results can be compared. Shoemaker stated that he usually recommends that a survey be conducted every few years using the same scales. Using the same scales makes it much more accurate as you go into the future.

A PowerPoint Presentation was presented at this time by Bruce and Carolyn Shoemaker entitled "Residential and Commercial Benchmark Study, November 2017". A copy of said PowerPoint Presentation is hereto attached and marked as Exhibit 1.

Some of the highlights of the presentation are as follows:

- The survey was conducted of 480 total District customers; 110 businesses and 370 residential.
- The survey was conducted in both English and Spanish.
- The responses to the surveys conducted in English and Spanish were not compared.
- The District has a high overall satisfaction rating with 94% of its customers indicating that they were "somewhat" to "very" satisfied (somewhat, 21%; very satisfied, 73%).
• Residential customers' increased satisfaction was twice that of businesses. It is statistically significant that 91% of businesses versus 83% of residences said satisfaction stayed the same.
• Customers were asked to rate seven (7) service attributes on a scale of 0 to 10, and the following are the results:
  ➢ Providing Reliable Power, 9.46 Mean Response (MR);
  ➢ Understandable Monthly Bills, 9.00 MR;
  ➢ Courteous Employees, 8.83 MR;
  ➢ Prompt Response to Power Outages, 8.61 MR;
  ➢ Knowledgeable Employees, 8.53 MR;
  ➢ Operating in a Financially Responsible Manner, 7.89 MR; and
  ➢ Actively Promoting Programs to help its Customers Save Money, 7.34 MR.
• Nearly 68% of customers served agree that Northern Wasco County PUD is well managed.
• Of those surveyed, 82% of customers either agree or somewhat agree that the PUD “offers reasonable rates”.
• Over 76% of respondents believe that the PUD is responsive to their needs.
• Less than 10% of customers feel that electricity is very expensive as compared to other expenses such as natural gas, water, sewer, cable tv or cell phones.
• The primary fuel used for heat is electricity (78%), followed by natural gas (17%).
• Electricity is the primary source for heating water (86%) followed by natural gas (11%).
• Seventy-three (73%) of customers are aware of incentives to help customers save money.
• Forty (40%) of respondents think they may use a rebate in the future.
• Ninety-seven (97%) of respondents believe the PUD should continue rebate programs for customers participating in energy efficiency programs.
• PUD customers overwhelmingly support continuation or development of programs such as Neighbor to Neighbor to assist low income customers.
• Approximately 60% or more of respondents indicated that they would call the PUD for information in the event of a major power outage.
• Businesses and residences 85% of the time found the information from the PUD to be “very useful” to “somewhat useful”.
• Residents and businesses rated 6 or higher over 80% of the time for overall satisfaction with the service they received.
• Sixty-Two (62%) of respondents have never used the PUD’s website.
• Demographics of survey respondents are as follows:
  ➢ Years as PUD Customer – 63% over 10 years; 15% 6 to 10 years; 17% 1 to 5 years; 5% 1 year or less.
  ➢ Own or lease location – 72% own; 28% rent/lease
  ➢ Residential household annual income – 29% under $25,000; 33% 26,000 to $50,000; 26% $52,000 to $100,000; and 12% over $100,000.
Age – 7% under 30; 28% 31 – 50; 24% 51 to 65; 40% over 65.
- Gender – 57% female; 43% male.

Some discussion occurred during and after the presentation on the survey results. Carolyn Shoemaker indicated that the average time for the phone survey was 17 minutes. There was a total of 51 questions.

**BUDGET HEARING TO REVIEW AND DISCUSS THE 2018 BUDGET AND COST OF SERVICE ANALYSIS (COSA)**

Chief Financial Officer/Director of Finance & Enterprise Risk Harvey Hall reported that there have been no changes to the 2018 Budget since the Board was presented with the Budget back on November 14, 2017.

Hall stated as to the COSA, the only change was a recommended 0.1% rate change, however it is staff’s recommendation that no rate action be taken other than to Rate Schedules 110 and 135 to remove the seasonal discount. Hall noted that there are 650 District customers that fall under these two rate schedules. The impact to the District’s Budget is estimated at $40,000. That number may increase if more customers qualify for the discounted rate.

Hall noted that staff is recommending that the Credit Card Transaction Fee of $2.15 per transaction be eliminated for residential customers, effective January 1, 2018. The impact to the District’s Budget is estimated at $24,000. Hall stated that the 2018 Budget assumes both changes in rates and fees.

Discussion occurred regarding the District’s business customers, future use of a web based app allowing customers to pay their bill by phone, and cyber security.

Hall indicated that there are other methodologies that could be considered for business customers.

President Gonser felt it was a good start with the District’s residential customers.

Hall stated that next week he will recommend that the Board make a motion to eliminate the Credit Card Transaction Fee of $2.15 per transaction for residential customers, effective January 1, 2018.

In closing, Hall stated there is no rate change being proposed under the COSA, the 2018 Budget reflects a positive net income of $148,030, and staff has used conservative load assumptions.
Assistant General Manager/Director of Power Resources Kurt Conger noted that staff previously did not notice any change in the District’s primary customer’s load; however, staff has noticed a change the last few months.

General Manager Roger Kline asked if the Board feels comfortable with the level of information received from staff on the 2018 Budget and COSA.

President Gonser stated that is one of the issues on the new Board Performance and Review Checklist, which he has already checked off.

Director Howe indicated that he is comfortable with the level of information received.

Director Williams asked what the Customer Satisfaction Survey cost the District.

Gentry indicated $12,000.

Kline noted as the District updates our strategic planning, the next cycle for another Customer Satisfaction Survey will be updated as well.

DIVISION UPDATES

Operations & Engineering Manager Pat Morehart reported on the following:

- Michels Power, Line Construction Contractor, has been on the District’s property since November 20, 2017.
- Michels Power’s crew is currently working on the I-197 Overpass Project, which is an extensive overhead and underground project to rebuild an alternate feed to the business district and new Lone Pine housing area on the north side of I-84.
- The I-197 Overpass Project should be completed by Thursday or Friday of this week.
- Michels Power will then move to the Celilo Village-Union Pacific Railroad River Bridge Tap Project.
- District crew built and placed into service a primary voltage regulator bank out on Fifteen Mile Road. This is to maintain stable voltage on that circuit when Union Pacific Railroad places track heaters into service on the end of the feeder line.
- District crew has been busy working on pole replacements and other work related to Public Utility Commission (PUC) compliance issues found by the Osmose Pole Inspection Contractor.
- D Hittle Engineering has finished the engineering and design on the Tygh Valley Rebuild Project. This project involves rebuilding five miles of line from the Tygh Valley Substation to Wamic Market Road.
- Bid Documents for the Tygh Valley Rebuild Project are expected next week.
Staff will come before the Board in February or March 2018, to award the bid for the Tygh Valley Rebuild Project.

The District is still advertising for a Journeyman Lineman. Little response has been received.

Several months ago, the District opened a position for Utility Worker. District Meter Reader Jeff Handley accepted the position and began working as the Utility Worker the first part of November.

District Arborist Dave Taphouse has been tasked with overseeing the grounds and snow removal, as well as other facility maintenance.

Finance:

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

- The October 2017, Financial Statements reflect a year-to-date deficit in the amount of $631,000, which includes the closing of the books at the McNary Fishway Plant. A total of $476,000 in retired assets, non-cash transaction, is associated with the McNary Fishway.

- Since July 2017, the District has experienced a positive net income every month; $89,000 positive for the month of October. The rental of the RiverTrail Substation, the earlier rate change, weather conditions, better than expected load for the District’s commercial customers and the growth in the community have contributed towards these positive months.

- Hall is projecting that the District is looking at a $300,000 to $500,000 deficit at the end of the year. That being the case, the District may not have to touch the Rate Stabilization Fund in the amount of $1.6 million.

- Finance and Operation’s staff teamed up to complete an internal audit of the inventory in the warehouse, trucks and Second Street Substation. A top to bottom review was conducted. Of the $700,000 in inventory, a total of $2,300 in expenses were written off and $33,000 was receipted into the warehouse for the returned concrete vaults.

- Hall and his staff will be doing an audit at The Dalles Fishway and McNary Fishway Plants tomorrow and on Thursday, November 30, 2017.

Some discussion occurred regarding the inventory audit.

President Gonser thanked staff for their work on the internal inventory audit.

Power Resources:

Assistant General Manager/Director of Power Resources Kurt Conger reported as follows:
New Large Load Inquiries:

- District staff has received new large load inquiries from cryptocurrency business interests.
- The District has two existing Cryptocurrency outfits that have done very well.
- Bitcoin topped $10,000 today per bitcoin; the value continues to rise.
- There are almost 500 cryptocurrencies out in the marketplace that are being traded; cryptocurrencies market cap totals $319 billion.
- The market cap total for bitcoin is $171 billion.
- This is an energy intensive industry.
- The District has existing and new customers who are requesting services in the range just over 1 MW up to 100 MW.
- The District has four active individuals/entities wanting to proceed to the next step.
- The District's Customer Service Policy, Section #42, requires that customers greater than 1 MW must submit a Facility Site Evaluation Request.
- The District then looks at engaging an engineer to do a feasibility level study.

A lengthy discussion occurred regarding the potential new loads, the proposed locations, the need to ensure that the District has the reliability to serve these new loads while continuing to serve District customers, and the Facility Site Evaluation Request process.

Principal Engineer & Strategic Asset Planner Paul Titus stated that the District needs to look at an override system model; looking at the complexity and what it might do to the whole electrical system.

Conger further reported as follows:

**Surplus Power Positions:**

- Book outs for 2017, of District surplus power positions have been completed for both Chelan PUD and Northwest Energy Management Services (NEMS).
- The market value of these surplus positions has now been liquidated and they are reflected in the Financial Statements of the District.

**McNary Fishway Plant:**

- McNary Chief Hydro Operator Greg Hendricks is now back at work part time. Hendricks has been off work since his vehicle accident in late September.
- McMillen Engineering was retained to support staff during the winter outage planning process.
- HCMS will also be assisting the District during the upcoming outage.
• Work scheduled during the outage includes painting and adjustments to the shaft packing to get a better seal.
• The winter outage at the McNary Fishway Plant is scheduled for January 2, 2018 through January 30, 2018.
• Staff will refocus on the McNary elevator after the 2018 outage.

The Dalles Fishway Plant:

• The work plan for The Dalles Fishway outage is light.
• The Dalles Fishway unit is running great.
• The unit will be taken apart and inspected. There are no major repairs planned at this time.
• The outage at The Dalles Fishway is scheduled from January 15, 2018 through January 30, 2018.
• The same version of software will be installed at The Dalles Fishway as what is installed at the McNary Fishway Plant.
• When staff reloads the PLC software, staff will have to go through a full commissioning process.
• The transformer will also be tested.
• The new tractor for The Dalles Fishway will be delivered today.

Some discussion occurred regarding the insurance settlement for the Crane Failure Claim at the McNary Fishway Plant and the output at McNary since the completion of the Blade Runner Replacement Project.

Conger stated as to the output at McNary, staff has noticed as net head conditions improved in September and October 2017, we were seeing the maximum net head; typically generating over 10 MWs from the unit. Historical records show there were very few times generation topped 10 MWs.

Corporate Services:

Director of Corporate Services Cyndi Gentry informed the Board that the District is repurposing OPUDA flyers into color ads in The Dalles Chronicle, once per month staring in January; there will be a total of five ads. The first ad will be regarding carbon free electricity. Gentry stated that a chunk of the ad will be published in Facebook.

Some discussion occurred regarding communication to District customers.
General Manager:

General Manager Roger Kline stated that he is proud of the opportunity to share the outcome of the Customer Satisfaction Survey. Garnering more than an 8 on the Mean Response.

Kline noted that District staff participated recently in the Starlight Parade. Kline feels it is a neat time to celebrate the successes of the organization. Kline has developed a newsletter to talk about the good things that the organization is doing.

Kline mentioned the recent report from the Oregon Citizens Utility Board (CUB) in November 2017. The Oregon CUB did an electrical rate analysis across the State of Oregon; they told the District’s story for us.

Kline stated that he started looking at information from the Energy Information Association (EIA), which is a part of the Oregon Department of Energy. Kline downloaded the report for the residential sector for Oregon and Washington and then ranked the utilities listed in the report by the lowest rates. Northern Wasco County People’s Utility District is ranked #8. The District is in the bottom of over 100 utilities.

President Gonser stated it is good going into various meetings to have local, regional and national comparisons to see where the District is ranked at.

Kline apologized to the Board for not having his two memorandums included in the Board Packet. The memorandums are regarding an Update on QLife and an Electric Distribution System Update on The Dalles Marina. A copy of Kline’s memorandums is hereto attached and marked as Exhibits 2 and 3.

Some discussion occurred regarding The Dalles Marina Electric Infrastructure Project after a question was raised by President Gonser on the projected cost of said Project.

Principal Engineer & Strategic Asset Planner Paul Titus indicated that the cost for said Project is estimated at $500,000.

Kline stated that there are opportunities for cost mitigation.

General Counsel:

General Counsel James Foster stated that he will speak regarding the next item on the Agenda, QualityLife (QLife) Discussion, as well as addressing the Board in the scheduled Executive Session.
NEW BUSINESS

QualityLife (QLife) Discussion:

General Counsel James Foster stated that he received a letter from Keith Mobley, Legal Counsel for QualityLife (QLife), asking for specific information from the District. QLife has retained Eastern Oregon Telecom to talk about what QLife may be able to do in the community and outside the community in the future.

Foster stated that he was not going to provide QLife with a legal opinion without the authority of the Board of Directors.

A lengthy discussion occurred regarding the request for information from QLife.

Foster indicated during the discussion that the District has the capability to work with other governmental entities as authorized under ORS Chapter 261. However, the District does not have authority outside the District.

Foster stated that he is hesitant to give a legal opinion with the questions not being specific. Foster feels comfortable stating what is authorized under ORS Chapter 261, but he is not prepared to provide a legal opinion without specific information or a specific proposal.

The Board and Kline agreed with Foster's comments.

Foster will respond to Mobley's letter.

During the lengthy discussion Kline commented that the District potentially has an AMI Project happening. QLife is a cost based fiber producer. The Board saw the Customer Satisfaction Survey results. The question is, can the District help get the broadband to the community. Kline's interest is ensuring that the District has a successful AMI Project. The District is the pole owner, so the District has a vested interest.

Director Williams referencing the Customer Satisfaction Survey, stated "perception is reality". He is concerned with General Manager Roger Kline being appointed to the QualityLife (QLife) Board.

Kline responded by stating that he missed two QLife Board Meetings and the Wasco County Commissioners appointed him to the QLife Board. Kline feels there is a community benefit by him participating on the Board. The District and Board encourages staff to participate on various community boards.
Other:

President Gonser wanted to make several comments. He feels that staff is doing a great job in terms of communications. President Gonser referenced Volunteer Day and the two financial articles that appeared in the October and November Ruralite.

President Gonser also mentioned the compliment that the District received recently from the owner of the Granada regarding an exceptional employee and how great the District rates are.

President Gonser referenced Page 7 of the Regular Session Minutes of October 24, 2017, which lists highlights of Hall’s Budget PowerPoint Presentation. President Gonser stated those are things that make it easier for him to have a picture of what we are doing.

The last item President Gonser wished to bring up was a suggestion that the District Mission Statement and Core Beliefs be displayed in the front office, or in the Board Room. He feels this is free advertisement.

Kline stated that staff will explore President Gonser’s suggestion.

OLD BUSINESS

Board Effectiveness Checklist:

The Board reviewed the Draft of the Board Performance and Review Checklist as developed in the Board’s Work Session on November 15, 2017. A copy of said Draft Board Performance and Review Checklist is hereto attached and marked as Exhibit 4.

Directors Williams, Karp and Howe have no proposed changes to the Draft Checklist.

President Gonser has one suggested change. He feels that Question 27 should be relocated to the General Manager’s section on the Checklist.

Directors Howe and Karp agreed with President Gonser’s suggestion.

President Gonser asked if staff will develop a formal policy for Board of Director Training?

Kline stated if staff is so directed.

Director Williams likes the Draft Checklist with President Gonser’s suggested change.
Some discussion occurred regarding the Board completing the Board Performance and Review Checklist and returning their responses to General Counsel James Foster for compilation into a report that will be discussed during a Board Work Session the last week of January 2018.

Executive Assistant Kathy McBride will distribute the Board Performance and Review Checklist for the Board of Directors to complete and return to General Counsel Foster by no later than December 20th.

Foster is gone the second and third weeks of January.

McBride will canvass the Board and General Counsel to establish a date in late January for the Work Session to discuss the outcome of the responses received on the Board Performance and Review Checklist.

**OPUDA President Elect Nomination:**

President Gonser stated that the Board of Directors need to decide tonight who the OPUDA President Elect will be for next year. Next year’s conference will be held in Eugene, Oregon on September 18 through September 20, 2018.

}{Director Williams moved to nominate Director Howe for President Elect of the Oregon People’s Utility Districts Association during 2018. Director Karp seconded the motion; it was then passed unanimously.}}

**BOARD REPORTS**

**Oregon People’s Utility Districts Association (OPUDA):**

President Gonser presented written notes from the recent Oregon People’s Utility Districts Association (OPUDA) Board Meeting on November 17, 2017. A copy of these written notes is hereto attached and marked as Exhibit 5.

**Northwest Public Power Association (NWPPA):**

No report was given.

**Northwest Requirements Utilities (NRU):**

No report was given.
APPROVAL OF FUTURE MEETINGS/TRAVEL/OR RELATED MATTERS

December 6, NRU Board Meeting – Clay Smith, Howard Gonser, Dan Williams, Connie Karp and Roger Howe
December 6, Northwest RiverPartners Annual Meeting - Clay Smith, Howard Gonser, Dan Williams, Connie Karp and Roger Howe
December 7, PPC Annual Meeting - Clay Smith, Howard Gonser, Dan Williams, Connie Karp and Roger Howe
December 15, OPUDA Meeting – Clay Smith, Howard Gonser, Dan Williams and Roger Howe

Kline mentioned that the Board is scheduled to meet in Executive Session at 5:30 p.m. next Tuesday, December 5, 2017. Dinner will be served at 4:45 p.m.

EXECUTIVE SESSION

At 9:20 p.m. President Gonser recessed the Regular Session to convene into Executive Session as authorized by 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.

Those present for the Executive Session included the Board of Directors, General Counsel James Foster; Assistant General Manager/Director of Power Resources Kurt Conger; Executive Assistant Kathy McBride; and Chief Financial Officer/Director of Finance & Enterprise Risk Harvey Hall.

At 9:34 p.m. the Board adjourned from Executive Session to return to Regular Session.

There being no further business the meeting adjourned at 9:35 p.m.

President

ATTEST:

Secretary
Introduction

Northern Wasco County People’s Utility District (NWCPUD) commissioned Acti-Dyne Survey Research to conduct a study with its residential and business customers.

Telephone methodology was used as well as public access to the survey via a web link, and offered in both English and Spanish.

This survey was conducted with 480 total customers from a list provided by Northern Wasco County PUD: 110 businesses and 370 residential customers.
Qualifying Questions

Are you a residential household customer or commercial business customer of Northern Wasco PUD?

Are you a person responsible for the household/business utilities usage?

Do you or does anyone in your immediate family currently work within the electric utility industry?
Study Participants

Types of Respondents

- Residential (base 370) - 77%
- Commercial (base 110) - 23%

Types of Businesses

- Commercial - 83%
- Industrial - 13%
- Irrigation - 4%
Q5. How would you rate your overall satisfaction with NWCPUD?

<table>
<thead>
<tr>
<th>Overall Satisfaction by Area</th>
<th>Total</th>
<th>Business (base 110)</th>
<th>Residential (base 370)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very satisfied</td>
<td>73%</td>
<td>71%</td>
<td>74%</td>
</tr>
<tr>
<td>Somewhat satisfied</td>
<td>21%</td>
<td>24%</td>
<td>20%</td>
</tr>
<tr>
<td>Neither satisfied nor dissatisfied</td>
<td>3%</td>
<td>2.5%</td>
<td>3%</td>
</tr>
<tr>
<td>Somewhat dissatisfied</td>
<td>2%</td>
<td>2.5%</td>
<td>2%</td>
</tr>
<tr>
<td>Not at all satisfied</td>
<td>1%</td>
<td></td>
<td>1%</td>
</tr>
</tbody>
</table>

The Northern Wasco County People’s Utility District has a high overall satisfaction rating with 94% of its customers, indicating they were “somewhat” to “very” satisfied (73% “somewhat” and 21% “very”).

Results by household income shift from “very satisfied” (78%, 77%, 72% and 73%, respectively) to “somewhat satisfied” (15%, 16%, 25% and 22%, respectively) as the income level increases, but still stays in the 91% to 96% range overall.
Q6. Over the past five years, has your satisfaction with the PUD increased, decreased, or stayed the same?

Eighty-five percent (85%) indicated their satisfaction with the PUD has remained the same over the last five years. Ten percent (10%) indicated increased satisfaction, and five percent (5%) indicated decreased satisfaction.

<table>
<thead>
<tr>
<th></th>
<th>Total Answering</th>
<th>Business (base 110)</th>
<th>Residential (base 370)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased</td>
<td>10%</td>
<td>5%</td>
<td>11%</td>
</tr>
<tr>
<td>Decreased</td>
<td>5%</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>Stayed the same</td>
<td>85%</td>
<td>91%</td>
<td>83%</td>
</tr>
</tbody>
</table>

Residential customers’ increased satisfaction was twice that of businesses. It is statistically significant that ninety-one percent (91%) of businesses vs. eighty-three percent (83%) of residences said satisfaction stayed the same.
Service Ratings

PUD customers were asked to rate seven service attributes on a scale of zero to ten, with zero meaning poor and ten meaning excellent.

Q7. Providing reliable power
This was the highest rated of the seven attributes, receiving high scores from both the commercial and residential sectors.

<table>
<thead>
<tr>
<th>Providing Reliable Power</th>
<th>Total</th>
<th>Business</th>
<th>Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean Response</td>
<td>9.46</td>
<td>9.35</td>
</tr>
</tbody>
</table>

Bar chart showing the distribution of ratings for providing reliable power, with 69.0% giving a rating of 10.
Q9. Understandable monthly bills
The second highest rated attribute, understandable monthly bills was given the second highest scores by both households and businesses.
Q10. Courteous employees
This was the third highest rated attribute, with a mean score of 8.83 on a 0 to 10 scale.

<table>
<thead>
<tr>
<th>Mean Response</th>
<th>Total</th>
<th>Business</th>
<th>Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean Response</td>
<td>8.83</td>
<td>8.79</td>
<td>8.84</td>
</tr>
</tbody>
</table>
Service Ratings

Q8. Prompt response to power outages
The fourth highest rated attribute, this has an 83% favorable (rated 7-10) rating, 15% neutral (rated 4-6) rating and 2% unfavorable (rated 0-3) rating.
Q11. Knowledgeable employees
The fifth rated attribute, the knowledgeable employees category has a favorable (rated 7-10) rating of 82%, neutral (rated 4-6) is 14% and unfavorable (rated 0-3) is 4%. 

<table>
<thead>
<tr>
<th>Rating</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>3.3%</td>
</tr>
<tr>
<td>1</td>
<td>0.2%</td>
</tr>
<tr>
<td>2</td>
<td>0.6%</td>
</tr>
<tr>
<td>3</td>
<td>0.2%</td>
</tr>
<tr>
<td>4</td>
<td>0.4%</td>
</tr>
<tr>
<td>5</td>
<td>11.5%</td>
</tr>
<tr>
<td>6</td>
<td>1.9%</td>
</tr>
<tr>
<td>7</td>
<td>2.7%</td>
</tr>
<tr>
<td>8</td>
<td>8.5%</td>
</tr>
<tr>
<td>9</td>
<td>13.1%</td>
</tr>
<tr>
<td>10</td>
<td>57.5%</td>
</tr>
</tbody>
</table>

Mean Response:
- Total: 8.53
- Business: 8.81
- Residential: 8.44
Q12. Operating in a financially responsible manner.
Sixth of the seven attributes, this is the first that has a high score of less than 50%. The scores are 69% favorable (rated 7-10), 29% neutral (rated 4-6) and 2% unfavorable (rated 0-3).

| Operating in a Financially Responsible Manner |
|---------------------|---|---|---|
|                      | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Mean Response Total  | 7.89 | 7.69 | 7.95 |
|                      | % | % | % | % | % | % | % | % | % | % | % |
| 0.8%                 |   |   |   |   |   |   | 0.8% | 25.8% |   |   | 40.6% |
| 0.4%                 |   |   |   |   |   |   | 0.4% | 25.8% |   |   | 40.6% |
| 0.4%                 |   |   |   |   |   |   | 0.4% | 25.8% |   |   | 40.6% |
| 0.4%                 |   |   |   |   |   |   | 0.4% | 25.8% |   |   | 40.6% |
| 0.8%                 |   |   |   |   |   |   | 0.8% | 25.8% |   |   | 40.6% |
| 1.9%                 |   |   |   |   |   |   | 1.9% | 25.8% |   |   | 40.6% |
| 5.2%                 |   |   |   |   |   |   | 5.2% | 25.8% |   |   | 40.6% |
| 11.5%                |   |   |   |   |   |   | 11.5% | 25.8% |   |   | 40.6% |
| 12.1%                |   |   |   |   |   |   | 12.1% | 25.8% |   |   | 40.6% |

Service Ratings
Service Ratings

Q13. Actively promoting programs to help its customers save money
The lowest rated of the seven attributes, it has the highest neutral and unfavorable ratings: 61% favorable (7-10), 32% neutral (4-6), 7% unfavorable.

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<thead>
<tr>
<th>Actively promoting programs to help its customers save money</th>
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<tbody>
<tr>
<td>0</td>
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<tr>
<td>2.7%</td>
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<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Business</th>
<th>Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean Response</td>
<td>7.34</td>
<td>7.22</td>
<td>7.37</td>
</tr>
</tbody>
</table>
Respondents were asked to rate statements based on what they know or have heard as Agree, Somewhat Agree, Neutral, Somewhat Disagree, or Disagree.

**Q14. The PUD is well-managed**

Nearly sixty-eight percent (68%) of customers surveyed agree that Northern Wasco County PUD is “well-managed”. Overall favorable ratings were 79% from residences and 78% from businesses.
Q15. The PUD offers reasonable rates
Eighty-two percent (82%) of customers either agree or somewhat agree that the PUD “offers reasonable rates”. There is little difference between the business and residential segments, except the business community is slightly less likely to disagree with the statement.
Q15. The PUD is responsive to my needs
Over seventy-six percent (76%) of respondents believe that the PUD is responsive to their needs.
Q17. Relative to your other expenses like natural gas, water, sewer, cable TV or cell phones, do you consider electricity to be very expensive, somewhat expensive, somewhat inexpensive, or very inexpensive?
Less than ten percent (10%) of customers feel that electricity is very expensive compared to other expenses.
Q18. Compared with these other household expenses, would you say the PUD raises electric rates less often, about as often or more often? Approximately forty percent (40%) of PUD customers believe rates are raised “about as often” as other expenses like natural gas, water, sewer, cable tv or cell phones.
Electricity Usage

The primary fuel used for heat is electricity (78%), followed by natural gas (17%). Businesses have a higher percentage of natural gas use than residences (27% and 14% percent, respectively).

Electricity is the primary source for heating water (86%) followed by natural gas (11%).

Respondents were able to indicate multiple systems. Heat pump was by far the type of heating system most used by respondents. Over fifty percent (50%) of businesses surveyed use heat pumps.

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<tr>
<th></th>
<th>Total Answering</th>
<th>Business</th>
<th>Residential</th>
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<tbody>
<tr>
<td>Electricity</td>
<td>78.1%</td>
<td>67.3%</td>
<td>81.4%</td>
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<tr>
<td>Natural Gas</td>
<td>16.9%</td>
<td>27.3%</td>
<td>13.8%</td>
</tr>
<tr>
<td>Oil</td>
<td>1.7%</td>
<td>0.9%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Propane</td>
<td>0.6%</td>
<td>1.8%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Wood</td>
<td>2.1%</td>
<td></td>
<td>2.7%</td>
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<tr>
<td>Other (please specify)</td>
<td>0.6%</td>
<td>2.7%</td>
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</table>
Programs

Q22. Did you know the PUD offers incentives to help customers save money, such as rebates for energy-efficient windows, insulation, lighting upgrades, and heat pumps?

Seventy-three percent (73%) of customers are aware of incentives to help customers save money, with very little variation between business and residential customers.

Q23. Do you think you may use one in the future?

Forty percent (40%) of respondents think they may use a rebate in the future. Businesses answered yes 5% more often than residences.
Q24. Do you believe the PUD should continue rebate programs for customers participating in energy efficiency programs?

The response from almost all respondents is a “Yes” (97%) to continuing rebate programs.

Q25. Do you believe the PUD should continue or develop programs such as Neighbor to Neighbor to assist low income customers with their electric bills?

PUD customers overwhelmingly support continuation or development of programs such as Neighbor to Neighbor to assist low income customers.
Q26. How interested would you be in the PUD adding expanded services like high speed internet? On a scale of 0 to 10 where zero means not at all interested and ten means very interested.

Over half of the respondents were interested to extremely interested in the PUD adding expanded services like high speed internet. Almost one third of those surveyed show little or no interest, and thirteen percent (13%) were neutral. The numbers were almost identical between businesses and residences.
Q27. Have you called the PUD in the last year to report an outage? Only about eighteen percent (18%) of respondents surveyed indicated they had called to report a service outage. Businesses were only slightly more likely to have called compared to residences.
Outage Information

Eighty-five respondents answered yes to reporting a power outage.

Q28. On a scale of zero to ten with 10 very satisfied, and 1 very dissatisfied, how satisfied were you with your ability to get through and report the outage?

Eighty percent (80%) of the businesses (21) and eighty-six percent (86%) of the residents (64) rated their ability to get through to report and outage eight or higher on a zero to ten scale. Only seven businesses and residents total rated their ability to get through a four or less.
Q29. Where would you look for information in the event of a major power outage? (Base 480)
The majority, approximately sixty percent or more, would call the PUD for information in the event of a major power outage.

“Other” items mentioned were check on cell phone, tv, newspaper, wait it out, listen to a scanner, and go to the office.
Communication

Q31. How do you prefer to receive general information about NWCPUD?

“Other” items mentioned were the Ruralite Magazine, call the PUD office or personal contact either at the office or through employees they know.
Communication

Q33. Would you say that information you receive from the PUD is generally very useful, somewhat useful, not very useful, or not useful at all? Businesses and residences eighty-five percent (85%) of the time found the information from the PUD to be “very useful” to “somewhat useful”.

Suggestions for improving usefulness included the use of social media, programs for which more data is needed and other ways to communicate with customers.
Q35. What other information do you feel should be provided?

Energy saving tips was most important, upcoming changes came in second, and alternative energy sources were third on the list. Multiple answers were allowed. Some of the “Other” comments mentioned financial information, rebate and assistance programs.
Q36. What was the reason for the last time you contacted the PUD?
The top reasons for contacting the PUD were to make a payment, ask a question about a billing and for power outages. “Other” items listed were: Meeting room use, business dealings, tree trimming, wood chips and to requesting a donation.
Q37. Based on that last contact with the PUD, how would you rate your overall satisfaction with the service you received? (Base 363)

Businesses and residents rated 6 or higher over eighty percent (80%) of the time for overall satisfaction with the service they received.
Payment

Q38. What method do you use to pay your PUD bill? (Base 480)
Fifty-nine percent (59%) of businesses pay their PUD bill by mailing a payment. Residents use mailing the payment (28%), bill pay through their bank (24%), walk-in at the office (24%) and the downtown drop box (19%) almost equally for the majority of their payments.

The most notable open-ended comment was “I will not pay a fee to pay a bill” in regard to the service charge for paying electronically.
Q39. How often do you typically utilize the PUD website to find information or conduct business?

Respondents who visit the website to find information or conduct business do so once or twice a year (14%), once a month (13%), once every few months (7%) or more than once a month (2%), respectively. Sixty-two percent (62%) of respondents have never used the PUD website. This is equal for residents and businesses.
Q42. The PUD website provides helpful information. (Base 154)

In general, respondents find the information the website provides is useful. All businesses rated the website for providing helpful information a neutral five (5) or higher.

Website Provides Useful Information

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<tr>
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<th>Business</th>
<th>Residential</th>
<th>Total</th>
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<tbody>
<tr>
<td>Mean Response</td>
<td>7.83</td>
<td>7.57</td>
<td>7.64</td>
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</table>
Q43. The information is easy to find (Base 154)
Residents and businesses indicate that website information is easy to find, with over ninety percent (90%) rating it a neutral five or higher.
Q44. The information is easy to understand (Base 154)
Most respondents found the website information to be easy to understand, with ninety-eight percent (98%) of businesses and ninety-three percent (93%) of residents giving a score of five (5) or higher.

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<tr>
<th></th>
<th>Business</th>
<th>Residential</th>
<th>Total</th>
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<tr>
<td>Mean Response</td>
<td>7.90</td>
<td>7.81</td>
<td>7.84</td>
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Demographics

Years as a PUD customer: 63% over 10 years, 15% 6 to 10, 17% 1 to 5, 5% 1 or less

Own or lease location: 72% own, 28% rent /lease

Residential household annual income: 29% under $25,000, 33% $26 to $50,000, 26% $52 to $100,000, 12% over $100,000

Age: 7% under 30, 28% 31 to 50-, 24% 51 to 65, 40% over 65

Gender: 57% female, 43% male
Thank you
DATE: November 28, 2017
TO: Directors Gonser, Howe, Karp, Smith & Williams
FROM: Roger M. Kline, General Manager
SUBJECT: Q-Life - Update

Background

During the regular July 25, 2017 NWCPUD Board meeting a joint presentation was made by NWCPUD General Manager Roger Kline, Mr. Joseph Franell, Chief Executive Officer of Eastern Oregon Telecom (EOT) and Consultant to Q-Life, and Carrie Pipinich, Senior Project Manager of the Mid-Columbia Economic Development District (MCEDD).

One outcome of that discussion was an agreement by the NWCPUD Board to support GM Kline’s continuing work with Q-Life to seek areas of common interest for the good of the community. As stated during the presentation, NWCPUD customers are also Q-Life customers and there are many areas of mutual interest in support of both organizations.

Part of the strategic discussion within Q-Life, EOT and NWCPUD was to seek further understanding of potential future partnership or ownership structures if that was deemed a preferred outcome after more study and discussion. It was made clear from each participant that ascertaining whether the various options were legal or appropriate by statute, rule or law before those discussions progressed any further. As such, a set of questions outlining those various options were asked of each participating body and sent to the General Counsels for review.

Recommendation

General Manager Kline recommends that the Board direct and/or support General Counsel to answer the aforementioned structural questions which would allow the PUD and Q-Life relationship conversation to continue. There is no expectation of support or authorization of any particular outcome.

Other

Subsequent to this work and discussion one member of the Q-Life Governing Board resigned his position and left the area. Because of that vacancy, the Wasco County Commissioners appointed GM Kline to fill that voluntary position. That action is in direct alignment with the NWCPUD’s Strategic Plan of reaffirming support from critical partners.

GM Kline and General Counsel Foster have met and discussed any potential conflicts of interests or possible appearances thereof. There are none at this time.
Background

Northern Wasco County PUD (NWCPUD) has approximately sixty-six (66) residential customers with individual meters and accounts at The Dalles Marina. The property is owned by the Port of The Dalles (POTD) and operated by a separate entity, The Dalles Marina LLC.

On June 8th, 2017 POTD Administrator Andrea Klaas, and The Dalles Marina LLC representative Angie Wilson met with NWCPUD General Manager Roger Kline at the Marina, toured the area and discussed some historic challenges with system reliability, as well as concerns emanating from them and other Marina users and the public. It was evident during the walking tour that the electric distribution infrastructure was in a poor material condition and potentially unsafe.

As such, to gain further understanding and ascertain level of risk, NWCPUD initiated an electrical service engineering study with an independent engineering consultant. ECI, Electrical Consultants Inc. was contracted for this study and it was completed in July of 2017. The report was shared with the POTD and The Dalles Marina, LLC for their awareness and an in-person discussion was held by GM Kline, Administrator Klaas, and representative Wilson at the POTD Office later in July. The findings of the report were discussed as were potential options. GM Kline reiterated during that meeting that the electrical distribution system as it is currently configured, metered and billed is the responsibility of NWCPUD.

Key excerpts from the report are as follows:

“*The majority of the Marina has an overhead electrical system that has slowly evolved over many years and the current system in in significant need of repair and safety upgrades. NWPU currently owns and maintains the electric system to the first meter, whether it be on the dock or onshore. ECI understands that both the Port and NWPU recognize the less than desirable condition of the electrical system and its need of attention.*” (ECI, 2017)

“*...some of the overhead drops from the main feeder are significantly lower than the 9.5-foot clearance required by the National Electric Safety Code (NESC).*” (ECI, 2017)

“*The wooden H-frame supports are deteriorating and, at some locations, residents have propped up the support columns with wooden wedges to keep them upright.*” (ECI, 2017)
There are other specific code violations and regulatory requirements that the report references as well.

After receiving and reviewing the report GM Kline directed the organization to rehabilitate *The Dalles Marina* electric infrastructure to current relevant electrical safety code ensuring our customers, staff, marina users and the general public are safe. This work was considered and included in 2018 Capital and O&M budgets for execution.

**Current Status**

NWCPUD has tasked ECI to facilitate engineering design services to ascertain the appropriate infrastructure solution(s) for The Dalles Marina. Drawings were submitted to ECI last week and we continue to collaborate with them to move this work forward.

*Management* and staff continue to be in contact with the POTD and The Dalles Marina LLC, keeping them abreast of the work schedule as it becomes clearer. The expectation is that this work will conclude before the high use season in 2018.

**Other**

At a future time the Board and staff may consider expanding this discussion to include either a different ownership infrastructure and metering relationship with the POTD and/or The Dalles Marina, LLC. Similarly, from a rate-design perspective NWCPUD may wish to reevaluate the rate class designation of *residential* for these seasonal, non-full time resident, house-boat structures.
**BOARD PERFORMANCE AND REVIEW**

The Board of Directors has authority and responsibility to manage and direct the affairs of the Utility. With this comes the responsibility to determine whether the Board is acting prudently, efficiently, and with care and due diligence in carrying out its responsibility for governing the business in accordance with State and Federal laws. The Board’s primary governance responsibilities include planning, ensuring that the Utility operates within all applicable laws and regulations, serving in the capacity of trusteeship on behalf of the ratepayers, and evaluating the Board’s and management’s performance.

An effective way to evaluate the Board’s performance is through an annual board performance review. This is a process through which the Board assesses and evaluates its performance in key areas of responsibility. By undertaking an evaluation of itself, the Board is demonstrating a commitment to fulfilling its legal obligations and fiduciary responsibilities to the ratepayers as effectively as possible.

**Instructions**

Please respond to each of the performance factor statements as they apply to the full Board of Directors using the following rating scale:

- **Not Met** — The Board is not currently meeting expectations
- **Sometimes** — The Board is only sometimes meeting expectations
- **Mostly** — The Board is meeting expectations most of the time
- **Fully Met** — The Board meets expectations virtually all of the time

For each of the six major performance factors, please circle one or two factors that you believe should be reviewed and discussed in more detail by the entire Board.

The value of this Board Performance Review requires your honest response to each of the performance factors and through an open and honest discussion of the results. All responses will be kept strictly confidential and anonymous and each Director will receive a summary of the results.
### PERFORMANCE FACTORS

<table>
<thead>
<tr>
<th>Statement</th>
<th>Not Met</th>
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<th>Mostly</th>
<th>Fully Met</th>
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<tbody>
<tr>
<td><strong>Board Leadership and Planning</strong></td>
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<tr>
<td>1. The Utility has developed written vision and mission statements.</td>
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<tr>
<td>2. The Utility has adopted long term goals and objectives that support the vision and mission statements.</td>
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<tr>
<td>3. Directors can effectively communicate the Utility’s vision and mission.</td>
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<tr>
<td>4. The Board monitors the progress toward achievement of strategic goals and operating budgets on a regular basis.</td>
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<td>5. The Board makes adjustments in plans when conditions indicate that prior plans are no longer appropriate.</td>
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<tr>
<td><strong>Oversight and Control</strong></td>
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<tr>
<td>6. The Board makes decisions and establishes policies that conform to ORS Chapter 261 and applicable Oregon laws.</td>
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<td>7. The Utility’s policies are reviewed as needed.</td>
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<td>8. The Board and General Manager (GM) responsibilities are clearly and specifically outlined and followed.</td>
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<td>9. The Board avoids interfering with the execution of responsibilities delegated to the GM, including personnel management.</td>
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<td>10. Individual Directors refrain from acting on Utility matters without full Board approval.</td>
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<td>11. The Board accepts its role as a policy making body that provides oversight and control rather than making operational decisions.</td>
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12. The Board has identified and understands its key areas of responsibility and control including, monthly financial statements and financial audits, selection of the auditor, and selection of legal counsel.

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<tr>
<th>Statement</th>
<th>Not Met</th>
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<th>Mostly</th>
<th>Fully Met</th>
<th>Don’t Know</th>
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<tbody>
<tr>
<td>13. Confidential Utility information is maintained by all Directors.</td>
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<td>14. The Board has a shared understanding of the proper and accepted standards of conduct for all Directors.</td>
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<tr>
<td>15. The Board has policies and provides for programs and services to ensure the ratepayers are continually served, educated, and informed about the Utility's activities and issues.</td>
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**GM Oversight**

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<th>Mostly</th>
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<tbody>
<tr>
<td>16. Appropriate authority to accomplish the Utility’s goals and objectives have been delegated to the GM along with adequate resources for the GM to perform his/her job.</td>
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<td>17. The Board utilizes a formal process to evaluate the GM’s performance on an annual basis.</td>
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<td>18. The GM’s performance is measured against performance factors and goals and objectives that have been agreed upon by the Board and GM.</td>
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<td>19. A compensation plan for the GM is approved and reviewed annually.</td>
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<td>20. The Board provides the GM with ongoing performance feedback.</td>
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**Financial**

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<tbody>
<tr>
<td>21. The Board reviews and approves the annual budget.</td>
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<tr>
<td>22. The Board receives adequate financial reports</td>
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and information in advance of each board meeting.

23. A review of the annual audit report is presented annually by the Utility’s auditor.

24. The Board is given the opportunity to ask questions during the presentation of the annual audit report.

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<tr>
<th>Statement</th>
<th>Not Met</th>
<th>Sometimes</th>
<th>Mostly</th>
<th>Fully Met</th>
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<tbody>
<tr>
<td>25. The Board reviews the Utility’s insurance coverage on at least an annual basis and approves changes in coverage as appropriate.</td>
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<tr>
<td>26. The Board and management reviews the annual budget and assures that adequate resources are available to meet the Utility's budget.</td>
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**Communication**

27. There is clear communications between the Board of Directors and the GM about what the Board expects from the GM.

28. An atmosphere exists at board meetings where all Directors feel they have the freedom to express their thoughts and opinions and they regularly exercise that freedom.

29. Outside professionals such as auditors, attorneys, lenders, and other consultants are brought into board meetings when professional advice is required.

30. The Board reviews and approves a communication plan for the Utility.

**Governance and Procedures**

31. There is a formal orientation program for new Directors.
32. The Board has a formal policy regarding Director training.

33. The Board has a process for the yearly rotation of Board officers.

34. Director compensation is adequate to attract and retain qualified directors.

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<thead>
<tr>
<th>Statement</th>
<th>Not Met</th>
<th>Sometimes</th>
<th>Mostly</th>
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<th>Don’t Know</th>
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<tbody>
<tr>
<td>35. Directors voting in the minority support decisions approved by a majority of the Board.</td>
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<td>36. Directors take advantage of educational and training opportunities to increase their knowledge and governance skills.</td>
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<td>37. Each director has a copy of the Utility's policies.</td>
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**Summary**

What areas of the Board’s responsibilities have been performed most effectively?

In what areas can the Board strengthen their performance?

What should the Board’s priorities be for the coming year?

How can the GM be more supportive of the Board’s efforts to improve their performance?
<table>
<thead>
<tr>
<th>How can the Board be more supportive of the GM’s efforts in managing and directing the operations of the Utility?</th>
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<tbody>
<tr>
<td>Other Comments</td>
</tr>
</tbody>
</table>
1. The next Legislative Session will look a lot different as the following members are leaving office: Representative Mark Johnson from Hood River; Representative John Huffman from The Dalles; Senator Ted Ferrioli from John Day; Representative Jodi Hack from Salem; and Senator Richard Devlin from Tualatin. These may not be the only ones leaving.

2. The February 2018 Legislative Session talk is centering around Cap and Trade. Three groups are becoming quite active in Oregon: a) Renew Oregon is now setting up offices and campaigning for Cap and Trade Passage; b) E-2 – extension of NRECA; and c) E-3 – based out of California and is very clear/public about passing a Cap and Trade Bill.

3. Representative Ken Helm and Senator Michael Dembrow are leaders on the Cap and Trade Committee. Senator Dembrow wants to pass a “shell” bill and turn it over to the Department of Environmental Quality (DEQ), which has 1.5 employees assigned to Cap and Trade.

4. There is a good chance that the Senate will not push a bill in the short session (2018).

5. The State of Washington seems to be backing off Carbon Tax and perhaps moving toward Cap and Trade.

6. Senator Ted Ferrioli is being appointed to the Northwest Power Council, which is great for all of us. He stated, “all Northwest electrical needs until 2025 can be met through conservation and he will be upholding “science based best practices…at the least cost price.”