

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

PCN-2

In the Matter of)
)
TILLAMOOK PEOPLE’S UTILITY)
DISTRICT,)
)
Petition for Certification of Public)
Convenience and Necessity.)
_____)

**REBUTTAL TESTIMONY OF KC FAGEN
ON BEHALF OF
TILLAMOOK PEOPLE’S UTILITY DISTRICT**

January 28, 2019

1 **Q. PLEASE STATE YOUR NAME AND OCCUPATION.**

2 **A.** My name is KC Fagen, and I am the Engineering Manager for the Tillamook People’s
3 Utility District (“TPUD” or “District”).

4 **Q. HAVE YOU ALREADY PROVIDED TESTIMONY IN THIS PROCEEDING?**

5 **A.** Yes. I testified through submittal of the pre-filed testimony identified as TPUD/200,
6 TPUD/300, and TPUD/400, along with the exhibits accompanying that testimony. I also
7 appeared in person during the evidentiary hearing in this matter and provided sworn
8 testimony.

9 **Q. ARE YOU SPONSORING ANY EXHIBITS IN CONNECTION WITH YOUR**
10 **TESTIMONY?**

11 **A.** Yes. Included with this testimony are exhibits TPUD/501-TPUD/505.

12 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

13 **A.** I am responding to the Reply Testimony of Staff of the Public Utility Commission of
14 Oregon (“Staff”), and to the Reply Testimony of intervenors Doris Mast, David Mast,
15 Don Aufdermauer, and Kurt Mizze (collectively “Intervenors”).

16 **Q. DO YOU HAVE A RESPONSE TO MS. HANHAN’S TESTIMONY ON BEHALF**
17 **OF COMMISSION STAFF?**

18
19 **A.** I agree with the statements and conclusions contained in the testimony of Ms. Hanhan.

20 **Q. DO YOU AGREE WITH THE TESTIMONY OF DORIS MAST, DAVID MAST,**
21 **DON AUFDERMAUER, AND KURT MIZEE?**

22
23 **A.** Generally, no. As explained in my testimony below, I disagree with many of the
24 statements and conclusions in the Intervenors’ testimony. Below I will address specific
25 statements made by the Intervenors.

26
27

1 **Q. HOW DO YOU RESPOND TO DORIS MAST’S ARGUMENT THAT TPUD**
2 **SHOULD REBUILD FEEDER 51 INSTEAD OF BUILDING THE**
3 **TRANSMISSION LINE?**

4 **A.** This argument was raised by more than one of the Intervenors and is based on a
5 misunderstanding of the District’s plans for Feeder 51. To be clear, the District plans to
6 rebuild Feeder 51 and it will be rebuilt regardless of any option chosen to address the
7 system capacity needs and other issues in the central Tillamook Valley. It is therefore
8 not an alternative to the Transmission Line. Further, and specific to Mrs. Mast’s
9 argument, rebuilding Feeder 51 will not independently address the needs in the central
10 Tillamook Valley. As stated throughout my previous testimony, the purpose and need of
11 the Project are to: (1) reduce high loading on existing facilities; (2) increase electrical
12 system capacity in the central Tillamook Valley to support ongoing growth in the area
13 (load growth); (3) improve service reliability; and (4) replace aging infrastructure in the
14 City of Tillamook, Netarts, Oceanside, and the surrounding areas.

15 It is true that rebuilding Feeder 51 with a larger wire size will reduce equipment
16 loading on the feeder, and it will also address the replacement of aging infrastructure.
17 But the work on the aging sections of Feeder 51 cannot be accomplished without several
18 long, extended outages to 1,800 customers in the Netarts, Oceanside, and Whiskey
19 Creek Road areas. Construction of the proposed Transmission Line will provide a
20 second power source and allow the aging section of Feeder 51 to be removed from
21 service and rebuilt with only minimal interruption to customers.

22 **Q. WOULD BUILDING FEEDER 51 SOLVE THE RELIABILITY AND CAPACITY**
23 **PROBLEMS THAT THE TRANSMISSION LINE WOULD ADDRESS AS**
24 **SUGGESTED BY BOTH MR. AND MRS. MAST?**

25 **A.** No. Rebuilding Feeder 51 will not add capacity to the central Tillamook Valley as it only
26 rebuilds a feeder rather than adding transformer capacity. While rebuilding the existing
27

1 feeder will reduce loading and increase the transfer capacity of the line, my analysis
2 shows that even if the District increases the wire size on Feeder 51 to the largest
3 conductor size stocked by the District, the District would need a voltage booster station to
4 maintain required voltage levels given the electric usage today, without considering any
5 future growth. But because of the distance of the line compared to where the load is
6 served, a booster station is merely a band-aid and not an adequate long-term solution to
7 reliability issues.

8 Further, rebuilding Feeder 51 will not have any real impact on reducing outage
9 statistics. Feeder 51 is a 14 mile radial feeder that has no major back-up connections to
10 other feeders beyond Tillamook River Loop Road near State Route 101, which is about 1
11 mile from the Wilson substation. The vast majority of the reliability issues, which are
12 quantified from calculating the customer-hours out, are caused by wind, trees, rain, snow,
13 and vehicular accidents.¹ The area of the feeder that passes through the forested area was
14 cleared by Stimson many years ago and yet tree-related issues are the predominate causes
15 of outages. Simply rebuilding Feeder 51 will not resolve these issues as the rebuilt line
16 uses the exact same route. While it is true that equipment failures contribute some to the
17 overall outages (26,000 of the 140,000 customer hours-out)², most of the equipment
18 failures on Feeder 51 have occurred outside of the areas that need to be rebuilt. The
19 District continues to monitor equipment failure outages related to aged facilities. These
20 types of outages within the areas to be rebuilt only have a small contribution in
21 comparison to the outage statistics from wind and tree caused outages experienced on

¹ TPUD/414, Fagen/105-114.

² *Id.*

1 Feeder 51.

2 **Q. MRS. MAST CONCLUDES THAT DISTRIBUTION SYSTEMS HAVE A**
3 **LONGER LIFE EXPECTANCY THAN TRANSMISSION LINES. DO YOU**
4 **AGREE WITH HER?**

5
6 **A.** No. Her conclusion is based on a misunderstanding of the record and her conflation of the
7 “lifespan” of the improvements with equipment “life expectancy”. She concludes that
8 because some conductors on Feeder 51 are over 50 years old, and that the “lifespan” of
9 Option 4 was described as 36 years, that distribution systems have a longer life
10 expectancy than transmission lines. But, as stated in TPUD/205, Fagen/53, the longevity
11 of Option 4 was 33 years, meaning that the MVA capacity addition of the option would
12 be available for that period of time. This is unrelated to the life expectancy of the
13 transmission line and substation facilities themselves. Transmission lines and substation
14 equipment can have a very long life as evident by the recent rebuild of the District’s
15 Beaver substation, which was constructed in the 1940s.

16 **Q. DO YOU AGREE WITH MRS. MAST’S N-1 ANALYSIS?**

17
18 **A.** No. Mrs. Mast uses average peak loads for the past six years where 2018 loads are
19 estimated. It is my opinion that it would be inappropriate to use such a short-term historic
20 record to derive a long-term future trend. With Mrs. Mast’s analysis, the District would
21 not be able to serve peak load conditions in three of the six years, which is not
22 acceptable. It is the obligation of an electric utility to be able to serve peak loads even
23 under worst-case conditions. That is why utilities plan for having the largest equipment or
24 line out of service while maintaining electric service under the most severe conditions.
25 For the District, the worst-case conditions would be cold weather as experienced in
26 December of 2009, with one of the Wilson transformers out of service, as experienced in

1 the 2017/2018 winter. I would note that Staff's pre-filed and in-person testimony
2 supports the District's load forecasts.

3 **Q. DO YOU AGREE WITH MRS. MAST'S CALCULATIONS ON WHEN TPUD**
4 **WILL REACH SYSTEM CAPACITY UNDER N-1 CONDITIONS?**

5
6 **A.** No. I have provided my calculations for when TPUD will reach system capacity under N-
7 1 conditions in my previous testimony, which is supported by Staff. My previous
8 testimony provides a detailed analysis regarding existing capacity and load growth trends
9 and concludes that given the recent capacity addition at the Wilson substation, the
10 existing capacity will be consumed in the next 8 to 17 years, but closer to the 8-year
11 estimate. And under N-1 conditions, our current substations are nearing capacity limits at
12 93 percent of the N-1 capacity—assuming some growth in peak demand has occurred
13 since the most recent system peak in 2009. I believe Mrs. Mast and the other intervenors
14 that echo her testimony are confusing the Wilson substation load, which peaked at
15 63.1MVA, and the central Tillamook Valley load, which peaked at 90.8MVA, where
16 both peaks occurred at the same time in December of 2009. My analysis focused on the
17 central Tillamook Valley load of 90.8MVA. Accordingly, my analysis did not go from
18 63.10 MWs in year 0 to 90 MWs in year 8 as described in Mrs. Mast's testimony. In my
19 testimony, the 2009 peak load was listed at 90.8MVA and the updated N-1 capacity is
20 listed as 106.7MVA and 85 percent of the capacity.³ Using that data, I calculated the
21 2009 peak load to represent a 2018 peak load assuming the temperature dropped down to
22 10 degrees Fahrenheit. This equated to a peak load of 99.9MVA (a 9.3MVA increase
23 over a 10 year period). Using this same data, I calculated the N-1 capacity at 93 percent

³ TPUD/400, Fagen/16-17.

1 under N-1 conditions, leaving only 6.8MVA ($106.7-99.9=6.8$) of spare capacity for the
2 central Tillamook Valley (Garibaldi, Trask, and one of the Wilson transformers). At a
3 growth rate of 0.9 percent a year on 100MVA, that would add about 0.9MW
4 ($100*.009=0.9$) per year of new load and would consume the 6.8MVA of spare capacity
5 in about 8 years.

6 **Q. DID TPUD CHANGE THE CONFIGURATION OF THE TRANSMISSION LINE**
7 **BY ADDING 22MVA INSTEAD OF 33MVA AS SUGGESTED BY MRS. MAST**
8 **AND OTHER INTERVENORS?**

9
10 **A.** No, the configuration of the Transmission Line has not changed from TPUD's Petition.

11 The total capacity needed in the central Tillamook Valley is 33MVA as originally
12 planned. The difference between the analysis in my supplemental testimony and in my
13 original testimony is that the size of the transformer has been adjusted to account for the
14 addition of 11.5MVA to the Wilson T1 transformer, which occurred after the Petition
15 was filed. Accordingly, the remainder of the capacity (22MVA) will come from the
16 Oceanside transformer, but the total capacity needed remains the same. The Commission
17 expressly requested supplemental testimony performing an updated analysis in light of
18 the 11.5MVA being added to the Wilson T1 transformer, and that analysis is contained in
19 my prior testimony.

20 Prior to purchasing the Oceanside substation transformer, the District will
21 reevaluate its capacity needs and make adjustments as needed. It is customary for the
22 District to continually evaluate the needs of a project and make fine-tuned adjustments
23 based on the best and updated data available.

1 **Q. DOES THIS RECONFIGURATION CHANGE THE NEED FOR THE**
2 **TRANSMISSION LINE OR YOUR ANALYSIS?**

3
4 **A.** No, the adjustment to the transformer size is based on the cumulative need of the central
5 Tillamook Valley. The Oceanside transformer was sized to provide back-up capacity to
6 the Wilson and Trask substations, and to supply the current and future needs of
7 Oceanside/Netarts communities. Because capacity was added at the Wilson Substation,
8 the “back-up” capacity needed for the Oceanside transformer is reduced. However, there
9 is still a significant need to provide back-up capacity from Oceanside to the Wilson and
10 Trask substations, and to provide electricity for the Oceanside/Netarts communities. The
11 Transmission Line and Oceanside substation are the only solutions that meet the long-
12 term needs for the central Tillamook Valley.

13 **Q. HOW DO YOU RESPOND TO MRS. MAST’S ARGUMENT THAT NEITHER**
14 **CAPACITY NOR LOAD GROWTH POSE PROBLEMS FOR TPUD BECAUSE**
15 **TPUD HAS ADDED 3 NEW SUBSTATIONS AND ADDED 105 MW OF**
16 **CAPACITY WHILE ADDING ONLY 20 MW OF ADDED SALES SINCE 1973?**

17
18 **A.** As explained in my previous testimony, the District’s electric infrastructure is not
19 geographically interconnected such that capacity in the northern part of the county can be
20 used in the central or southern parts of the county. Therefore, in order to provide N-1
21 back-up, additional capacity is needed separately for each of the three regions of the
22 county. Therefore, the additional substations and capacity referenced by Mrs. Mast do not
23 address the system capacity and other issues in the central Tillamook Valley.

24 **Q. DOES THE TRANSMISSION LINE POSE A GREATER FIRE HAZARD THAN**
25 **OTHER ALTERNATIVES AS SUGGESTED BY MRS. MAST AND SOME OF**
26 **THE OTHER INTERVENORS?**

27
28 **A.** No. First, the protective relay equipment used to de-energize transmission lines under
29 adverse conditions functions much faster than equipment used to de-energize a

1 distribution line. Transmission lines have protective relays at each end of the line to
2 provide this protection and the tolerances and timing can be minimized because the relays
3 know the exact amount of electricity that leaves the source and continues to the end of the
4 transmission line. Further, electricity can leave a transmission line only at the end points,
5 unlike distribution systems.

6 Distribution feeders also have many levels of protection, including the substation
7 (the source), along the main backbone of the feeder, on lateral taps, and at each individual
8 transformer. But each upstream device has to wait until the downstream device can
9 operate, thus adding time before the upstream device would de-energize the equipment.
10 Also, for distribution lines, electricity leaves the feeder throughout its length by design as
11 it delivers electricity to each and every customer, and the magnitude of the electricity
12 fluctuates at each protective device as customers turn appliances on and off. This makes
13 it more challenging to determine if the electricity is being delivered where it is supposed
14 to be going or if there is an adverse condition.

15 Second, the right-of-way clearing for a transmission line is three times that of a
16 distribution line, so trees and other debris are less likely to come in contact with
17 transmission lines, thereby reducing fire hazard and outages.

18 Third, the Transmission Line option is shorter in distance than the distribution
19 feeder option and therefore has less exposure to conditions that might cause outages or
20 fires. The Transmission Line would be 8.6 miles in length compared to 14 miles for the
21 distribution option.

22 I will also note that the County's approval of the Transmission Line applied
23 standards addressing fire hazards, and the County concluded that the Transmission Line

1 would not significantly increase such hazards in forested areas.

2 **Q. COULD TPUD RECONFIGURE FEEDERS FROM WILSON RIVER TO THE**
3 **TRASK SUBSTATION TO REDUCE LOADING ON WILSON RIVER AS**
4 **RECOMMENDED BY MRS. MAST?**

5
6 **A.** Yes, but at a much higher cost for a relatively small gain. With additional feeder tie
7 rebuilds, another 4MVA can be transferred from the Trask substation to the Beaver
8 substation. In contrast to Mrs. Mast’s question, “Why is there no discussion of
9 reconfiguring feeders from Wilson River to the Trask Substation...”⁴ the Option 3 that I
10 have been describing has always included the rebuild of Feeder T68 in order to be able to
11 transfer the 3MVA of additional capacity between the Wilson River and the Trask River
12 substations. In addition, a section of line along Third Street, RUS project 315, as listed in
13 Doris Mast/308, Mast/2, clearly states that the project provides better load transfer
14 capabilities of Wilson River feeders to Trask substation. From my N-1 analysis,⁵ the
15 Trask substation is 92 percent loaded, leaving only 3MVA of additional load that can be
16 transferred. In order to transfer additional load, Feeder T68 would need to be rebuilt,
17 which is a distribution feeder constructed as an underbuild circuit on Bonneville Power
18 Administration’s 115kV transmission line. Rebuilding Feeder T68 would require
19 rebuilding BPA’s transmission line as well at a per mile cost equivalent to the
20 Transmission Line. This cost and the 3MVA are included in my analysis of Option 3 and
21 the associated longevity calculations. By itself, the cost of rebuilding T68 for an
22 additional 3MVA would not be cost justified at over \$1.2 million/MVA (\$3.625
23 million/3MVA = \$1.2 million /MVA)⁶. In order to transfer additional load off of the

⁴ Doris Mast/300/15.

⁵ TPUD/400, Fagen/17-19.

⁶ TPUD/417, Fagen/4.

1 Trask substation, Feeder T41 that heads south and connects to the Beaver substation
2 would need to be rebuilt with larger electrical wires for about 5.5 miles. This would allow
3 for about 4 MVA of load to be shifted from the Trask substation to the Beaver substation
4 at a cost of \$238,263 per mile, or a total of \$1,310,446 for the 5.5 miles.⁷ With all of the
5 projects listed, the cost of increasing Option 3's capacity to add the 4 MVA (about 5
6 years of growth) would be at a much greater cost than the Transmission Line alternative,
7 and the reliability to Oceanside/Netarts area would not be improved to even be on par
8 with the average feeder.⁸ The cost of Option 3 plus the additional feeder tie rebuilds
9 would be \$12,155,890.⁹ The additional capacity added would be 4MVA at a cost of \$3.03
10 million/MVA. The Transmission Line alternative adds 22MVA at a cost of \$14,649,517,
11 which results in a cost of \$0.66/MVA.¹⁰ Further, the longevity of the Transmission Line
12 is 2.18 times that of Option 3 ($(48/(17+5)) = 2.18$), and the reliability to the
13 Netarts/Oceanside will be on par with the average feeder in the County or better.¹¹

14 **Q. USING DATA FROM YOUR TESTIMONY, DAVID MAST CONCLUDED THAT**
15 **TPUD IS ABLE TO ADEQUATELY PROVIDE SERVICE TO EXISTING AND**
16 **NEW LOADS WITHOUT THE TRANSMISSION LINE AND SUBSTATION. DO**
17 **YOU AGREE WITH HIS ANALYSIS?**

18
19 **A.** No. Mr. Mast uses inconsistent data to support his argument and does not provide factual
20 information to support his own conclusions. For example, the graph on page 6 of David
21 Mast/300 shows the name plate capacity of Wilson T1 and Wilson T2 as 90 MVA for
22 years 2007 through 2017. However, the nameplate capacity was actually only 78.1

⁷ *Id.*

⁸ TPUD/400, Fagen/20-24.

⁹ This figure is calculated as follows: (\$10,045,444⁹ plus \$1,310,446 plus the \$800,000 that the District would have to repay BPA for the terminus equipment already installed at BPA Tillamook substation).

¹⁰ TPUD/417, Fagen/5.

¹¹ Five years was added to account for the 4 additional MVA of capacity that can be transferred between Trask and Beaver substations.

1 MVA.¹² This undermines his conclusions that the Wilson 1 & 2 transformers are at 70%
2 capacity at peak and 33% capacity on average. Similarly, his graphs and analysis are also
3 in error where the capacity of the Wilson, Garibaldi, and Trask substation were listed as
4 140MVA from 2007 to 2017 instead of the 151.9MVA used in his Testimony. My
5 previous testimony provides detailed analyses regarding existing capacity and load
6 growth trends and concludes that the recent capacity addition at the Wilson substation
7 will be consumed in the next 8 to 17 years. And under N-1 conditions, our current
8 substations are nearing capacity limits at 93 percent of the N-1 capacity assuming some
9 growth in peak demand since the most recent system peak in 2009.

10 **Q. SHOULD THE CREAMERY BE TAKEN OUT OF THE LOAD GROWTH**
11 **ANALYSIS AS SUGGESTED BY MR. MAST?**

12
13 **A.** No. While I agree that the load addition at the Creamery has been a significant load
14 addition to the central Tillamook Valley, as explained below, I disagree that this load
15 should be ignored in the load growth analysis. Further, as explained in TPUD/400,
16 Fagen/7, the major load from the Creamery has little impact on the District's peak loads,
17 as the Creamery is contractually obligated to switch from electricity to an alternate
18 energy source from 7 a.m. to 10 a.m. Monday through Saturday, which is when the
19 District system peaks. For example, during our most recent peaks in 2014 and 2017, the
20 Creamery's boiler was operating on propane and not electricity and therefore was
21 excluded from the system peak. When I looked at the load trending for the Wilson
22 substation, I looked at average load (energy) and annual peak demand, and they showed
23 similar growth trend rates at 0.9% per year and 0.88% per year, respectively. The fact

¹² TPUD/410, Fagen/10-11.

1 that the Creamery's boiler switches to propane during the peak periods, and the peak
2 growth trend rate is nearly the same as the energy growth rate, further supports my
3 conclusion that the Creamery's electric load should be included in the analysis.

4 **Q. DO YOU HAVE OTHER ISSUES WITH MR. MAST'S LOAD GROWTH**
5 **ANALYSIS?**

6
7 **A.** Yes. Mr. Mast cherry picks what he includes in his load growth analysis by removing the
8 load increase from the Creamery and ignoring how cold weather impacts the loads served
9 by TPUD. For example, TPUD has received service requests for more than 1.7MW of
10 new loads that are planned to be connected to the electric grid in the central Tillamook
11 valley in the next few years.¹³ In addition, there are other significant loads that will
12 come on line in the central Tillamook Valley. One planned new load will add 0.4MW.¹⁴
13 In addition, the District has been in discussions with another customer to add another
14 0.5MW of load to their existing plant. This will be new load that was not specifically
15 foreseen when I reviewed the load growth trends back in 2016 and 2017. This
16 demonstrates that including the single new load connected in 2009 into the system
17 growth analysis is appropriate. Also, if one adjusts for (discounts) new loads connected
18 to the system it would seem reasonable that one would adjust for loads that were removed
19 from the system and could return. Mr. Mast did not consider, for example, the impact of
20 the Hampton Lumber Mill reducing its work shifts, which has the potential of returning
21 to normal usage. I believe that while major changes in load should be reviewed, they
22 should not be arbitrarily added or removed as it will inappropriately distort results. In
23 addition, I believe a proper analysis requires a review of load conditions over long

¹³ TPUD/406, Fagen/18, 51, and 112.

¹⁴ TPUD/501 (Board Report November 2018).

1 periods of time and from multiple data points. By doing so, these techniques reduce the
2 impacts of major load events. As demonstrated in my testimony¹⁵, I have reviewed loads
3 at the system and substation levels, using annual energy, annual peak, and number of
4 electric accounts (meters). The conclusion is that all the data shows that over the long
5 term, the loads are growing at a rate of nearly one percent per year, specifically in the
6 central Tillamook valley.

7 **Q. DO YOU AGREE WITH MRS. MAST'S STATEMENT THAT THE**
8 **TRANSMISSION LINE WILL COST \$16 MILLION?**

9
10 **A.** No. Mrs. Mast indicated that the Transmission Line will cost \$16 million¹⁶ and then
11 provides data from the District budget.¹⁷ However, Mrs. Mast inappropriately includes
12 projects that will be constructed regardless of which alternative/option is constructed to
13 resolve the issues in the central Tillamook Valley. The specific project costs she added to
14 the Transmission Line are common for any option chosen to resolve the issues in the
15 central Tillamook Valley, and include RUS projects 316B, 324B 306, 307, and 315,
16 which total over \$2.2 million. Mrs. Mast failed to add these same costs to other options
17 she concludes are less expensive. When comparing different options to resolve the
18 reliability, capacity, and operation/maintenance constraints, the costs that are common
19 between all options should be excluded. For example, if option 1 cost \$1 and option 2
20 cost \$5, the difference is a factor of 5. If there are \$10 in other cost that would be
21 included in both options and this was included in the analysis, then the difference would
22 be a factor of only 1.5.

¹⁵ TPUD/200, TPUD/300, and TPUD/400.

¹⁶ Doris Mast/300/9.

¹⁷ Doris Mast/308/1-2.

1 The best cost estimate the District has for the cost of the Transmission Line,
2 substation, and directly associated costs are listed in my testimony TPUD/417, Fagen/5.
3 While other values have appeared over time, the \$14.6 million as explained in my
4 testimony is the most accurate.

5 **Q. WHAT IS YOUR RESPONSE TO MR. AUFDERMAUER’S STATEMENT THAT**
6 **THE DISTRICT JUST SPENT AROUND \$10 MILLION ON THE OFFICE**
7 **REMODEL AND OPERATION BUILDING AND FEEDER 51 IS STILL NOT**
8 **BUILT?**

9
10 **A.** First, the District’s office remodel and operation building were approved by the District’s
11 Board and are unrelated to the Transmission Line. Second, just to clarify the record, the
12 Board approved the contract for the office remodel at \$2,952,209 during the November
13 13, 2018 Board meeting where Mr. Aufdermauer was present.¹⁸ I am not sure where Mr.
14 Aufdermauer got his \$10 million figure for the cost of the office remodel and operation
15 building.

16 As discussed above, the rebuild of Feeder 51 will happen, but it is on hold until
17 the District has a reliable alternative electric power source to avoid significant outages to
18 the 1,800 customers that would otherwise be without power while Feeder 51 is rebuilt.
19 Feeder 51 is an independent project that is planned by the District.

20 **Q. DO YOU HAVE OTHER COMMENTS ABOUT MR. AUFDERMAUER’S**
21 **TESTIMONY?**

22
23 **A.** Yes, to clarify the record, the District has only purchased three substation transformers,
24 not four as stated by Mr. Aufdermauer.

25 **Q. HOW DO YOU RESPOND TO MR. MIZEE’S STATEMENT THAT THE 22 MW**
26 **OF CAPACITY NEEDED AT THE OCEANSIDE SUBSTATION**
27 **DEMONSTRATES THAT FEEDER 51 AND POTENTIALLY OPTION 3 COULD**
28 **BOTH BE CAPABLE OF CARRYING THE PROJECTED LOAD OF 22 MW**

¹⁸ TPUD/502 (TPUD Board Meeting December 18, 2018, with approved minutes from the November 13, 2018 Board meeting).

1 **OUT TO NETARTS AND OCEANSIDE?**

2
3 **A.** While Feeder 51, once rebuilt, and the second distribution feeder option can transfer over
4 22MW, those facilities cannot sustain the required voltage levels given the 14 miles they
5 would need to transmit the electricity. In addition, distribution feeders are far less
6 efficient than transmission lines. Electric line losses are measured by the square of the
7 electric current. The Transmission Line will carry only 21.6 percent of the electric
8 current that Feeder 51 would have to carry. The electric current calculation is directly
9 related to the ratio of the voltage, i.e. 24.9k volts versus 115k volts ($24.9/115=0.216$).
10 Even if I factor in a second distribution feeder, the Transmission Line would carry only
11 40 percent of the electric current as compared to the distribution lines. The increase in
12 electric losses from the two distribution feeder option compared to the Transmission Line
13 is equivalent to the energy consumption of 17 average homes and will only increase over
14 time.¹⁹

15 **Q. THE INTERVENORS CONTINUE TO ARGUE THAT OPTION 3 WILL**
16 **PROVIDE THE NEEDED CAPACITY AND RELIABILITY. DO YOU AGREE?**

17
18 **A.** No. Both the District and Staff have concluded that while Option 3 would improve
19 reliability and resolve aging infrastructure issues, it is an inferior option compared to
20 Option 4 from a reliability perspective. As Staff noted, because Option 3 would stretch
21 10 to 14 miles, “From a reliability perspective, this is a long way to carry roughly 5 MW
22 of load that is primarily at the end of the line, particularly because all of the load would
23 be located in the last two to three miles of the feeder.”²⁰ Staff concluded, consistent with

¹⁹ TPUD/503 (Option 3 / Option 4 Loss Analysis based on 2017 data).

²⁰ Staff/500, Hanhan/3.

1 my conclusions, that a 115kV transmission line is better suited to covering such a
2 distance.²¹

3 **Q. SOME OF THE INTERVENORS QUESTION THE FINANCIAL FEASIBILITY**
4 **OF THE TRANSMISSION LINE. WHAT IS YOUR RESPONSE?**

5
6 **A.** The Transmission Line is the least cost alternative when looking at the life cycle of cost
7 of Option 3 and Option 4. If the District pursued Option 3, the additional cost of adding
8 capacity and improving feeder ties between Wilson, Trask, and Beaver substations to a
9 point where Option 3 resolves capacity constraints with transmitting the additional
10 capacity additions and low voltage conditions, Option 3 would be more expensive than
11 Option 4.

12 **Q. DID TPUD RELY ON FORECAST INCREASES IN ENERGY SALES TO PAY**
13 **FOR THE TRANSMISSION LINE AS SUGGESTED BY THE MASTS?**

14
15 **A.** No. I reviewed the agendas for the Board reports from 2006 through 2011. The only
16 action items related to the Oceanside Transmission Line project was at the June 2011
17 TPUD Board meeting.²² This is well after the 2007 time frame mentioned by the Masts
18 and after the economic downturn in 2009. There is no mention of assumptions of future
19 energy sales in the meeting notes for the workshop or the Board meeting.

20 **Q. MR. MIZEE DESCRIBES RATE INCREASES RECENTLY APPROVED BY**
21 **THE TPUD BOARD. ARE THESE RELATED TO THE TRANSMISSION LINE?**

22
23 **A.** No. As explained at the January 15, 2019, TPUD Board meeting, the rate increase that
24 was approved will be the first rate increase in over four years.²³ The rate increase is
25 intended to cover the increase in power purchase costs and general inflation costs for

²¹ *Id.* at 4.

²² TPUD/504 (Approved meeting notes from June 2011 Workshop and Board Meeting).

²³ TPUD/505 (Draft January 2019 Board Meeting notes).

1 operations and maintenance of the District's electric power system. It has nothing to do
2 with the Transmission Line.

3 **Q. DO YOU AGREE WITH THE INTERVENORS' CHARACTERIZATION OF**
4 **THE LAND USE PROCEEDINGS RELATED TO THE TRANSMISSION LINE?**

5
6 **A.** No. The County's role in approving the Transmission Line is much different than the
7 Commission's role. While the Commission is tasked with investigating the alternative
8 routes the District considered for the line, the County's role is solely to determine if the
9 preferred route is permissible under the County's land use regulations. The Intervenor's
10 comments imply that TPUD somehow limited the County's review, but any such limits
11 are imposed on the County itself through the regulations it adopted. TPUD clearly
12 addressed all of the County's approval standards, as evidenced by the County's
13 unanimous approval of its applications. To the extent there are any errors in the County's
14 decision, those will be addressed through the normal appeals process.

15 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

16 **A.** Yes.

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

PCN-2

In the Matter of)
)
TILLAMOOK PEOPLE’S UTILITY)
DISTRICT,)
)
Petition for Certification of Public)
Convenience and Necessity.)
_____)

**EXHIBIT 501
TO THE
REBUTTAL TESTIMONY OF KC FAGEN
ON BEHALF OF
TILLAMOOK PEOPLE’S UTILITY DISTRICT**

January 28, 2019



Tillamook People's Utility District Revised Agenda for November 13, 2018 Regular Board Meeting

Location of Meeting: Tillamook PUD Meeting Room (1115 Pacific Avenue, Tillamook, OR)

- **6:00 p.m. – Regular Board Meeting**
- **Presentations by the Public:**
Presentations will be limited to five minutes per person or group unless prior arrangements for additional time have been requested through the general manager's office.
- **Approval of Minutes (Voice Vote) Pgs. 1-8**
 - October 16, 2018, Board Workshop
 - October 16, 2018, Regular Board Meeting

- **Department Reports**

General Manager	Pgs. ACTION ITEM(S): Approve the land swap with the City of Tillamook
Public Relations	Pgs. 9-13 ACTION ITEM(S): None
Customer Services	Pgs. 14-16 ACTION ITEM(S): Approve Write-offs \$537.92; and "Authorize the General Manager to enter into a contract for construction of the Warehouse Addition & Remodel Project based on the Guaranteed Maximum Price (GMP) as provided by the Construction Manager/General Contractor (CM/GC)"
Engineering	Pgs. 17-19 ACTION ITEM(S): None
Finance	Pgs. 20-26 ACTION ITEM(S): None
Human Resources	Pgs. 27 ACTION ITEM(S): None
Information Technology	Pgs. 28-29 ACTION ITEM(S): None
Key Accounts and Energy Services	Pgs. 30-40 ACTION ITEM(S): None
Operations	Pgs. 41-42 ACTION ITEM(S): None

- **Approval of October 2018 Accounts Payable (Voice Vote)**
- **Items from the Board:**



Tillamook People's Utility District
1115 Pacific Avenue, PO Box 433
Tillamook, OR 97141

October 16, 2018 – Workshop

Board Members Present:

Doug Olson, President
Ed Jenkins, Vice President
Ken Phillips, Treasurer
Harry Hewitt, Secretary
Barbara Trout, Director

Staff Present:

General Manager/Human Resources

Todd Simmons, General Manager
Terri Filosi, Human Resources Director
Nancy Dillard, Executive Assistant; Recording Secretary

Customer Services

Marty Holm, Customer Services Manager

Engineering

KC Fagen, Engineering Manager

Finance

Jim Martin, Finance Manager

Information Technology

John Luquette, Information Technology Manager

Key Accounts and Energy Services

Dave Wimpy, Key Accounts and Energy Services Manager

Operations

Wade Scott, Operations Manager

Public Relations

Joanna Stelzig, Public Relations Manager

General Counsel:

Guests:

Call to Order

Director Olson called the workshop to order at 4:00 p.m. in the Carl Rawe Meeting Room.

Pre-Budget Presentation

Todd Simmons gave a summary of the Pre-Budget Presentation. There isn't an anticipated change in the number of FTEs. The District's 2019 budget includes an estimated rate increase of 8% effective in October 2019. There hasn't been a rate increase in 4 years. Jim Martin will prepare a cost of service analysis at the beginning of the year to refine the number.

Engineering

KC Fagen reported that he would begin working on the Long Range Plan (3rd Quarter 2019 through 2nd Quarter 2020) next year. The Utility Asset Group income should remain the same as it was in 2018. The Tillamook Oceanside Transmission Line project continues. Fagen will be working on acquiring easements, and the District will go out to bid for the construction work. Staff will do a portion of the reconductor work from Wheeler to Rockaway Beach to strengthen ties from North to Central County. Held over from 2018 are the spill prevention control and countermeasures construction at the Mohler, Nehalem and Hebo substations. Aging equipment will be replaced at the Wilson River and South Fork substations. On December 8th, staff will begin getting public engagement for the Neskowin Transmission Line. Fieldwork in preparation of converting Nehalem distribution voltage from 20.8 kV to 24.9 kV will be performed. The meter replacement project will begin 4th Quarter 2018 with meter replacements starting in January 2019, and the project is expected to be completed 3rd Quarter 2019.

Key accounts and Energy Services

Key accounts will be expanded to also include some of the small industrial customers, large commercial customers, and the school districts. The budget consists of the Key Accounts luncheon, MV Web, and technical training. Staff will continue to support renewables with the District's Green Power Program, Farm Power's digester, the Port of Tillamook digester, and WREGIS. The BPA residential and industrial programs will remain similar to 2018. Tillamook PUD Funded Energy Efficiency programs will include Low Income Weatherization and non-BPA qualifying heat pumps.

Public Relations

In the 2019 budget for Ruralite, color added last year will continue this year, and for 2019 a feature story writer has been included. Public Relations will continue with PUD giveaways and promotional items. The District will continue advertising in the local newspapers and publications. Other budget items include sponsorships and event supplies. The Community Grant budget will remain at \$75,000.

Customer Services

More people are paying with credit cards which have created higher processing fees. The stainless steel meter base incentives will continue in 2019. Maintenance of the office building will remain similar to the 2018 budget. The security audit completed in 2018 found areas where security needs to be expanded, and there is a 4-5 year plan to implement the recommendations. Furniture will be upgraded in the customer services area, key accounts, and engineering. There is a prior year carryover of \$1.7 million for the warehouse addition/remodel. The project is included in the 2019 budget. Main office renovations could begin 4th Quarter of 2019.

Information Technology

Information Technology's budget includes a Virtual Server Cluster Infrastructure. The District's current server is starting to age and is reaching end of life. Staff is working with NISC and Dell to design an infrastructure that will allow for failover without loss of data. The existing backup servers will be removed and exchanged with a new set of hardware. The substation network switches will be replaced.

Human Resources

The Human Resources Department will continue to bring training in-house with Bullying Awareness Training and Communications Skills for all employees in 2019. It is expected that recruitment expenses will remain the same as 2018 due to anticipated retirements in 2019. The budget for the Safety Dinner has been increased due to the increasing cost of facility rentals and food.

Operations

The priority for the Operations budget is safety, construction and maintenance, regulatory compliance, training, and avian mitigation and awareness. The District will maintain their relationship with ESCI. Contract work will be used for repair and testing of special equipment, tree trimming, locating services, and flagging. Anticipated capital expenditures for 2019 include: northeast parking and sidewalk improvements, shelving and racking for the Hebo Warehouse, concrete repair at the mechanic's shop lot, the addition of an equipment building at the pole yard to keep equipment under cover, LED lighting at the warehouse, and Nehalem Warehouse repairs. The budget also includes the purchase of a 4x4 standard cab pickup, a Norstar GPS system for the spray truck, a Fecon Mower head, a preowned 5-yard dump truck, a Western Star Chassis, and two hydraulic wire reel trailers.

Finance

Finance is seeing load growth from a combination of more customers and increased usage. In 2018 Finance began the RUS loan process. Finance anticipates drawing about \$6 million from the RUS loan in 2019. The budget books will be passed out at the November 13th board meeting. The board workshop will be held at 6 p.m. on December 11th.

Adjournment

With no further business to come before the Board, the Board Workshop adjourned at 5:16 p.m.

Harry Hewitt, Secretary Date



Tillamook People's Utility District
1115 Pacific Avenue, PO Box 433
Tillamook, OR 97141

October 16, 2018 – Regular Meeting Minutes

Board Members Present:

Doug Olson, President
Ed Jenkins, Vice President (absent)
Ken Phillips, Treasurer
Harry Hewitt, Secretary
Barbara Trout, Director

Staff Present:

General Manager/Human Resources

Todd Simmons, General Manager
Terri Filosi, Human Resources Director
Nancy Dillard, Executive Assistant; Recording Secretary

Customer Services

Marty Holm, Customer Services Manager

Engineering

KC Fagen, Engineering Manager
Matt Andrus, Field Inspector

Finance

Jim Martin, Finance Manager

Information Technology

John Luquette, Information Technology Manager

Key Accounts and Energy Services

Dave Wimpy, Key Accounts and Energy Services Manager

Operations

Wade Scott, Operations Manager

Public Relations

Joanna Stelzig, Public Relations Manager

General Counsel:

Guests: David Mast, Doris Mast, Mike Gardner, and Don Aufdermauer

Call to Order

President Olson called the meeting to order at 6:00 p.m. in the Carl Rawe Meeting Room.

Presentation by Public

Minutes

MOTION: By Director Hewitt and seconded by Director Phillips to approve the minutes of the September 25, 2018, Pre-Budget Workshop and the September 25, 2018, Regular Board Meeting. The motion was approved.

General Manager

The revised Franchise Agreement was approved by the Wheeler City Council. The agreement will now need to be approved by the Tillamook PUD board.

MOTION: By Director Trout and seconded by Director Hewitt to authorize the General Manager and the Board President to sign the revised Franchise Agreement with the City of Wheeler. The motion was approved.

Simmons handed out the Tillamook PUD Quarterly Performance Scorecard through the third quarter. The scorecard is an indication of how each department is doing, and the trending arrow shows the anticipated performance for the next quarter.

The presentation regarding customer loans was held over until next month.

Tillamook PUD gave a \$10,000 grant to the historic U. S. Coast Guard Boathouse of Garibaldi for electrical and lighting work. Simmons reported that he and Stelzig attended a tour of the boathouse after the project was completed and encouraged the board to go on a tour if they have an opportunity.

Customer Services

MOTION: By Director Phillips and seconded by Director Trout to approve write-offs in the amount of \$1,038.38. The motion was approved.

Holm gave an update on the warehouse addition. The District went through the RFP process and entered into an agreement with Brockamp and Jaeger, Inc. Holm expects to receive numbers from the company by mid-November. The project may break ground in early December, and the aggregate piers foundation method should be able to be completed during the winter months.

Engineering

The Beaver control building was installed at the substation. The metering department is connecting up control cables and electric power. Next week BPA will be onsite to perform testing of their metering. The final components should be here early next month.

The replacement transformer for the Wilson River Substation has been delayed due to a hurricane.

The Utility Asset Group is preparing for year-end billing for pole contacts. Staff has worked with the finance department to create new billing rates.

Director Hewitt asked who initiated the undergrounding of overhead lines at the fairgrounds. Fagen reported that the fairgrounds did and PUD staff is discussing the project with them.

Finance

Martin reported that the 3rd Quarter Budget Comparison would be mailed out later this week.

Director Hewitt asked how Tillamook PUD will be impacted as interest rates begin to go up. Martin reported that reserves would be positively affected. There has been a quarter-point increase in the LGIP account. The RUS loan rates are increasing, but the 20-25 year rates are not rising as fast as the lower terms.

Human Resources

The Heavy Equipment Operator position was awarded to Haden Werner. The Equipment Operator position was awarded to Kent Olson. Olson's job, Warehouse Person, has been posted.

The grand prize team winners in the Wellness Committee's Walking Challenge were Danielle Ryan and Hailey Travis. The individual winner was Danielle Ryan.

The Wellness Fair is scheduled for October 18, 2018. There will be fasting blood sugar/cholesterol screenings and flu shots.

Information Technology

Director Hewitt asked if AclaraOne will be a significant change. Luquette responded that staff began using ACLARA's latest AMI software called AclaraOne as of September 1st. The new software will replace the existing TWACS OC interface that is used to manage the TWACS system. Both systems will run parallel to make sure that the transition is smooth. The new software was part of the meter replacement package.

Key Accounts and Energy Services

The Key Accounts Luncheon was held on September 11th for Tillamook PUD's industrial customers. At the luncheon, Simmons talked about the annual budget process and the potential rate impacts in 2019; Stelzig gave an update on the Green Power Program; Wimpy discussed the District's energy efficiency program; and Jimmy Sauter, BPA Energy Efficiency Engineer, offered a tutorial on best practices for improving power factor at industrial facilities.

ChooseEV is being added to Tillamook PUD's website in October. The addition will provide customers with a digital toolkit of the latest information on electric vehicles. The site includes a calculator for customers to use to help estimate the savings if they moved to an electric vehicle.

Operations

The Highway 6/Highway 101 interchange project is close to being completed. Physical inventory has been completed, and they should have the final numbers in a few days. Keith Braden and Wayne Greeson did a great job. Dave Smith and Simon Hagerty attended Von Fault Locating Power Cable System training. A few more crew members will be sent next month.

Public Relations

The District celebrated Public Power Week last week. Customer turnout for the event was excellent.

Director Olson asked about the Community Grant schedule. Stelzig is aiming to begin advertising in December and will try to get the information out to more people. The application period will close the end of February 2019. Recipients will be selected at the March workshop and grants awarded at the following board meeting.

Accounts Payable

MOTION: By Director Hewitt and seconded by Director Trout to approve the October 2018 Accounts Payable in the amount of \$3,071,639.00. The motion was approved.

Public Comment

Items from the Board

Director Trout thanked Stelzig and Landon Myers for a great Public Power Week.

Adjournment

With no further business to come before the board, the Regular Board meeting adjourned at 6:47 p.m.

Harry Hewitt, Secretary

Date



Public Relations Department Report to the Board of Directors November 2018

Action Item

None.

Department Activities

- **Meetings, Trainings and Activities**

- Stelzig presented at the NWPPA 3 C's Conference in Vancouver, WA on the topic of social media use in electric utilities.
- Attended Tillamook Rotary Club meetings.
- Recorded radio advertisements for November and December.
- Was present at the Tillamook Chamber Mornings on Main Street meeting.
- Staff attended the Tillamook County Emergency Management Winter Storm Preparation meeting. Organizations throughout Tillamook County attended; each shared information about their processes and procedures during an event, and provided updates on current activities related to emergency preparedness. The National Weather Service presented as well.
- Continued work with Engineering and Customer Services on customer notification and marketing materials for the meter exchange project.
- Continued preparation work for holidays, including the Tillamook PUD Customer Holiday Party scheduled for Thursday, December 6 from 4 to 6 p.m. in the Tillamook PUD office lobby.

- **Events**

- **Public Power Week-** We had an awesome week celebrating Public Power with our customers and the community. Folks stopped by all week to talk with staff and board members, enjoy delicious treats, grab cool PUD giveaway items and enter to win one of our grand prize buckets filled with fun local items.



During her “Hour with an Expert” time, I.T. Systems Specialist Kim Ramsell discussed how usage data gathered by the AMI system help customers make informed personal energy management decisions.



Board of Director Harry Hewitt drawing the grand prize winners of the local items baskets.

- **Downtown Trick-or-Treat-** PUD Staff participated in the Downtown Business Trick-or-Treat event on Halloween day.



- **Green Power Program Update-** Continued promotional efforts and completed contact process for existing customers. We have had steady sign-ups coming through, we currently have 254 accounts enrolled in the program.
- **Community**
 - **Vehicle Washes-**
 - THS SAFE
 - **Youth-** Assisted the Operations Department with job shadow students from the Natural Resources Career class at Tillamook High School.

Advertising, Articles and Other Press – October 2018

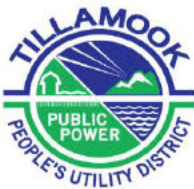
Newspaper	<ul style="list-style-type: none"> • Public Power Week • SmartHub • Cool Drafts
Billing Inserts	<ul style="list-style-type: none"> • Rockaway Beach Senior Meals • Monday Musical
Electronic Newspaper	<ul style="list-style-type: none"> • Tillamook County Pioneer Standard Side Bar Ad about Green Power
Radio	<ul style="list-style-type: none"> • Nixle • Public Power Week • Winter Preparedness • Rebate & Energy Efficiency Programs • Safe Harvest Practices • Green Power • Protect Yourself from Surges
Ruralite	<ul style="list-style-type: none"> • Human Interest: Warm Bread, Warm Heart • Last Page- Public Power is Community Power • Tillamook PUD is Celebrating Public Power Week • PUD Projects-Power Pole Inspection and Treatment and Beach Wire. • Meet a Tillamook PUD Team Member • Tillamook PUD Powerful Fun Fact- PUD number in Oregon.
Facebook Posts	<ul style="list-style-type: none"> • 25 Total Posts- <ul style="list-style-type: none"> ○ 13 General Customer Content Posts ○ 12 Outage Notice Posts
Twitter	<ul style="list-style-type: none"> • 25 Total Tweets- <ul style="list-style-type: none"> ○ 13 General Customer Content Tweets ○ 12 Outage Notice Tweets

Meter Base Rebates- October 2018				
Item	Monthly # of Rebates	Monthly Rebates Paid	YTD # of Rebates	YTD Rebates Paid
Stainless Steel Meter Base	9	\$1,350	60	\$9,000

E-bill and Paperless Billing Usage		
Date	E-bill accounts	Paperless
1/5/18	2,466	7,004
2/5/18	2,490	7,084
3/5/18	2,539	7,216
4/5/18	2,564	7,209
5/5/18	2,586	7,354
6/5/18	2,600	7,395
7/5/18	2,637	7,451
8/5/18	2,688	7,488
9/5/18	2,711	7,582
10/5/18	2,738	7,608
11/5/18	2,770	7,641

NIXLE			
Date	Contacts	SMS	Emails
1/5/18	751	670	455
2/5/18	811	730	487
3/5/18	849	767	521
4/5/18	876	796	541
5/5/18	887	819	549
6/5/18	899	830	556
7/5/18	909	841	562
8/5/18	917	849	563
9/5/18	923	857	568
10/5/18	927	861	572
11/5/18	940	870	581

Tillamook PUD Social Media Pages					
Date	Total Facebook Page Likes	Total Facebook Followers	Total People Reached on Facebook	Total Twitter Followers	Total Twitter Impressions
1/5/18	494	508	5,750	41	3,554
2/5/18	515	533	6,120	47	2,450
3/5/18	530	551	4,460	47	1,980
4/5/18	560	584	7,063	52	2,939
5/5/18	574	599	5,358	56	3,302
6/5/18	590	614	8,969	60	4,626
7/5/18	604	630	4,060	64	4,374
8/5/18	1,312	1,356	16,878	119	7,325
9/5/18	1,319	1,438	7,555	118	2,544
10/5/18	1,399	1,445	3,626	119	2,447
11/5/18	1,411	1,459	5,220	121	4,807



Customer Services Department Report to the Board of Directors November 2018

Action items: “Authorize the General Manager to enter into a contract for construction of the Warehouse Addition & Remodel Project based on the Guaranteed Maximum Price (GMP) as provided by the Construction Manager/General Contractor (CM/GC)”

Write-offs: \$537.92

Active Bankruptcies

Date	Location	Total Amount
Jan 2016	Garibaldi	\$300.08
August 2018	Manzanita	\$90.47

Credit & Collection

	October	\$/October	YTD	\$/YTD
Notices Mailed	1,510		13,303	
Paid to Collector	188	\$30,039.93	1,970	\$377,102.57
Collection Fees	214	\$5,350.00	2,260	\$54,283.00
Cut off for Non-Payment	7		54	
EAP Payments	6	\$642.83	524	\$156,199.17
CAP Payments	18	\$1,565.45	174	\$20,129.50
CAP Donations*		\$724.21		\$9,800.48
Non Match CAP Refunds		\$93.95		\$1,596.88
Write Off Recoveries**		\$973.02		\$11,272.87

*Does not include PUD match **Includes credit bureau receipts

Last-Chance Collections

	Write-offs
January	\$3,864.71
February	\$700.84
March	\$288.59
April	\$1,136.67
May	\$1,881.39
June	\$1,149.24
July	\$3,652.13
August	\$3,260.41
September	\$6,163.45
October	\$996.30
November	
December	

Meter Inspections

	# Inspected
January	507
February	288
March	638
April	215
May	107
June	389
July	79
August	214
September	205
October	174
November	
December	

Service Order Activity

SERVICE ORDER TYPE	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
Reconnect	39	37	29	53	58	46	28	44	40	40			414
Disconnect	35	29	28	46	39	32	39	34	38	63			383
Transfer	176	165	180	171	206	212	199	201	201	230			1941
Meter Exchange	10	26	20	24	21	25	17	12	11	17			183
TOTAL	260	257	257	294	324	315	283	291	290	350	0	0	2921

New Services

NEW METERED SERVICES	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
Residential	6	4	5	9	11	8	10	11	6	7			77
Residential - Seasonal	3	6	9	6	5	6	5	5	2	7			54
Commercial	1	2	1	4	3	5	3	5	1	0			25
Irrigation	0	0	0	0	0	1	0	0	0	0			1
Industrial	0	0	0	0	0	0	0	0	0	0			0
TOTAL	10	12	15	19	19	20	18	21	9	14	0	0	157

NEW NON-METERED SERVICES	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
Area Lights	1	1	3	2	1	2	1	0	1	4			16
Flat Rate Devices	0	0	0	0	0	0	0	0	0	0			0
TOTAL	1	1	3	2	1	2	1	0	1	4	0	0	16

NEW NON-BILLING SERVICES	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
Generation	0	1	2	0	2	0	0	0	0	0			5
TPUD	0	0	0	0	0	0	0	0	0	0			0
TPUD Generation	0	0	0	0	0	0	0	0	0	0			0
TOTAL	0	1	2	0	2	0	0	0	0	0	0	0	5

Active Meters

Month	Seasonal	All Other	Total
January	6,995	14,158	21,153
February	6,998	14,162	21,160
March	7,018	14,181	21,199
April	7,030	14,186	21,216
May	7,039	14,210	21,249
June	7,044	14,237	21,281
July	7,049	14,245	21,294
August	7,056	14,261	21,317
September	7,063	14,266	21,329
October	7,062	14,261	21,323
November			
December			

Cash

	October	\$/October	Year to Date	\$/YTD
Cash days over	2	\$0.10	16	\$7.27
Cash days under	3	\$1.02	8	\$21.27
Cash days/total	23	\$3,192,825.85	214	\$35,739,924.11

Payment Activity – Number of Payments by Type

Payment Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cash	760	661	687	645	615	709	670	680	637	1,046			7,110
CAP	19	16	19	24	24	15	18	15	14	20			184
Check	9,163	7,656	8,623	8,243	8,109	8,153	8,469	8,423	7,526	7,970			82,335
Web Credit Card	1,633	1,582	1,684	1,681	1,636	1,669	1,687	1,723	1,626	1,666			16,587
Web Check	998	943	1,055	1,078	972	1,026	1,024	1,042	1,050	1,019			10,207
Mobile Credit Card	518	495	512	517	519	557	539	588	563	570			5,378
Mobile Check	174	186	197	203	224	205	201	213	212	208			2,023
Online Bill Interface Checks	3,033	2,676	3,017	2,820	3,022	2,846	2,872	2,949	2,734	3,127			29,096
Recurring Credit Card	1,797	1,814	1,842	1,855	1,886	1,915	1,930	1,934	1,948	1,980			18,901
Recurring Check	1,658	1,661	1,674	1,681	1,689	1,695	1,699	1,699	1,707	1,708			16,871
Visa/MasterCard Present	452	383	320	320	319	304	321	339	311	359			3,428
Visa/MasterCard Phone	1,386	1,270	1,432	1,375	1,464	1,349	1,375	1,363	1,213	1,334			13,561
Wire Transfer	18	15	17	16	14	19	13	16	16	15			159
Total	21,609	19,358	21,079	20,458	20,493	20,462	20,818	20,984	19,557	21,022	0	0	205,840



Engineering Department Report to the Board of Directors November 2018

Action Items

None.

System Planning and Design

BEAVER SUBSTATION REPLACEMENT UPDATE

The pad mount switchgear arrived as scheduled. Installation will be completed and the substation will be on-line in November.

WILSON RIVER SUBSTATION TRANSFORMER REPLACEMENT

The transformer is being delivered. The old transformer has been removed and crews are dismantling equipment in preparation of the arrival of the new transformer.

Projects

NEW PROJECTS

- Lighting project for parking lot at Tillamook Country Smoker in Bay City
- New 3 phase 1200-amp 120/208 Y service for new Grocery Outlet store in Tillamook
- Overhead to underground conversion of facilities at Tillamook County Fairgrounds
- Additional single phase 600-amp CT service for upgrade of agricultural facility in South County off Highway 101
- New 3 phase 400-amp 102/208V service for additional modular buildings at Tillamook Elementary School
- Working on design projects for the 2019 Capital Work Plan (Part 2 of Highway 101 Rockaway to Wheeler Rebuild - 1.5 miles; Tideland Road "A" wire rebuild - 4100 feet; Fairview Road re-feed to improve access; Trask River Road rebuild; Phase 1 of Cape Kiwanda to Thousand Trails feeder tie; Rebuild of 5,500 feet on 3rd Street in Tillamook to #4/0 Primary Conductor

Meter Base Repair

During the month of October, a total of 22 meter base letters were mailed to customers.

Utility Asset Group Activities and Projects

- Pole test and treat contractor has completed inspections for 2018. Only 11 rejects were discovered this year. UAG staff will quality check their work prior to payment of final invoice.

REVENUE RECEIVED FROM JOINT-POLE ATTACHMENTS:

Monthly billing for licensees, make ready work, etc: \$ 440.99

Work Orders

Work Order Activity					
	October 2018	YTD 2018	YTD 2017	YTD 2016	YTD 2015
New Construction					
Temporary	7	81	84	102	87
Permanent	10	148	117	104	117
Temporary to Permanent	7	76	46	68	102
Permanent to Temporary	1	4	11	11	11
General (Backbone, Changes, Area Lights)					
General	26	292	461	526	595
Reimbursable	0	2	12	32	114
Total Work Orders	51	603	731	843	1026

Line Extension Agreements

Line Extension Agreements Received					
	October 2018	YTD 2018	YTD 2017	YTD 2016	YTD 2015
Line Extensions	32	203	169	136	159
Amt. Received	\$ 97,376	\$734,302	\$865,481	\$563,591	\$799,723

Line Extension Agreements Processed – October 2018		
Bernt, Catherine & Marjorie Big Creek Management LLC Butler, Keith & Teri Cannon, William &, Shirley Chiappone, Joseph & Linda Classic Street Cottages LLC (2) Deloe, Scott & Crist, Amanda Finders, James Gustavson, James & Linda Hercher, John & Kelsie	Holiday, Gerald & Brenda Hornbeak, Shelli & Bryan Howell, Michael Hurliman, Jeffery & Faith Jones, Timothy & Brenda Kolin, Kevin & Renee Marshall, Douglas & Kathryn Noling, Calvin & Donna Oregon Parks & Recreation Dept Page, Margaret	Rodriguez, Aaron Schultz, Curt & Rie Stai, Robert & Sally (2) Stephens, Andrew Tanner, Theodore & Kimberlee Taylor, Joseph Thomas, Timothy & Maighread Trainor, Sandra Weiler, Kelly Zhen, Yu Ping

Transformer Loading

Transformer Loading (in Megawatts)													
	Oct 18	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18
Beaver 5 ¹	0.0	3.4	3.8	4.6	4.4	4.1	3.8	1.5	0.0	0.0	0.0	0.0	0.0
Garibaldi 15/20/25	11.3	9.9	12.0	15.5	14.3	18.1	15.6	14.2	10.9	8.9	9.4	8.4	9.4
Mohler 13/18/22	3.8	3.4	4.1	5.1	5.1	5.9	5.2	4.5	3.3	3.0	6.1	2.7	3.0
Hebo 13/18/22	2.7	1.1	2.8	3.8	3.3	5.3	8.5	12.1	9.0	2.0	6.6	7.4	2.3
Nestucca 13/18/22	8.6	9.4	10.6	10.3	10.2	11.3	10.9	9.6	7.8	7.1	7.1	6.0	7.1
Trask River 22/29/37	16.0	8.2	8.2	17.0	18.1	11.6	11.9	11.7	10.9	9.3	15.4	8.1	9.9
Wilson River T1 20/27/33 ¹	7.0	15.3	16.1	19.1	12.7	14.2	12.3	11.9	10.2	9.0	9.5	8.0	7.0
Wilson River T2 27/26/45	24.8	22.6	25.6	33.5	30.0	33.3	29.0	25.6	21.8	20.5	18.8	20.1	21.4
Nehalem 17/22/28	7.0	8.4	10.7	10.8	10.4	12.7	11.0	9.5	6.0	5.3	7.1	4.8	5.7
South Fork 6	0.5	0.3	0.3	0.6	0.6	0.8	0.7	0.6	0.5	0.4	0.6	0.4	0.4
System Total	81.7	82.0	94.2	120.3	109.1	117.3	108.9	101.2	80.4	65.5	80.6	65.9	66.2

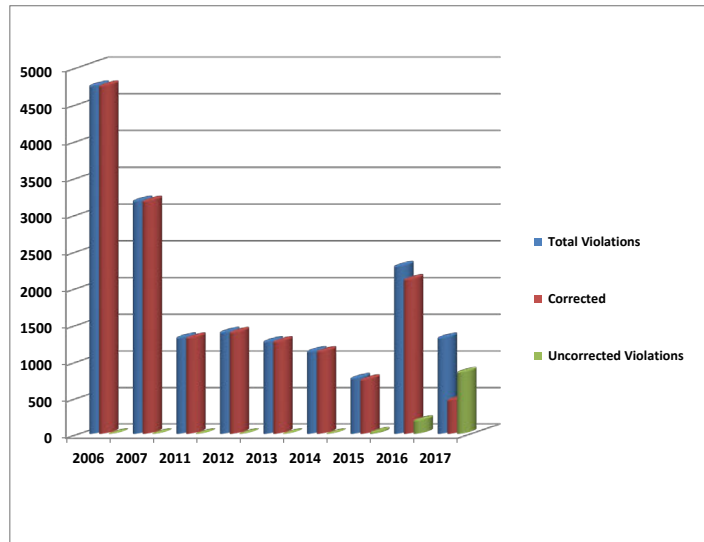
¹ Beaver and Wilson T1 temporarily de-energized

Detailed Inspection Correction Effort

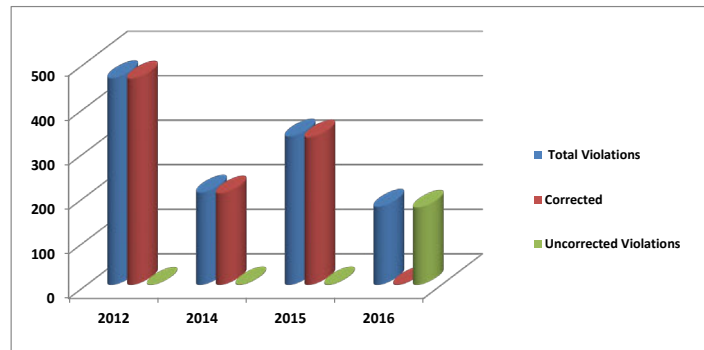
TPUD/501
Fagen/21

November Board Report

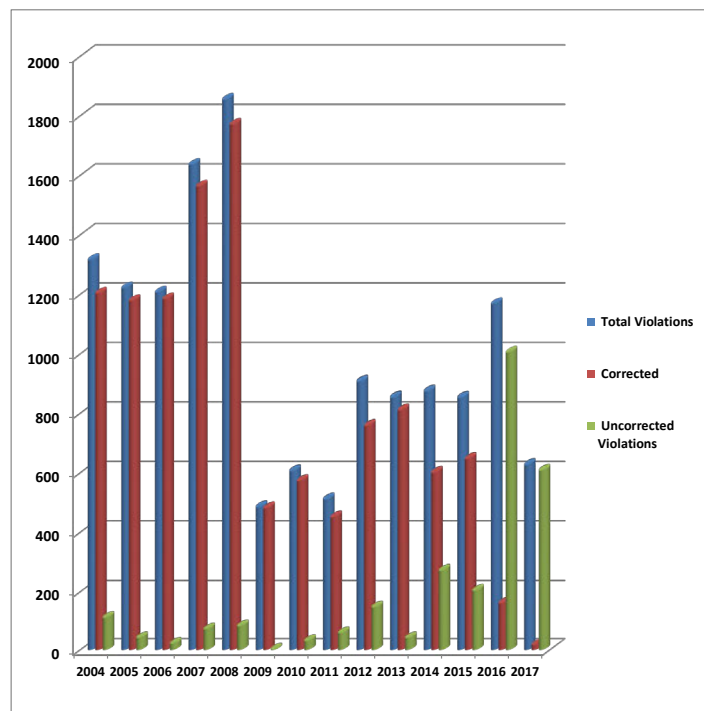
TPUD	Total Violations	Corrected	Uncorrected Violations
2006	4743	4743	0
2007	3176	3175	1
2011	1315	1314	1
2012	1390	1389	1
2013	1263	1263	0
2014	1130	1129	1
2015	763	744	19
2016	2288	2107	181
2017	1313	467	846
2018	96	0	96
Total	17477	16331	1146



CenturyLink	Total Violations	Corrected	Uncorrected Violations
2012	465	464	1
2014	208	206	2
2015	334	332	2
2016	176	2	174
2017	0 *	*CenturyLink is not a part of Detailed Inspection area	
Total	1183	1004	179



Charter	Total Violations	Corrected	Uncorrected Violations
2004	1317	1204	113
2005	1222	1179	43
2006	1208	1185	23
2007	1637	1564	73
2008	1856	1772	84
2009	487	483	4
2010	608	575	33
2011	513	453	60
2012	909	760	149
2013	856	813	43
2014	876	603	273
2015	855	649	206
2016	1169	163	1006
2017	629	19	610
Total	14142	11422	2720





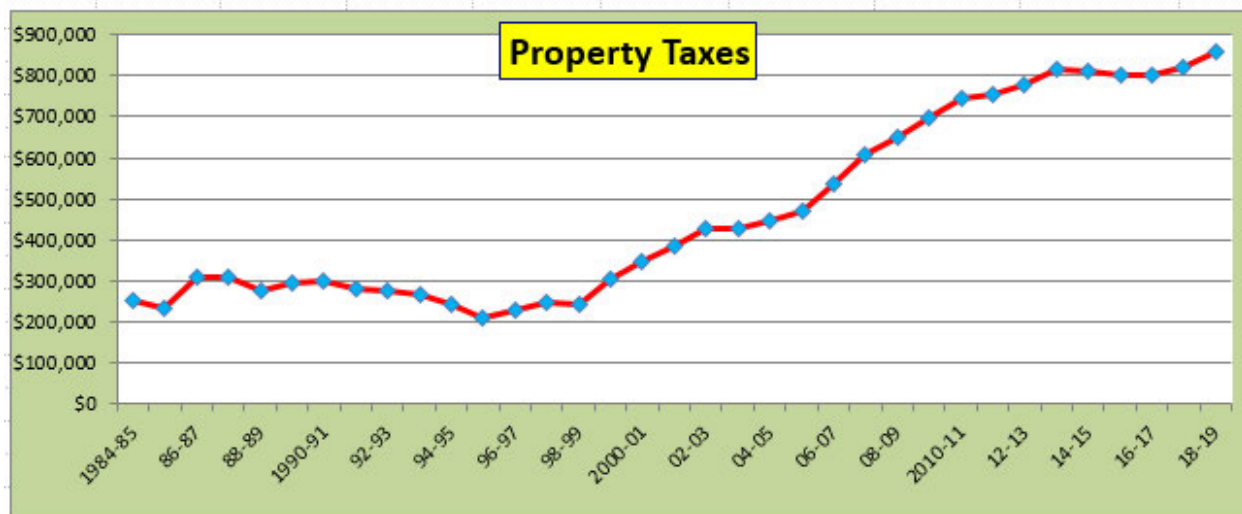
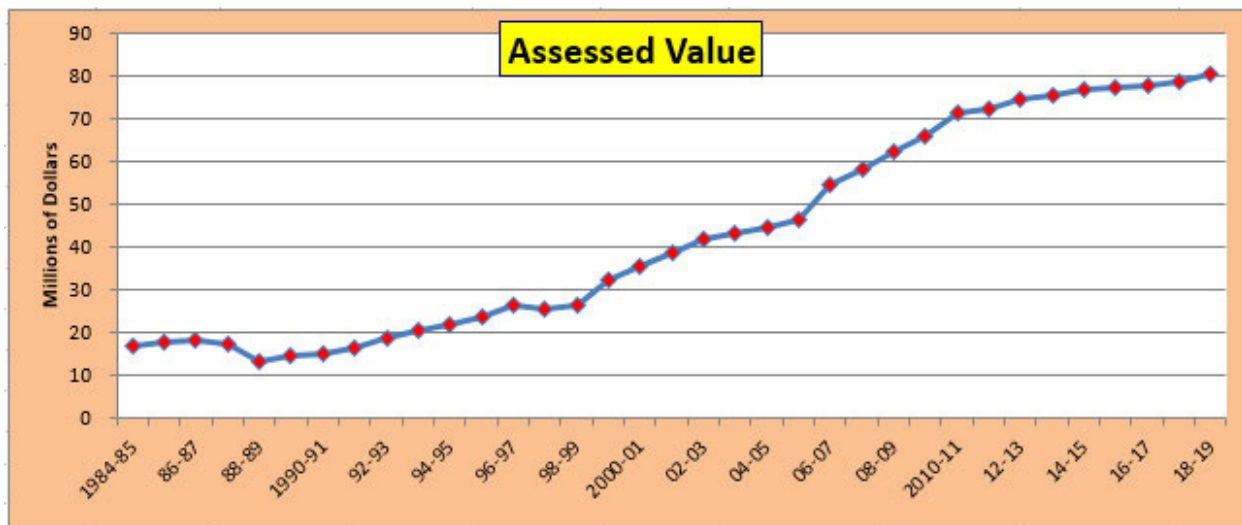
Finance Department Report to the Board of Directors November 2018

Action Items

None.

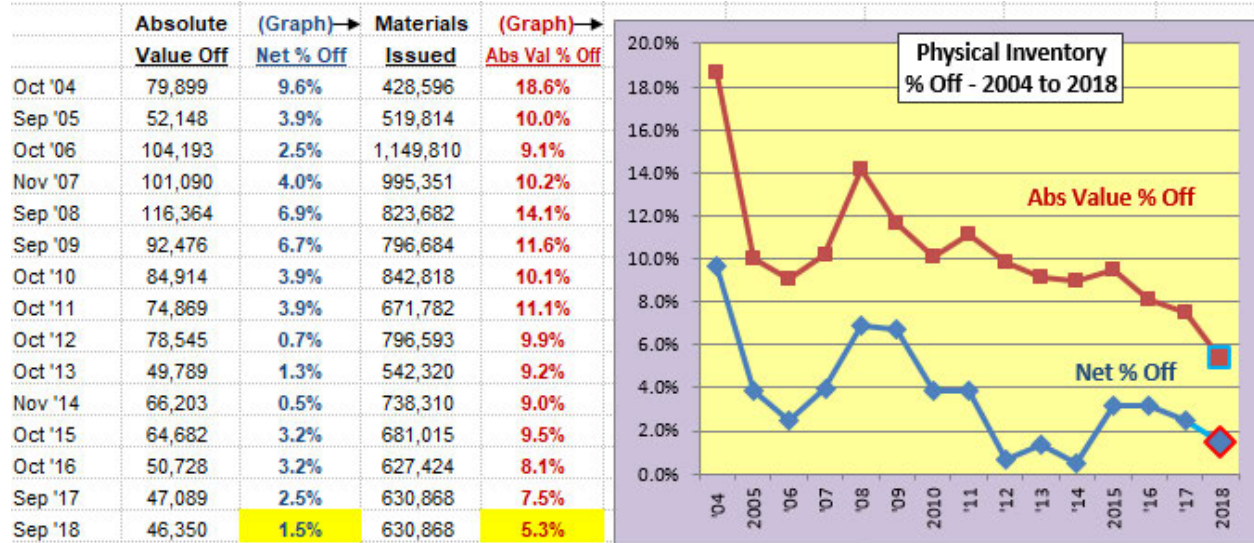
2018 – 2019 Property Taxes

Our property taxes increased 4.7% this year, for a total of \$856,423 – up \$38,727 from last year. The increase is the result of a combination of the Assessed Value increasing 2.6% and the tax rate increased 2.0%. Our tax rate per thousand is now \$10.64, up from \$10.42 last year.



Physical Inventory Adjustment

The inventory was counted at the end of September. We were 5.3% 'Absolute Value Off' (best ever!), and 1.5% 'Net Off'.



2019 Budget

The 2019 Budget will be handed out at the board meeting. The budget presentation is set for Tuesday, December 11th at 6:00 p.m.

BANK STATEMENT SUMMARY - US Bank

Beginning Cash Balance October 1, 2018

\$363,300

+ Cash In:	Cash Receipts from Sales on Account	3,000,230.97	
	Contributions In Aid of Construction	97,376	
	BPA EEI - September	31,899	
	Other Cash Receipts	<u>51,114</u>	3,180,620
	Transfers from LGIP / Other Accts.		1,200,000
-Cash Out:	Checks Written: - Power Bills	1,488,518	
	Payroll Related Costs	706,193	
<i>The Top Ten:</i>	1 SPX Transformer Solutions - Beaver Subst Tsfmr	431,767	
	2 RUS - FFB Quarterly Principal & Interest Payment	221,483	
	3 PERS - Retirement	173,996	
	4 CIS Trust - Health Ins.	158,986	
	5 Advanced Excavation - Beaver Substation	91,280	
	6 Pacific Pole Inspection - Pole Test & Treat	35,773	
	7 First Cascade Corp. - Office Construction final pmt	34,007	
	8 Hampton Lumber - BPA EEI - Kiln VFD Fan Project	32,621	
	9 City of Tillamook - Franchise Fees	31,138	
	10 Trees, Inc. - Tree Trimming Contractor	31,099	
	All Other Checks	<u>488,760</u>	(3,925,620)
	Transfers to LGIP / Other Accts.		(400,000)
	Ending Cash Balance October 31, 2018		\$418,300

Investment Portfolio as of 10-31-2018

Type	Bank	Interest Rate %	Amount
LGIP	St. Treas.	2.50	\$ 8,917,119
Check'g Acct	U.S. Bank	0.50	218,300
Subtotal (graphed below)			<u>9,135,419</u>
US T Note	Wells Fargo	1.70	2,637,044
Total			<u>\$ 11,772,463</u>

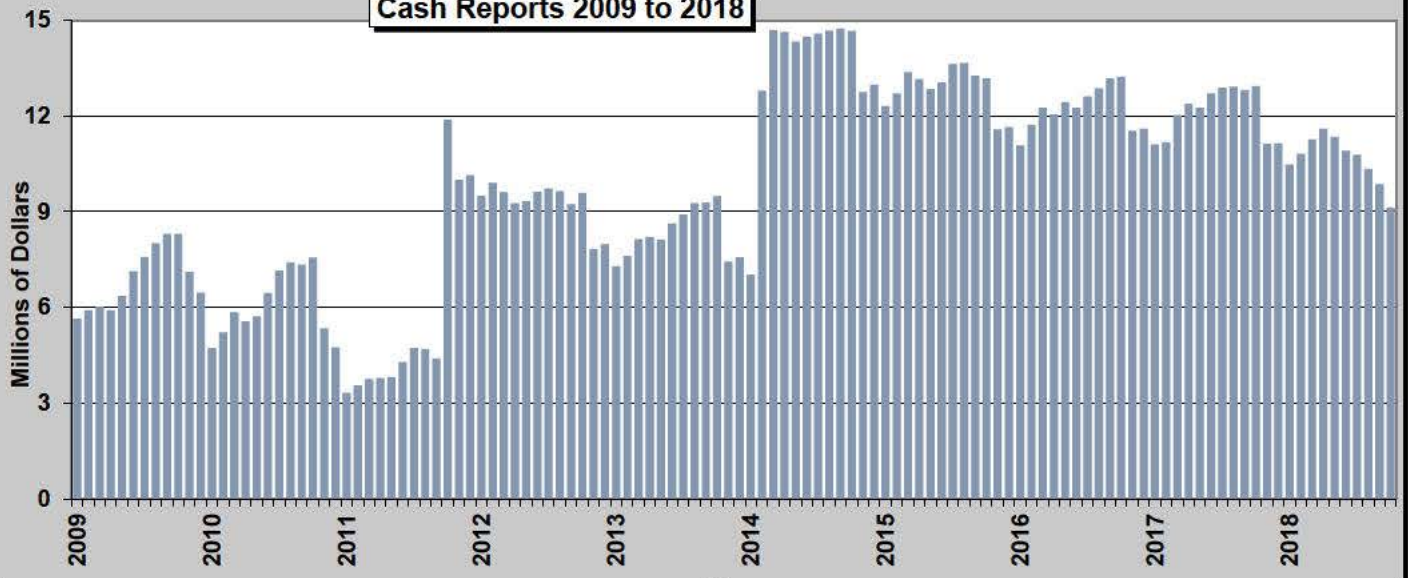
Type of Investment:

U.S. Treasuries	22%
Federal Agencies	0%
Loc. Govt. Inv. Pool	76%
Time CD's	0%
Comm Paper	0%
Chkg / Mkt Int Accts	<u>2%</u>
Total	<u>100%</u>

Bank:

Wells Fargo Bank	22%
US Bank	2%
Oregon Coast	0%
State Treas. LGIP	<u>76%</u>
Total	<u>100%</u>

Cash Reports 2009 to 2018



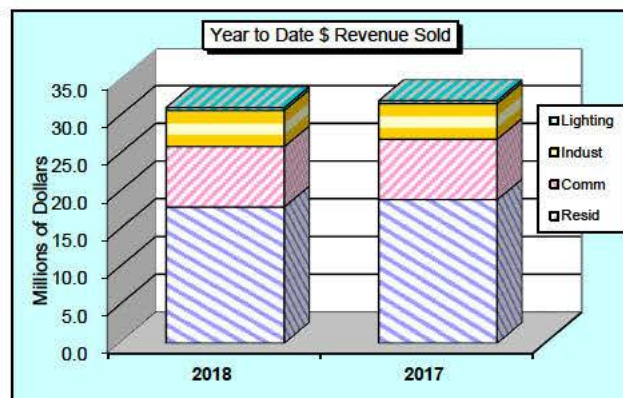
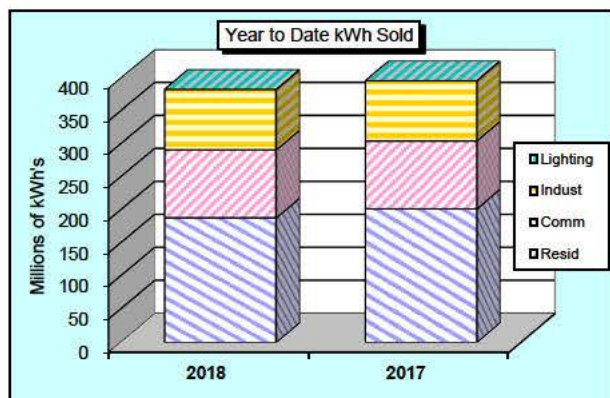
Cash Report - Investment Detail - October 31, 2018

<u>Bank</u>	<u>Investment</u>	<u>365 day Interest Rate</u>	<u>Amount Invested</u>	<u>Date Invested</u>	<u>Date Of Maturity</u>	<u>Total Days</u>
St Treas	LGIP	2.50%	\$8,917,119			
U.S. Bank	Checking	0.50%	218,300			
Subtotal before Bond Reserve			9,135,419	-		
Wells Fargo	US T Note	1.70%	2,637,044	1/18/18	12/15/18	
<u>Total</u>			\$11,772,463			

ENERGY SALES REPORT

October 2018

<i>Customer Class</i>	This Month	% of Total	2018 Year to Date	% of Total	2017 Year to Date	% of Total	% Incr or -Decr
Total Sales - All Classes							
Number of Accounts	21,312	100%	21,240	100%	21,031	100%	1.0%
kWh Sold	31,937,680	100%	385,914,219	100%	399,063,222	100%	-3.3%
kWh Per Account	1,499		18,169		18,975		-4.2%
Avg Cost Per kWh (Cents)	8.40		8.07		8.04		0.4%
Revenue	\$2,682,414	100%	\$31,154,058	100%	\$32,072,879	100%	-2.9%
Regular Residential							
Number of Accounts	11,978	56.2%	11,940	56.2%	11,869	56.4%	0.6%
kWh Sold	11,159,886	34.9%	140,979,832	36.5%	151,294,183	37.9%	-6.8%
kWh Per Account	932		11,807		12,747		-7.4%
Avg Cost Per kWh (Cents)	9.69		9.19		9.06		1.5%
Revenue	\$1,081,517	40.3%	\$12,959,010	41.6%	\$13,700,623	42.7%	-5.4%
Seasonal Residential							
Number of Accounts	7,062	33.1%	7,035	33.1%	6,936	33.0%	1.4%
kWh Sold	3,486,558	10.9%	47,617,587	12.3%	50,855,994	12.7%	-6.4%
kWh Per Account	494		6,769		7,332		-7.7%
Avg Cost Per kWh (Cents)	11.79		10.58		10.33		2.4%
Revenue	\$411,089	15.3%	\$5,037,274	16.2%	\$5,252,433	16.4%	-4.1%
Small Commercial (< 100 kVA)							
Number of Accounts	2,165	10.2%	2,160	10.2%	2,129	10.1%	1.5%
kWh Sold	6,117,742	19.2%	69,789,357	18.1%	70,510,554	17.7%	-1.0%
kWh Per Account	2,826		32,313		33,127		-2.5%
Avg Cost Per kWh (Cents)	8.30		8.18		8.17		0.1%
Revenue	\$507,801	18.9%	\$5,707,124	18.3%	\$5,761,914	18.0%	-1.0%
Large Commercial (100 - 1,000 kVA)							
Number of Accounts	91	0.4%	89	0.4%	82	0.4%	8.4%
kWh Sold	3,207,157	10.0%	33,141,404	8.6%	32,431,448	8.1%	2.2%
kWh Per Account	35,243		371,957		394,543		-5.7%
Avg Cost Per kWh (Cents)	6.85		6.92		6.95		-0.4%
Revenue	\$219,532	8.2%	\$2,293,421	7.4%	\$2,252,492	7.0%	1.8%
Industrial (Over 1000 kVA)							
Number of Accounts	16	0.1%	16	0.1%	15	0.1%	6.0%
kWh Sold	7,678,868	24.0%	91,493,542	23.7%	91,029,351	22.8%	0.5%
kWh Per Account	479,929		5,718,346		6,028,434		-5.1%
Avg Cost Per kWh (Cents)	5.52		5.22		5.19		0.6%
Revenue	\$424,122	15.8%	\$4,773,595	15.3%	\$4,722,984	14.7%	1.1%
Lighting & Fixed Rates							
kWh Sold	287,469	0.9%	2,892,497	0.7%	2,941,692	0.7%	-1.7%
Revenue	\$38,353	1.4%	\$383,635	1.2%	\$382,433	1.2%	0.3%





TILLAMOOK PEOPLE'S UTILITY DISTRICT

FINANCIAL STATEMENT

STATEMENT OF OPERATIONS

For the Period Ending September 30, 2018

	Current Month	Year-To-Date 2018	Year-To-Date 2017	Year-To-Date Budget
Operating Revenue	\$2,704,291	\$31,578,589	\$29,777,951	\$32,295,500
Power Supply Expense	1,619,475	16,730,669	14,598,432	16,489,700
Distribution Expense - Operations	371,704	3,581,278	3,036,037	3,500,133
Distribution Expense - Maintenance	263,156	2,446,358	2,383,669	2,975,922
Customer Accounts Expense	100,083	919,106	753,455	937,633
Customer Service/Information Expense	121,286	648,824	534,462	684,167
Sales Expense	8,584	129,273	63,760	135,200
Administrative and General Expense	356,873	3,268,702	2,563,020	3,157,167
Total Operating Expense	2,841,162	27,724,211	23,932,835	27,879,922
Depreciation and Amortization	245,841	2,442,472	2,276,093	2,604,400
Tax Expense - Property	68,141	681,414	600,941	687,000
Tax Expense - Other	0	50,955	49,810	50,000
Interest on Long-Term Debt	71,015	647,599	597,573	650,000
Interest Expense - Other	0	0	0	0
Other Deductions	1,296	12,959	11,663	13,000
Total Cost of Electric Service	3,227,455	31,559,610	27,468,915	31,884,322
Operating Margins	(\$523,164)	18,979	2,309,036	411,178
Non-Operating Margins - Interest	24,791	230,794	145,730	144,000
Non-Operating Margins-Sanctions	0	5,780	6,860	0
Non-Operating Margins - Other	7,488	9,042	3,578	0
Net Margins	(\$490,885)	\$264,595	\$2,465,204	\$555,178
<i>Number of Accounts</i>	21,323	21,252	21,035	21,223
<i>MWH Sold</i>	31,995	386,629	366,413	355,790
<i>% Line Loss</i>	-10.95%	0.82%	0.14%	0.55%
<i>System Peak KW</i>	67,737	117,152	124,352	61,000



TILLAMOOK PEOPLE'S UTILITY DISTRICT

FINANCIAL STATEMENT

BALANCE SHEET

ASSETS	AS OF September 30,	
	2018	2017
Utility Plant:		
Total Utility Plant in Service	\$100,951,627	\$97,572,779
Construction Work in Progress	3,826,468	3,949,017
<i>Total Utility Plant</i>	104,778,095	101,521,796
Accumulated Provision for Depreciation/Amortization	(34,658,223)	(33,631,948)
Net Utility Plant	70,119,872	67,889,848
Special Funds:		
Bond Fund Accounts	4,163,281	4,178,420
Rate Stabilization Fund	4,000,000	3,400,000
Total Special Funds	8,163,281	7,578,420
Current Assets:		
Cash - General Funds	666,724	925,810
Cash - REA Construction Fund	280,136	280,136
Temporary Cash Investments	3,418,812	7,545,018
Accounts Receivable - Net	3,430,460	3,864,127
Accounts Receivable - Other	381,514	(84,791)
Materials and Supplies	1,356,307	1,319,392
Prepayments	28,775	14,388
Other Current Assets	0	0
Total Current Assets	9,562,728	13,864,080
Other Assets and Deferred Charges:		
Notes Receivable	154,166	135,220
Investments in Associate Organization-Patronage Capital	0	0
Regulatory Assets - CIA	12,651,273	11,421,122
Regulatory Assets - Pension Debit	12,874,986	14,470,870
Deferred Charges - Other	899,672	451,202
Total Other Assets and Deferred Charges	26,580,098	26,478,414
TOTAL ASSETS	\$114,425,979	\$115,810,762
LIABILITIES and EQUITY		
Margins:		
Operating Margins - Prior Years	\$49,065,173	\$47,355,029
Operating Margins - Current Year	264,595	2,088,673
Other Margins - Rate Stabilization Fund	4,000,000	3,400,000
Other Margins - Bond Reserve	3,586,795	3,562,723
Total Margins	56,916,563	56,406,425
Long-Term Liabilities:		
Long-Term Debt - RUS	17,792,776	18,908,882
Other Long-Term Debt	8,785,208	9,476,907
Total Long-Term Debt	26,577,984	28,385,789
Current Liabilities:		
Accounts Payable	2,036,477	2,025,587
Customer Deposits	328,624	344,211
Other Current Liabilities	2,726,776	2,544,936
Total Current Liabilities	5,091,877	4,914,733
Other Liabilities & Deferred Credits:		
Deferred Regulatory Liabilities - CIA	12,651,273	11,421,122
Deferred Regulatory Liabilities - Pension	12,874,986	14,470,870
Deferred Credits - Other	313,295	211,823
Total Deferred Credits	25,839,555	26,103,815
TOTAL LIABILITIES and EQUITY	\$114,425,979	\$115,810,762
<i>Net Contributions in Aid of Construction</i>	<i>\$11,541,094</i>	<i>\$11,385,709</i>



Human Resources

Report to the Board of Directors

November 2018

Action Items:
None

Departures:
None

Recruitments:

In-person interviews with the management team were held for the finalists for the **Human Resources Manager** position. We are in the process of checking references and conducting background checks.

The **Heavy Equipment Operator** position was awarded to **Haden Werner**. He began his new duties on October 22, 2018.

Kent Olson was awarded the bid for an **Equipment Operator** position which closed on October 11, 2018. A start date has not yet been determined.

The **Warehouse Person** opening created by Kent Olson's move to Equipment Operator was awarded to **Vinny Martinez-Ybor**. A start date has not yet been determined.

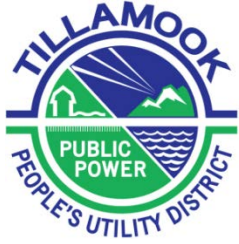
November 8, 2018 is the closing date for the union posting for the **Meter Reader/Collector** position being vacated by Vinny Martinez-Ybor. If no bids are received, this position will then be opened to non-represented and external applicants.

Alan Booth was awarded the bid for an **Equipment Operator** position. He began his duties on November 5, 2018.

The **Journeyman Utility Mechanic** union posting closes November 13, 2018. This position is open due to Alan Booth's move to Equipment Operator. If no bids are received, this position will then be opened to non-represented and external applicants.

Other:

The grand prize team winners in our Wellness Committee's **Walking Challenge** are **Danielle Ryan** and **Hailey Travis**. The individual winner was **Danielle Ryan**. Congratulations!



Information Technology Report to the Board of Directors November 2018

Action Items

No action items

Projects

- Completing iPad application that will automate mass meter exchanges in the field for when we start the meter conversion next year.
- Completing new iPad application for the tree trimming crews

Website Stats

Total Website Page Views = 3800
Total SmartHub Web Page Views = 2900
Total SmartHub Mobile Users = 889
 iOS = 593
 Android = 296

TWACS

TWACS Monitoring

Through monitoring, TWACS alerted us to the following situations during the reporting period:

- Blown fuse
- Bad meter base
- Burned hot leg affecting four services (partial power)
- Three load transfers

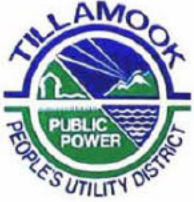
Northwest TWACS Users Group Conference

The Northwest TWACS Users Group Conference was held October 16th-18th at Columbia Rural Electric (CREA) in Walla Walla, Washington. Approximately fifty utility staff participated in the annual conference hosted by General Pacific and ACLARA. Kim Ramsell gave a presentation on consumption monitoring and facilitated discussion sessions focused on remote disconnect/reconnect technology and monitoring for system anomalies with TWACS technology. The 2019 conference will be held at Okanogan PUD in Okanogan, Washington.

Bidirectional/Net Metering Reconfiguration

IT worked with Finance and Customer Service, as well as NISC and ACLARA, to reconfigure 24 net meter accounts so customers can view both forward (consumption) and reverse (generation) kWh on their monthly bills and in SmartHub. These values give them a perspective on how much they are benefitting from local generation. See example below from a recent bill where one customer was recently charged for 280 kWh of net kWh usage. Reverse consumption measured by bidirectional meters (154 kWh in the example below) represents generated kWh that was not first consumed in the home. Most of these customers also have a separate monitoring meter installed on a photovoltaic (PV) or solar panel system that measures 100% of the generated kWh before it passes through the home.

kWh Usage	Rate Number and Description
434	NETCN CONSUMPTION
154	NETGN GENERATION
280	12 RESIDENTIAL SEASONAL



Key Accounts & Energy Services Report to the Board of Directors November 2018

Action Items

None.

Meetings & Activities:

- **Community Action Team**

- **Low Income Weatherization Projects - 2018**

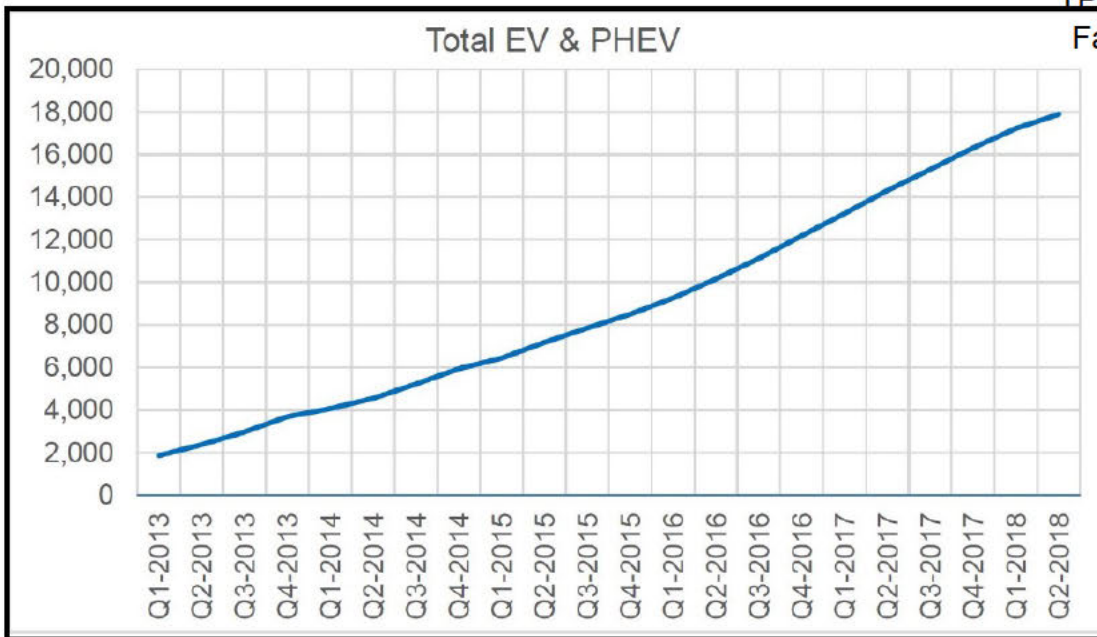
- In partnership with the Community Action Team, we were able to complete projects at one home in Beaver, one home in Nehalem and two homes in Netarts. The homes received a variety of improvements and upgrades, including:

- Attic Insulation
 - Floor Insulation
 - Energy Star Windows
 - PTCS Electric Furnace Duct Sealing
 - Ductless Heat Pump
 - Minor Structural Repairs – Health and Safety, Bath and Kitchen Ventilation Fans

- **Oregon Clean Fuels Program** – The Oregon DEQ Clean Fuels Program released a new report with the latest data on the number of electric vehicles registered in the State of Oregon.

Table 1 below, shows the statewide data for electric vehicles registered in Oregon, including those registered in Oregon but that the DMV registration data indicates are currently sited out of state.

	Battery Electric Vehicles (BEVs)	Plug-in Hybrid Electric Vehicles (PHEVs)	Total Electric Vehicles (PEVs)
In-State	10,038	7,721	17,759
Out of State	65	69	134



Above, EV and PHEV registrations since 2013. In the last year, DMV records show that eleven new electric vehicles have been registered in the Tillamook PUD service territory.

Table 3 below, shows the vehicle count by utility service territory, based on a DEQ analysis:

Utility	EV	PHEV	Total
Blachly-Lane Electrical Cooperative	5	5	10
Canby Utility Board	22	23	45
Central Electric Cooperative	107	94	201
Central Lincoln People's Utility District	62	77	139
City of Ashland	287	267	554
City of Bandon	6	3	9
City of Cascade Locks	5	2	7
City of Monmouth Power & Light	7	16	23
Clatskanie PUD	7	8	15
Columbia Basin Electric Coop		3	3
Columbia Power Coop Association		1	1
Columbia River PUD	60	86	146
Columbia Rural	1	1	2
Consumers Power Inc.	129	112	241
Coos-Curry Electric Coop	19	37	56
Douglas Electric Coop	9	18	27
Emerald People's Utility District	110	121	231
Eugene Water and Electric	410	334	744
Forest Grove	55	43	98
Hamey Electric Coop		2	2
Hermiston Energy Services	4	3	7
Hood River Electric Coop	8	8	16
Idaho Power	7	8	15
Lane Elec	61	50	111
Midstate Electric Coop	24	32	56
Milton-Freewater Light & Power	1	3	4
N Wasco Co PUD	13	33	46
No Service		2	2
Oregon Trail Electric Coop	12	20	32
Pacific Power Corp.	300	310	610
PacifiCorp	1,287	1,140	2,427
PGE	6,892	4,721	11,613
Springfield Utility Board	45	53	98
Surprise Valley Electric Coop		1	1
Tillamook People's Utility District	37	30	67
Umatilla Electric Coop	5	12	17
Wasco Electric Coop	10	9	19
West Oregon Electric Coop	10	7	17



- **TCCA Boiler Relay** – PUD staff were present to help coordinate the startup of the electric boiler. The electric boiler had been de-energized while the relay in the boiler load side breaker was sent back to the manufacturer for testing. TPUD/501 Fagen/34



Cleaver Brooks 5 MW Electric Boiler - Derek Mickelson and Glenn Johnston on site with TCCA engineering staff to ensure the breaker relay would coordinate properly with the PUD switch gear that provides service to the boiler.

- TPUD/501
Fagen/35
- **McRae & Sons** – Conducted an energy audit of the McRae & Sons facility in Bay City to identify energy efficiency opportunities. The audit focused on large energy loads such as the dust collection system, compressed air system and high bay lighting.



One of the 25 HP blowers used in the multi-building dust collection system.



Jimmy Sauter – Recording the operating pressure and air flow on the 50 HP Quincy single speed air compressor.

Completed Monthly Projects

TPUD/501
Fagen/37

Measure	Number of Rebates	Annual Savings (kWh)	Customer Savings per Year
Ductless Heat Pumps	12 Homes	32,468.12	\$2,379.91
Energy Star Windows	7 Homes	3,973.70	\$291.27
Heat Pump Water Heaters	1 Home	1,728.92	\$126.73
Insulation	--	--	--
Duct Sealing	--	--	--
NEEM Homes	--	--	--
PTCS Heat Pumps	--	--	--
ENERGY STAR Appliances	5	786.82	\$57.67

Measure	Number of Rebates	Annual Savings (kWh)	Customer Savings per Year
Commercial Lighting	2 Business'	24,923.40	\$1,769.56
Dairy Lighting	--	--	--
Dairy Milk Plate Cooler	--	--	--
Site Specific Project	1 Business	367,592.88	\$16,027.05

Measure	Number of Rebates	Annual Savings (kWh)	Customer Savings per Year
Commercial Heat Pump	2 Business'	21,144.31	\$1,501.25
Low Income Weatherization	4 Homes	13,579	\$995.34

Measure	Number of Site Visits	Number of Rebates	Paid	BPA Credit
Residential	24	23	\$44,104.00	\$13,260.00
Commercial, Industrial & Ag	25	5	\$48,015.70	\$48,015.70
High Bill Complaints	--	--	NA	NA
TOTAL	49	28	\$92,119.70	\$61,275.70

Annual Energy Savings	October '18	Calendar Year to Date
BPA Programs	452,618.15	1,733,061.60
PUD Programs	13,579	13,579

Hampton Lumber – 3111 3rd Street, Tillamook
Energy Smart Industrial Program – Kiln-12 VFD Fan Upgrade Project

TPUD/501
Fagen/38

- Installed variable frequency drives (VFD's) on the 20 horsepower drying fan motors in Kiln-12. The installation of the VFD's allows the speed of each fan motor to be individually controlled. The moisture monitoring system in the kiln slowly reduces the fan motor speed from 100%, at the start of the drying process, down to 40%, by the time the drying process is completed.
- Annual savings of approximately 367,592 kWh or \$16,027 per year.



Kiln-12 – Stacked lumber from the sawmill ready to go into the kiln for drying.



Kiln-12 - 20 HP fan motors and steam valves.

**Barview Store – 15530 Highway 101 North, Barview
Commercial Lighting Program**

- Retrofitted the interior fluorescent to LED.
- Annual savings of approximately 10,301 kWh or \$731 per year.



Exterior Lighting - Retrofitted the 93 watt linear fluorescent fixtures to 40 watt LED.



Interior Lighting – Retrofitted the 8 foot, 172 watt fluorescent fixtures, to 48w watt LED.

**Winema Christian Camp – 5195 Winema Road, Cloverdale
Commercial Lighting Program**

TPUD/501
Fagen/40

- Retrofitted or replaced interior and exterior lighting at the Lakeside Lodge, Chapel Hall, Central Restroom facility and the Meeting Hall.
- Annual savings of approximately 14,621 kWh or \$1,038 per year.



Chapel Hall Exterior – Retrofitted the exterior 75 watt incandescent fixtures to 9 watt LED.



Chapel Hall Interior – Retrofitted the 75 watt “school house” fixtures to 10 watt LED.

**The Fern Restaurant – 1000 Highway 101 North, Tillamook
Commercial Heat Pump Program**

TPUD/501
Fagen/41

- Installed three, 2-Ton Ductless Heat Pumps.
- Annual savings of approximately 11,533 kWh or \$818 per year.



The Fern Restaurant – Tillamook.



The Fern Restaurant – Ductless Heat Pumps Installed.

**Calvary Bible Church – 560 Laneda Avenue, Manzanita
Commercial Heat Pump Program**

TPUD/501
Fagen/42

- Installed one 2-Ton and one 3-Ton Ductless Heat Pump.
- Annual savings of approximately 9,611 kWh or \$682 per year.



Calvary Bible Church - Manzanita



Ductless Heat Pump Unit #1 – Installed in the Sanctuary.



Operations Department Report to the Board of Directors November 2018

Action Items

None.

Maintenance and Construction

- 7 bad order poles were replaced.
- 3 car hit poles:
 - 3rd St, Tillamook
 - Hodgdon Rd, Tillamook
 - Tibbets Rd, Neskowin
- 10 scheduled outages from Manzanita to Cloverdale for pole, arrester and wire replacements.
- Continued with the Highway 6 / Hwy 101 interchange project.
- Continued construction at the Beaver substation.
- Commenced Wilson River Substation transformer replacement.

Warehouse Activities

- Basic Fire completed annual winterization of fire suppression systems for the office, warehouse and mechanics shop.
- Shipped 21,167 pounds of recycled metals to Far West Fiber for \$16,044.77.

Personnel

- Ryan Gobel and Kris Aufdermauer attended Von School.

Safety and Environmental

- October's Safety Meeting was on winter driving and DOT vehicle inspections.

Miscellaneous

- Tree's Inc. worked in the vicinity of Manzanita and Nehalem.
- The PUD Trim Crew trimmed primarily in the area of South and Central Tillamook County.

Summary of Interruptions				
	October 2018	October 2017	2018 YTD	2017 YTD
Power Supplier	- 0- minutes	13 ½ minutes	- 0- minutes	1 hour
Scheduled	2 ¼ minute	¼ minutes	25 ¼ minutes	28 ¼ minutes
Storms	- 0- minutes	3 minutes	1 minute	2 hr. 2 ¼ minutes
Equipment Failure	4 ½ minute	1 minute	35 minutes	23 minutes
Trees & Wind	1 ½ minutes	4 minute	1 ½ minutes	22 ¼ minutes
Customer Caused	2 ¾ minutes	13 minutes	hr. 12 ¼ minutes	58 ½ mins.
Birds &/or Animals	-0- minutes	-0- minute	½ minute	2 ¾ minute
All Other	¼ minute	½ minutes	3 ½ minutes	11 ½ minutes
Total	11 ¼ minutes	35 ¼ minutes	2 hr. 18 ¾ mins.	5 hrs. 29 minutes

**Tillamook People's Utility District
Purchase Requisition**

TPUD/501
Fagen/45

Date: October 22, 2018

Purchase Order No. 1810224

Item to be Purchased: Cooper 18KV Arresters

Charge to: Inventory

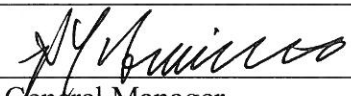
Purpose: Stock

Budget Reference: 154

This form is to be used on purchases over \$5,000 that are exempt without written findings and require competitive quotes as referred to in Section 6 of Policy 1-8. Attach all documentation and correspondence to this Purchase Requisition.

Quote No. 1	Quote No. 2	Quote No. 3
Vendor/Supplier Anixter Power Inc. 19545 NE Riverside Parkway Portland, OR 97222	Vendor/Supplier	Vendor/Supplier
Phone No. 800-547-9490	Phone No.	Phone No.
Contact Ryan McDonald	Contact	Contact
Quantity 72	Quantity	Quantity
Price \$5,178.96	Price	Price
F.O.B. Tillamook? Y <u>X</u> N__	F.O.B. Tillamook? Y __N__	F.O.B. Tillamook? Y __N__
Delivery 2-3 Days	Delivery	Delivery
Comments:	Comments:	Comments:
General Discussion/Recommendation: I recommend that we purchase the arresters from Anixter Inc. as they are the only distributor of Cooper products in the Pacific Northwest.		

Requested by Wayne Greeson

Approved by 
General Manager

Approved by: 
Supervisor

Date: 10-22-18

Date: 10/22/18

**Tillamook People's Utility District
Purchase Requisition**

TPUD/501
Fagen/46

Date: October 23, 2018

Purchase Order No. 1810232

Items to be Purchased: 1 & 3 Phase Switch Cabinets

Charge to: Inventory


Purpose: Stock

Budget Reference: 154

This form is to be used on purchases over \$5,000 that are exempt without written findings and require competitive quotes as referred to in Section 6 of Policy 1-8. Attach all documentation and correspondence to this Purchase Requisition.

Quote No. 1 ***	Quote No. 2	Quote No. 3
Vendor/Supplier WESCO P.O. Box 4669 Portland, OR 97208	Vendor/Supplier Anixter P.O. Box 82549 Portland, OR 97282-0549	Vendor/Supplier
Phone No. 800 452-5692	Phone No. 800-452-5916	Phone No
Contact Chris Lawrence	Contact Ryan McDonald	Contact
Quantity. 7 - 3 phase switch cabinets @ \$1,233.30 ea. 10 - 1 phase switch cabinets @ \$ 645.97 ea.	Quantity. 7 - 3 phase switch cabinets @ \$1,340.65 ea. 10 - 1 phase switch cabinets @ \$ 703.00 ea.	
Total Price \$ 15,092.80	Total Price \$ 16,414.55	Total Price
F.O.B. Tillamook? Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	F.O.B. Tillamook? Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	F.O.B. Tillamook? Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Delivery 9 - 11 Weeks	Delivery 12 - 13 Weeks	Delivery
Comments:	Comments:	Comments:
General Discussion/Recommendation: I have asked for quotes from the two remaining distributors in our region that sell the cabinets that we specify. I recommend we purchase the items from Wesco as they have the lowest cost.		

Requested by Wayne Greeson

Approved by 
General Manager

Approved by: 
Supervisor

Date: 10-23-18

Date: 10/23/18

Tillamook People's Utility District Declaration of Surplus Property

Date: November 1, 2018

Surplus Property: 2018 Ram 5500 front bumper

Estimated Value: \$150


This form is to be used to declare property surplus, real or personal, as referred to in Section 14 of Policy 1-8. Choose from the following list of acceptable disposal methods. (See Section 14 for a complete description of all disposal methods.)

1. Oral Auction
2. Sealed Bid Proposal
3. Negotiated Price Sale
4. Donation to other Public Agency
5. Donation to Shelter or Workshop Working Under Contract with any Public Agency
6. Donation to Recognized Nonprofit Activity or Entity
7. Donation to Recognized Private Nonprofit Social or Health Service Activities
8. Other, As Approved by the General Manager

Disposal Method (from above): #8. I would list it auction style on eBay.

General Discussion/Recommendation: This is a new take off bumper removed from new #47 and replaced with a Buckstop winch bumper. There is no reason I see to hang on to it.

Requested by David Paladeni

Approved by 
General Manager

Approved by: 
Supervisor

Date: 11/1/18

Date: 11/1/18

**Tillamook People's Utility District
Declaration of Surplus Property**

Date: November 1, 2018

Surplus Property: Landa OHW4-3000 Pressure washer

Estimated Value: \$500

This form is to be used to declare property surplus, real or personal, as referred to in Section 14 of Policy 1-8. Choose from the following list of acceptable disposal methods. (See Section 14 for a complete description of all disposal methods.)

1. Oral Auction
2. Sealed Bid Proposal
3. Negotiated Price Sale
4. Donation to other Public Agency
5. Donation to Shelter or Workshop Working Under Contract with any Public Agency
6. Donation to Recognized Nonprofit Activity or Entity
7. Donation to Recognized Private Nonprofit Social or Health Service Activities
8. Other, As Approved by the General Manager

Disposal Method (from above): #8. I would list it auction style on eBay.

General Discussion/Recommendation: This unit was purchased in 2003 and has recently become unreliable and was nickel and diming us. We have since purchased a new replacement unit.

Requested by David Paladeni

Approved by 
General Manager

Approved by: 
Supervisor

Date: 11/1/18

Date: 11/1/18

**Tillamook People's Utility District
Purchase Requisition
Exempt**

Date: November 1, 2018

Purchase Order No. 1811011

Purchase: OSHA 1910.269 Safety Training

Charge to: 926.2

Vendor Name: Vivid Learning Systems

Amount: \$8,800.00

This form is to be used on purchases over \$5,000 that are exempt without written findings, as referred to in Section 6 of Policy 1-8. The following classes of public contracts are exempt from competitive procurement. (See Section 6 for complete description of exemption.)

1. Power Services Contracts.
2. Government Funded Contracts.
3. Contracts With Certain Non-Profit Entities.
4. Contracts for Public Improvement Projects Less Than or Equal to \$100,000.
5. Emergency Contracts for Goods and Services.
6. Emergency Contracts for Public Improvements Projects Costing More than \$100,000. (Board Resolution Required)
7. Change Orders in an Amount Less than or Equal to 10% of Original Contract Price.
8. Facility and Equipment Maintenance.
9. Personal Services Contracts. (See Policy for List of Personal Services Contracts)
10. Contracts for Price-Regulated Items.
11. Used Personal Property Less Than \$10,000.
12. Advertising Contracts.
13. Investment Contracts.
14. Requirements Contracts.
15. Insurance.
16. Affirmative Action Contracts.
17. Standardized Equipment.
18. Telecommunications Equipment.

Class of contract (from above): (9) Personal Service Contracts

General Discussion/Recommendation: I recommend that we purchase the educational services of Vivid Learning Systems, our provider of OSHA 1910.269 annual training.

Requested by Jeff Van Loo

Approved by 
General Manager

Approved by: 
Supervisor

Date: 11/1/18

Date: 11/1/18

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

PCN-2

In the Matter of)
)
TILLAMOOK PEOPLE’S UTILITY)
DISTRICT,)
)
Petition for Certification of Public)
Convenience and Necessity.)

**EXHIBIT 502
TO THE
REBUTTAL TESTIMONY OF KC FAGEN
ON BEHALF OF
TILLAMOOK PEOPLE’S UTILITY DISTRICT**

January 28, 2019



Tillamook People's Utility District Agenda for December 18, 2018 Regular Board Meeting

Location of Meeting: Tillamook PUD Meeting Room (1115 Pacific Avenue, Tillamook, OR)

- **4:00 p.m. – Reception for Director Jenkins and Director Phillips**
- **6:00 p.m. – Regular Board Meeting**
- **Presentations by the Public:**
Presentations will be limited to five minutes per person or group unless prior arrangements for additional time have been requested through the general manager's office.
- **Approval of Minutes (Voice Vote) Pgs. 1-4**
 - November 13, 2018, Regular Board Meeting

▪ **Department Reports**

General Manager	Pgs. 5-6 ACTION ITEM(S): Resolution No. 18-12-07 "In the Matter of Canvassing the Vote and Certifying the Resolution of the November 6, 2018 Election"
Operations	Pgs. 7-8 ACTION ITEM(S): None
Public Relations	Pgs. 9-13 ACTION ITEM(S): None
Customer Services	Pgs. 14-16 ACTION ITEM(S): Approve Write-offs \$1,145.46
Engineering	Pgs. 17-19 ACTION ITEM(S): None
Finance	Pgs. 20-26 ACTION ITEM(S): Approve the 2019 Budget; and Property and Liability Insurance for 2019
Human Resources	Pgs. 27-29 ACTION ITEM(S): Resolution No. 18-12-08 " A Resolution Amending Personnel Policy No. 120, Total Compensation and Salary Program Administration"
Information Technology	Pgs. 30 ACTION ITEM(S): None
Key Accounts and Energy Services	Pgs. 31-38 ACTION ITEM(S): None

- **Approval of November 2018 Accounts Payable (Voice Vote)**
- **Items from the Board:**



Tillamook People's Utility District
1115 Pacific Avenue, PO Box 433
Tillamook, OR 97141

November 13, 2018 – Regular Meeting Minutes

Board Members Present:

Doug Olson, President
Ed Jenkins, Vice President
Ken Phillips, Treasurer
Harry Hewitt, Secretary
Barbara Trout, Director

Staff Present:

General Manager/Human Resources

Todd Simmons, General Manager
Terri Filosi, Human Resources Director
Nancy Dillard, Executive Assistant; Recording Secretary

Customer Services

Marty Holm, Customer Services Manager
Marissa Durrer, Cashier/Customer Representative
Vinny Martinez-Ybor, Meter Reader/Collector

Engineering

KC Fagen, Engineering Manager
Crissa Alexander, Engineering Field Representative

Finance

Jim Martin, Finance Manager (absent)
Shirley Scott, Accounting Supervisor
Tammy Rodrigues, Senior Accountant

Information Technology

John Luquette, Information Technology Manager

Key Accounts and Energy Services

Dave Wimpy, Key Accounts and Energy Services Manager

Operations

Wade Scott, Operations Manager

Public Relations

Joanna Stelzig, Public Relations Manager

General Counsel:

Guests: David Mast, Doris Mast, Mike Gardner, Barb Aufdermauer, Don Aufdermauer, Patty Olson, Gus Meyer, and Aaron Palter.

Call to Order

President Olson called the meeting to order at 6:00 p.m. in the Carl Rawe meeting room.

The official swearing in of the new board members will occur at the January 15, 2019 board of directors meeting. Director Olson congratulated Mr. Gardner on his election to the board and offered to meet with him to discuss his new position.

Presentation by Public

Minutes

MOTION: By Director Jenkins and seconded by Director Hewitt to approve the minutes of the October 16, 2018, Pre-Budget Workshop and the October 16, 2018, Regular Board Meeting. The motion was approved.

General Manager

Simmons asked the board to approve the land swap with the City of Tillamook. Staff has been working on this with the City of Tillamook for several years.

MOTION: By Director Phillips and seconded by Director Trout to authorize the General Manager to sign the appropriate documents for the land swap with the City of Tillamook. The motion was approved.

The workshop for the 2019 Budget Presentation will be held on December 11th at 6:00 p.m. and the budget will be approved at the December 18th board meeting.

Public Relations

As part of Public Power Week, staff answered customer questions during "Hour with an Expert." The Public Relations Department is working on organizing the Tillamook PUD Customer Holiday Party that is scheduled for Thursday, December 6th. The District will be giving out snowman LED nightlights, chili, and cornbread.

Customer Services

Holm gave an update on the warehouse addition and remodel project. The anticipated start date of the project is the first week of December with an estimated completion date of October 2019. Holm asked the board to authorize Simmons to enter into a contract for construction of the

warehouse addition and remodel project based on the guaranteed maximum price (GMP) as provided by the construction manager/general contractor (CM/GC).

MOTION: By Director Hewitt and seconded by Director Jenkins to direct the General Manager to sign an agreement in the amount of \$2,952,209 with the construction manager/general contractor for the project as specified. The motion was approved.

MOTION: By Director Jenkins and seconded by Director Phillips to approve write-offs in the amount of \$537.92. The motion was approved.

Engineering

Fagen gave an update on the Beaver substation. The substation is energized and will be picking up load tomorrow. The Wilson River substation passed its final testing over the weekend. It will be energized next week and should pick up load in two weeks.

Finance

Shirley Scott reported that the District's property tax would be paid on November 15th. Tillamook PUD is the largest real property taxpayer in Tillamook County. Property taxes increased by 4.7% this year, for a total of \$856,423.

The inventory was counted at the end of September. It was 5.3% 'Absolute Value Off' and 1.5% 'Net Off' which is the lowest difference ever. Staff worked hard to make the count accurate.

Human Resources

There were no internal union bids received for the Meter Reader/Collector position or the Journeyman Utility Mechanic position. Both jobs will be posted externally. Shane Stuart's start date for the new Human Resources Manager position is December 17th.

Information Technology

IT staff has been working with other departments to get ready for the meter project. They have also completed a new iPad application for the tree trimming crew. Director Phillips asked about the District's iPads. Luquette replied that he wasn't sure the exact number being used by staff, but since they were deployed, only one has had to be replaced because of damage. Some of the four or five-year-old iPads will need to be replaced to be able to run some of the new apps.

Key Accounts and Energy Services

Wimpy reported that in partnership with the Community Action Team they have completed low-income weatherization projects at one home in Beaver, one house in Nehalem, and two homes in Netarts. Tillamook PUD is part of the Oregon DEQ Clean Fuels Program along with ten other utilities. The program released a new report with the latest data on the number of electric vehicles registered in the State of Oregon. In the last year, DMV records show that eleven new electric cars have been registered in the PUD's service territory.

Operations

Scott reported that load would be put on the Beaver Substation starting tomorrow. The T1 transformer project is moving along well. Director Hewitt asked about the Von School. Scott responded that it is a locator school that the District tries to send a couple of crews for training every year. Director Hewitt about the DOT inspections. Scott explained that CDL drivers are required to do walk around inspections every day, and the training points out things to look for when doing them.

Accounts Payable

MOTION: By Director Hewitt and seconded by Director Phillips to approve the October 2018 Accounts Payable in the amount of \$4,131,285.62. The motion was approved.

Public Comment

Items from the Board

The board asked staff to look into using a late fee instead of the \$250 deposit and report back to the board in 30-60 days. Director Trout reported that Central Lincoln is doing this with good results. When meeting constituents, the deposit was brought up a lot. The change would start the District's relationship with new customers off on a positive note.

Director Hewitt enjoyed meeting and talking to customers during Public Power Week. He would like to see more opportunities like these for the board to meet with customers.

Director Olson thanked Simmons for the opportunity to attend the ICS100 class. Todd Simmons taught the course, and almost all of Tillamook PUD's employees have gone through the training.

Adjournment

With no further business to come before the board, the Regular Board meeting adjourned at 7:06 p.m.

Harry Hewitt, Secretary

Date

**BEFORE THE BOARD OF DIRECTORS
OF THE TILLAMOOK PEOPLE'S UTILITY DISTRICT**

**RESOLUTION 18-12-07
In the Matter of Canvassing the Vote and
Certifying the Resolution of the November 6, 2018 Election**

WHEREAS, ORS 261.060 and 255.295 requires the District to certify the results of the election held on November 4, 2014 for Director positions 2, 4 and 5 (four-year terms); and

WHEREAS, the Tillamook and Clatsop County Clerks have prepared and delivered to the District an abstract of votes of said election; and

WHEREAS, said abstract appears to be regular in form and indicates thereon the person who received the highest number of votes for each position, who by law shall be elected to said position;

WHEREAS, the following candidates were submitted to the qualified voters within the District for the respective subdivisions listed below and received the votes shown:

<u>Subdivision 2</u>	<u>Votes</u>
Edwin L. Jenkins	684
Patti Tippet	735
David Burt	787
Write-in Candidates	11

<u>Subdivision 4</u>	<u>Votes</u>
Ken Phillips	891
Mike Gardner	1035
Write-in Candidates	27

<u>Subdivision 5</u>	<u>Votes</u>
Barbara A. Trout	1585
Walt Porter	769
Write-in Candidates	10

NOW THEREFORE, IT IS HEREBY RESOLVED that the Board of Directors hereby proclaims the following candidates have been elected to four-year terms as Tillamook P.U.D. Directors: David Burt (Subdivision 2); Mike Gardner (Subdivision 4) and Barbara A. Trout (Subdivision 5).

IT IS FURTHER RESOLVED that the General Manager is directed to deliver a copy of this Resolution declaring the results of said election to the Tillamook and Clatsop County Clerks for issuance of certificates of election.

ADOPTED this 18th day of December, 2018.

Doug Olson, President

ATTEST:

Harry Hewitt, Secretary



Operations Department Report to the Board of Directors December 2018

Action Items

None.

Maintenance and Construction

- 8 bad order poles were replaced.
- 4 car hit poles:
 - Hwy 101 S, Beaver
 - Hwy 22, Hebo
 - McCormick Loop Rd, Tillamook
 - Hwy 22, Hebo
- 4 scheduled outages from Highway 53 to Tillamook for pole and wire replacements.
- Continued construction at the Beaver substation.
- Continued with the Wilson River Substation transformer replacement.

Warehouse Activities

- Catch basins and oil water separators cleaned out at Main facility, Mechanics shop and transformer shop.

Personnel

- Sent one line crew, tree trimming crew and one mechanic to California for mutual aid.

Safety and Environmental

- November's Safety Meeting was on Slips, Trips and Falls.

Miscellaneous

- Tree's Inc. worked in the vicinity of Miami Foley and Nehalem.
- The PUD Trim Crew trimmed primarily in the area of South and Central Tillamook County.

Outage Management

Summary of Interruptions				
	November 2018	November 2017	2018 YTD	2017 YTD
Power Supplier	- 0- minutes	2 hrs 21 minutes	- 0- minutes	3 hrs 21 minutes
Scheduled	2 ½ minute	1 minute	27 ¾ minutes	29 ¼ minutes
Storms	1 ¾ minutes	-0- minutes	2 ¾ minute	2 hr. 2 ¼ minutes
Equipment Failure	½ minute	½ minute	35 ½ minutes	3 ½ minutes
Trees & Wind	28 minutes	1 ½ minutes	29 ½ minutes	23 ¾ minutes
Customer Caused	5 minutes	2 minutes	hr. 17 ¼ minutes	1 hr ½ mins.
Birds &/or Animals	-0- minutes	1 minute	½ minute	3 ¾ minute
All Other	¾ minute	-0- minutes	4 ¼ minutes	11 ½ minutes
Total	38 ½ minutes	2 hrs 27 minutes	2 hr. 57 ¼ mins.	7 hrs. 56 minutes



Public Relations Department Report to the Board of Directors December 2018

Action Item

None.

Department Activities

- **Meetings, Trainings and Activities**

- Stelzig attended the Western Regional Mutual Assistance Agreement group Annual Meeting, and the Women in Energy Symposium through the Western Energy Institute.
- Staff attended the Market and Societal Trust portions of the Leading at the Speed of Trust training lead by Todd.
- Myers attended a ductless heat pump installation and commissioning training course at Johnstone Supply in Keizer.
- Along with the Energy Services Department, staff traveled to the various ductless heat pump dealers along the coast to discuss updates and changes to the rebate program.
- Attended Tillamook Rotary Club meetings.
- Was present at the Tillamook Chamber Mornings on Main Street meeting.
- Continued preparation work for holidays, including the Tillamook PUD Customer Holiday Party and the Holiday Light Parade.
- Continued working with Engineering and Customer Services on customer notification materials for the meter exchange project. Completed customer postcards and door hangers as seen below.

Your electric service meter will be replaced soon!

Tillamook PUD has contracted with Electrical Utility Services to replace your electric meter. There is no direct cost to you, however, in order to replace your meter, your electricity will be momentarily turned off during installation.

When the meter technician arrives onsite, they will attempt to notify you of their presence prior to replacement. If you are not onsite during replacement, they will leave a door hanger to let you know your new meter has been installed.

For more information about your meter replacement, visit our website at www.tpub.org/electric-meter-replacement-project or call us at 503-842-2535.



Your new meter is being installed by an Electrical Utility Services meter technician. The technicians will be easy to identify, driving a marked vehicle and wearing proper personal protective equipment.



P.O. Box 433
 1115 Pacific Ave
 Tillamook, OR 97141
 (503) 842-2535
 (800) 422-2535
www.tpub.org

Your electric service meter is scheduled for replacement in December



Top Image: Front of the notification postcard that will be mailed to all account holders. **Bottom Image:** Back of the postcard, text includes the month of meter replacement at the service location.

- **Community**
 - **Vehicle Washes-**
 - Tillamook Coast Roller Derby Dames
 - THS SAFE
 - **Youth-** Assisted the Operations Department with job shadow students from the Natural Resources Career class at Tillamook High School.
 - **2018 Community Grants-** The below table indicates the project status for each of the 2018 Community Support Grant projects.

2018 Community Grants Awarded

Organization	Date Completed	Notes
St. Mary's by the Sea Catholic Church	5/4/2018	
Meals for Seniors, Inc.	5/18/2018	
Tillamook County Pioneer Museum	6/5/2018	
Garibaldi Cultural Heritage Initiative	8/1/2018	
Tillamook County Habitat for Humanity	9/12/2018	
Food Roots	11/17/2018	
Neskowin Valley School	11/26/2018	
Tillamook Area Chamber of Commerce	12/1/2018	
Oceanside Neighborhood Association	8/1/18-Partial Payment	Project in progress. 12/10/18- Project lead Jerry Keene emailed update, he is working on getting the final invoice from the contract engineers they are working with. He plans to have the final report paperwork to us by the end of December.
Oregon Coast Futbol Club	9/14/18-Partial Payment	Project in progress.
Camp Makuala Corporation	10/23/18-Partial Payment	The lighting project is in progress, getting closer to completion.
Tillamook Gun Club		11/20/18-Fixtures have been ordered, projected delivery for these is 6 to 8 weeks. The project will likely be completed by the end of January 2019.
Tillamook Senior Citizens Club, Inc.		11/7/18-The project lead Barbara called, she said Dennis Widmer is doing the construction and he should have it completed by the end of the year. He is behind due to previous obligations.

Advertising, Articles and Other Press – November 2018

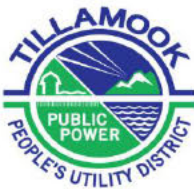
Newspaper	<ul style="list-style-type: none"> • Outage Restoration Pictorial for the Headlight Herald 'Get Ready Guide' special publication • Generator Safety • Snowman Night Light Promotion & Customer Holiday Party
Billing Inserts	<ul style="list-style-type: none"> • Snowman Night Light & Customer Holiday Party • United Paws
Electronic Newspaper	<ul style="list-style-type: none"> • Tillamook County Pioneer Standard Side Bar Ad about Green Power
Radio	<ul style="list-style-type: none"> • Customer Assistance Program • Outage Preparation/Emergency Preparedness • Holiday Decorating Safety • Tillamook PUD Customer Holiday Party • Snowman Night Light Giveaway • Meter Exchange Project
Ruralite	<ul style="list-style-type: none"> • Your Advanced Electrical Service Meter is Coming Soon! • Last Page- Meter Milestone • Make Your Holiday Season Merry & Bright • Statement of Non-Discrimination • Holiday Closures • Customer Assistance Program (CAP) • New Engineering Cost Estimation Tool • Tillamook PUD Powerful Fun Fact- Tillamook PUD Cool Community Programs • Stay Connected • Find Your Energy Advantage Through Tillamook PUD Programs
Facebook Posts	<ul style="list-style-type: none"> • 39 Total Posts- <ul style="list-style-type: none"> ○ 11 General Customer Content Posts ○ 28 Outage Notice Posts
Twitter	<ul style="list-style-type: none"> • 39 Total Tweets- <ul style="list-style-type: none"> ○ 11 General Customer Content Tweets ○ 28 Outage Notice Tweets

Meter Base Rebates- November 2018				
Item	Monthly # of Rebates	Monthly Rebates Paid	YTD # of Rebates	YTD Rebates Paid
Stainless Steel Meter Base	3	\$450	63	\$9,450

E-bill and Paperless Billing Usage		
Date	E-bill accounts	Paperless
1/5/18	2,466	7,004
2/5/18	2,490	7,084
3/5/18	2,539	7,216
4/5/18	2,564	7,209
5/5/18	2,586	7,354
6/5/18	2,600	7,395
7/5/18	2,637	7,451
8/5/18	2,688	7,488
9/5/18	2,711	7,582
10/5/18	2,738	7,608
11/5/18	2,770	7,641
12/5/18	2,795	7,732

NIXLE			
Date	Contacts	SMS	Emails
1/5/18	751	670	455
2/5/18	811	730	487
3/5/18	849	767	521
4/5/18	876	796	541
5/5/18	887	819	549
6/5/18	899	830	556
7/5/18	909	841	562
8/5/18	917	849	563
9/5/18	923	857	568
10/5/18	927	861	572
11/5/18	940	870	581
12/5/18	958	888	591

Tillamook PUD Social Media Pages					
Date	Total Facebook Page Likes	Total Facebook Followers	Total People Reached on Facebook	Total Twitter Followers	Total Twitter Impressions
1/5/18	494	508	5,750	41	3,554
2/5/18	515	533	6,120	47	2,450
3/5/18	530	551	4,460	47	1,980
4/5/18	560	584	7,063	52	2,939
5/5/18	574	599	5,358	56	3,302
6/5/18	590	614	8,969	60	4,626
7/5/18	604	630	4,060	64	4,374
8/5/18	1,312	1,356	16,878	119	7,325
9/5/18	1,319	1,438	7,555	118	2,544
10/5/18	1,399	1,445	3,626	119	2,447
11/5/18	1,411	1,459	5,220	121	4,807
12/5/18	1,460	1,508	13,187	125	4,797



Customer Services Department Report to the Board of Directors December 2018

Action items: None

Write-offs: \$1,145.46

Active Bankruptcies

Date	Location	Total Amount
Jan 2016	Garibaldi	\$300.08
August 2018	Manzanita	\$90.47

Credit & Collection

	November	\$/November	YTD	\$/YTD
Notices Mailed	1,207		14,510	
Paid to Collector	183	\$31,110.91	2,153	\$408,213.48
Collection Fees	204	\$5,100.00	2,464	\$59,383.00
Cut off for Non-Payment	5		59	
EAP Payments	9	\$968.54	533	\$157,167.71
CAP Payments	19	\$1,447.78	193	\$21,577.28
CAP Donations*		\$705.55		\$10,506.03
Non Match CAP Refunds		\$67.39		\$1,664.27
Write Off Recoveries**		\$214.95		\$11,487.82

*Does not include PUD match **Includes credit bureau receipts

Last-Chance Collections

	Write-offs
January	\$3,864.71
February	\$700.84
March	\$288.59
April	\$1,136.67
May	\$1,881.39
June	\$1,149.24
July	\$3,652.13
August	\$3,260.41
September	\$6,163.45
October	\$996.30
November	\$537.92
December	

Meter Inspections

	# Inspected
January	507
February	288
March	638
April	215
May	107
June	389
July	79
August	214
September	205
October	174
November	0
December	

Active Meters

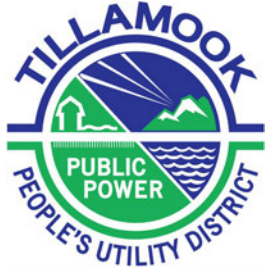
Month	Seasonal	All Other	Total
January	6,995	14,158	21,153
February	6,998	14,162	21,160
March	7,018	14,181	21,199
April	7,030	14,186	21,216
May	7,039	14,210	21,249
June	7,044	14,237	21,281
July	7,049	14,245	21,294
August	7,056	14,261	21,317
September	7,063	14,266	21,329
October	7,062	14,261	21,323
November	7,063	14,264	21,327
December			

Cash

	November	\$/November	Year to Date	\$/YTD
Cash days over	1	\$1.00	17	\$8.27
Cash days under	0	\$0.00	8	\$21.27
Cash days/total	19	\$3,262,420.67	233	\$39,002,344.78

Payment Activity – Number of Payments by Type

Payment Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cash	760	661	687	645	615	709	670	680	637	1,046	643		7,753
CAP	19	16	19	24	24	15	18	15	14	20	19		203
Check	9,163	7,656	8,623	8,243	8,109	8,153	8,469	8,423	7,526	7,970	7,929		90,264
Web Credit Card	1,633	1,582	1,684	1,681	1,636	1,669	1,687	1,723	1,626	1,666	1,691		18,278
Web Check	998	943	1,055	1,078	972	1,026	1,024	1,042	1,050	1,019	1,034		11,241
Mobile Credit Card	518	495	512	517	519	557	539	588	563	570	608		5,986
Mobile Check	174	186	197	203	224	205	201	213	212	208	220		2,243
Online Bill Interface Checks	3,033	2,676	3,017	2,820	3,022	2,846	2,872	2,949	2,734	3,127	2,680		31,776
Recurring Credit Card	1,797	1,814	1,842	1,855	1,886	1,915	1,930	1,934	1,948	1,980	2,006		20,907
Recurring Check	1,658	1,661	1,674	1,681	1,689	1,695	1,699	1,699	1,707	1,708	1,707		18,578
Visa/MasterCard Present	452	383	320	320	319	304	321	339	311	359	341		3,769
Visa/MasterCard Phone	1,386	1,270	1,432	1,375	1,464	1,349	1,375	1,363	1,213	1,334	1,269		14,830
Wire Transfer	18	15	17	16	14	19	13	16	16	15	21		180
Total	21,609	19,358	21,079	20,458	20,493	20,462	20,818	20,984	19,557	21,022	20,168	0	226,008



Engineering Department Report to the Board of Directors December 2018

Action Items

None.

System Planning and Design

BEAVER SUBSTATION REPLACEMENT UPDATE

The power transformer was energized on 11/13/18 and Blaine Feeder was transferred to the substation on 11/15/18. Sandlake feeder should be transferred and remaining work will be wrapped up during the month of December.

WILSON RIVER SUBSTATION TRANSFORMER REPLACEMENT

The transformer protection and control wiring was completed. The transformer was energized on 11/30/18 and load transferred on 12/4/18.

Projects

NEW PROJECTS

- Feeder tie with Highway 101 loop and Resort Drive
- Updating and organizing Tillamook PUD Design Standards manual
- Updating Design Specification books
- Incorporating avian friendly framing standards in Construction Specification books

Meter Base Repair

During the month of November, a total of 6 meter base letters were mailed to customers.

Utility Asset Group Activities and Projects

- Oregon Public Utility Commission (PUC) has notified Tillamook PUD that they have us on the 2019 schedule to inspect our facilities for the 2016 Detailed Field Inspection (DFI) coverage area.
- Completed quality control inspection of the 2018 pole test and treat contractor's work.
- Performing an audit of Charter Settlement and Rearrangements to see how close this agreement is to completion.

REVENUE RECEIVED FROM JOINT-POLE ATTACHMENTS:

Monthly billing for licensees, make ready work, etc: \$ 258.15

Work Orders

Work Order Activity					
	November 2018	YTD 2018	YTD 2017	YTD 2016	YTD 2015
New Construction					
Temporary	13	94	89	105	95
Permanent	3	151	123	107	125
Temporary to Permanent	12	88	47	75	111
Permanent to Temporary	1	5	11	12	13
General (Backbone, Changes, Area Lights)					
Reimbursable	6	8	16	36	117
Total Work Orders	57	660	786	898	1097

Line Extension Agreements

Line Extension Agreements Received					
	November 2018	YTD 2018	YTD 2017	YTD 2016	YTD 2015
Line Extensions	13	216	181	154	171
Amt. Received	\$ 70,235	\$804,537	\$983,991	\$626,320	\$823,390

Line Extension Agreements Processed – November 2018	
Ayers, Daniel & Sydney Bloomfield, Susan Carpenter, Edward Collins, Robert & Lisa Neskowin North, Inc. Satrum, Karin M Trustee Skyliners MHP, LLC	Sunrise Ventures, Inc. Taylor, Joseph L (2) Tillamook Country Smoker, Inc. Tone, Brandon & Thomas US Fish & Wildlife Service Vandecoevering, Ryan & Jacobsen, Jacqueline

Transformer Loading

Transformer Loading (in Megawatts)													
	Nov 18	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun18	Jul 18	Aug 18	Sep 18	Oct 18
Beaver 6/9 ¹	14.5	3.8	4.6	4.4	4.1	3.8	1.5	0.0	0.0	0.0	0.0	0.0	0.0
Garibaldi 15/20/25	14.4	12.0	15.5	14.3	18.1	15.6	14.2	10.9	8.9	9.4	8.4	9.4	11.3
Mohler 13/18/22	4.6	4.1	5.1	5.1	5.9	5.2	4.5	3.3	3.0	6.1	2.7	3.0	3.8
Hebo 13/18/22	3.3	2.8	3.8	3.3	5.3	8.5	12.1	9.0	2.0	6.6	7.4	2.3	2.7
Nestucca 13/18/22	10.7	10.6	10.3	10.2	11.3	10.9	9.6	7.8	7.1	7.1	6.0	7.1	8.6
Trask River 22/29/37	19.3	8.2	17.0	18.1	11.6	11.9	11.7	10.9	9.3	15.4	8.1	9.9	16.0
Wilson River T1 27/36/45 ²	0.0	16.1	19.1	12.7	14.2	12.3	11.9	10.2	9.0	9.5	8.0	7.0	7.0
Wilson River T2 27/36/45	33.3	25.6	33.5	30.0	33.3	29.0	25.6	21.8	20.5	18.8	20.1	21.4	24.8
Nehalem 17/22/28	9.9	10.7	10.8	10.4	12.7	11.0	9.5	6.0	5.3	7.1	4.8	5.7	7.0
South Fork 6	1.0	0.3	0.6	0.6	0.8	0.7	0.6	0.5	0.4	0.6	0.4	0.4	0.5
System Total	111.0	94.2	120.3	109.1	117.3	108.9	101.2	80.4	65.5	80.6	65.9	66.2	81.7

¹ Beaver new transformer energized 11/13/18

² Wilson T1 new transformer energized 12/4/18

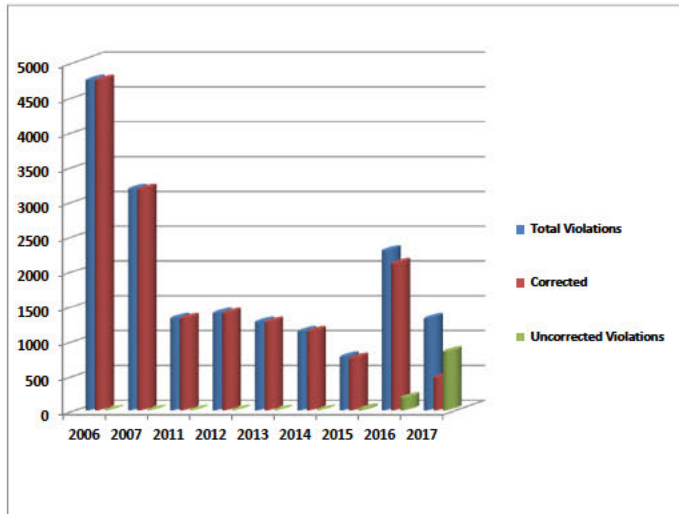
Detailed Inspection Correction Effort

TPUD/502

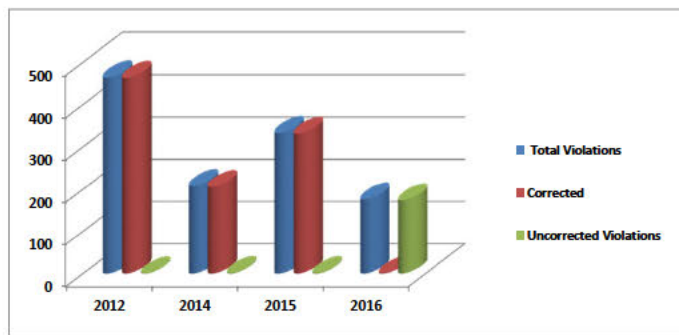
December Board Report

Fagen/20

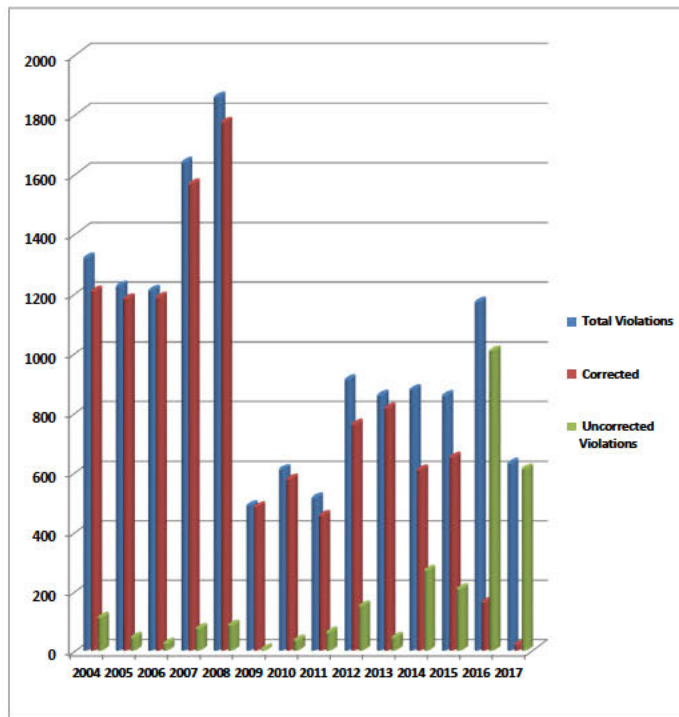
TPUD	Total Violations	Corrected	Uncorrected Violations
2006	4743	4743	0
2007	3176	3176	0
2011	1315	1314	1
2012	1390	1389	1
2013	1263	1263	0
2014	1130	1129	1
2015	763	745	18
2016	2288	2109	179
2017	1313	475	838
2018	171	0	171
Total	17552	16343	1209



CenturyLink	Total Violations	Corrected	Uncorrected Violations
2012	465	464	1
2014	208	206	2
2015	334	332	2
2016	176	2	174
2017	0 *	*CenturyLink is not a part Detailed Inspection area	
Total	1183	1004	179



Charter	Total Violations	Corrected	Uncorrected Violations
2004	1317	1206	111
2005	1222	1180	42
2006	1208	1185	23
2007	1637	1565	72
2008	1856	1772	84
2009	487	483	4
2010	608	575	33
2011	513	453	60
2012	909	760	149
2013	856	814	42
2014	876	607	269
2015	855	649	206
2016	1169	163	1006
2017	629	19	610
2018	1	0	1
Total	14143	11431	2712





Finance Department Report to the Board of Directors December 2018

Action Items

Approve the 2019 Budget and the Annual Property and Liability Insurance.

2019 Budget

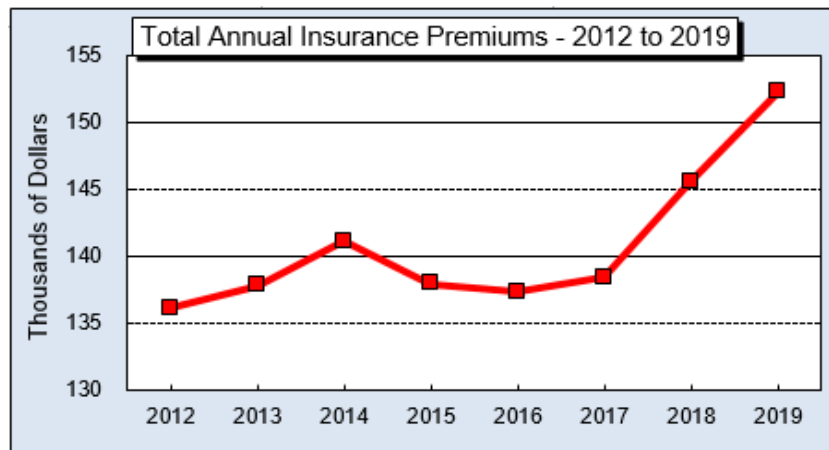
We are recommending approval of the 2019 Budget as revised at the December 11th Board Workshop. We have made the requested changes to the 2019 Budget and are prepared to replace the effected pages at your convenience.

Property and Liability Insurance

Hudson Insurance provided us with an updated insurance coverage quote from Special Districts which is stated below. We will be handing out a worksheet comparing the premium to previous years and giving a recommendation at the regular board meeting on December 18th.

Special Districts has been our insurance provider since 1993. Earthquake coverage was added in 2008 and flood coverage in 2016.

Below is a graph representing the last eight years of insurance premiums and a table that reflects the annual premiums along with the associated claims for that year.



Insurance Co.:	Spec Dist <u>2012</u>	Spec Dist <u>2013</u>	Spec Dist <u>2014</u>	Spec Dist <u>2015</u>	Spec Dist <u>2016</u>	Spec Dist <u>2017</u>	Spec Dist <u>2018</u>	Spec Dist <u>2019</u>
Total Annl Premiums -graph	\$136,073	\$137,789	\$141,056	\$137,889	\$137,300	\$138,382	\$145,562	\$152,235
Number of Claims	10	11	6	9	7	27	9	
Automobile	\$2,540	\$165,238	\$4,988	\$2,816	\$500	\$21,869	\$23,833	
General Liability	6,205	0	3,417	2,020	16,516	11,789	1,903	
Property + Boiler & Ma.	4,780	1,405	0	24,164	0	607,721	0	
Total Claims	\$13,524	\$166,643	\$8,405	\$29,000	\$17,016	\$641,378	\$25,736	\$0

RUS Financing

Our RUS loan is being held up due to some of the new environmental requirements. RUS is now requiring us to follow stricter environmental guidelines. This makes getting funding for certain projects more difficult and therefore, we are running into delays. We have been consulting with our Financial Advisor, Alan Dashen and may need to look into alternative financing options for the time being.

US Treasury Note

Our Bond Reserve US Treasury Note will be maturing on December 15th. We are working with our Investment Advisor, Aaron Bonck, from Time Value Investments in Seattle. Aaron previously helped us update our new Investment Policy earlier this year. With the maturity of this note, along with our new policy allowing us to look at two and three year investments, we plan on looking at some more diverse options instead of merely renewing a one year note.

BANK STATEMENT SUMMARY - US Bank

Beginning Cash Balance November 1, 2018

\$418,300

+ Cash In:	Cash Receipts from Sales on Account	2,830,624.95	
	Contributions In Aid of Construction	70,235	
	BPA EEI - October	68,026	
	PG & E - Mutual Aid - Redding, CA	231,125	
	Other Cash Receipts	<u>61,876</u>	3,261,887
	Transfers from LGIP / Other Accts.		3,500,000

-Cash Out:	Checks Written: - Power Bills	1,619,475	
	Payroll Related Costs	748,918	
<i>The Top Ten: 1</i>	Wells Fargo - Ann'l Bond Principal & Semi Ann'l Int.	878,507	
2	Tillamook County - Property Tax	852,750	
3	SPX Transformer Solutions - Wilson T1 Transforme	773,149	
4	States Manufacturing - Beaver Subst Control House	244,350	
5	CIS Trust - Health Ins.	158,572	
6	PERS - Retirement	144,973	
7	Innovative Switchgear Solutions - Beaver Substatio	137,825	
8	G & W Electric Co. - Beaver Substation Reclosers	89,220	
9	McFarland Cascade - Poles	63,700	
10	Pacific Pole Inspection - Pole Test & Treat	47,428	
	All Other Checks	<u>631,618</u>	(6,390,485)
	Transfers to LGIP / Other Accts.		(600,000)

Ending Cash Balance November 30, 2018 \$189,701

Investment Portfolio as of 11-30-2018

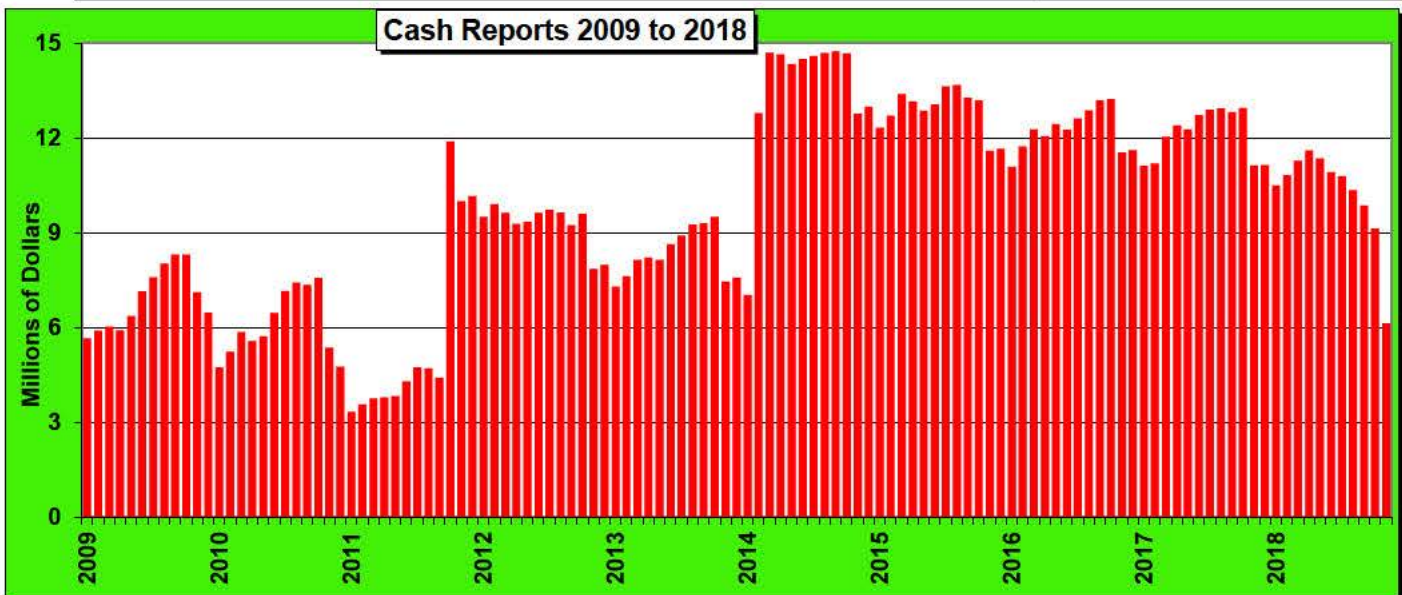
Type	Bank	Interest Rate %	Amount
LGIP	St. Treas.	2.50	\$ 6,033,771
Check'g Acct	U.S. Bank	0.52	89,701
Subtotal (graphed below)			6,123,472
US T Note	Wells Fargo	1.70	2,640,642
Total			<u>\$ 8,764,114</u>

Type of Investment:

U.S. Treasuries	30%
Federal Agencies	0%
Loc. Govt. Inv. Pool	69%
Time CD's	0%
Comm Paper	0%
Chkg / Mkt Int Accts	1%
Total	100%

Bank:

Wells Fargo Bank	30%
US Bank	1%
Oregon Coast	0%
State Treas. LGIP	69%
Total	100%



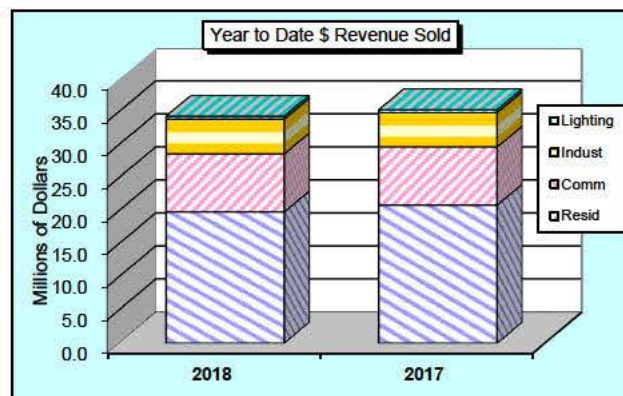
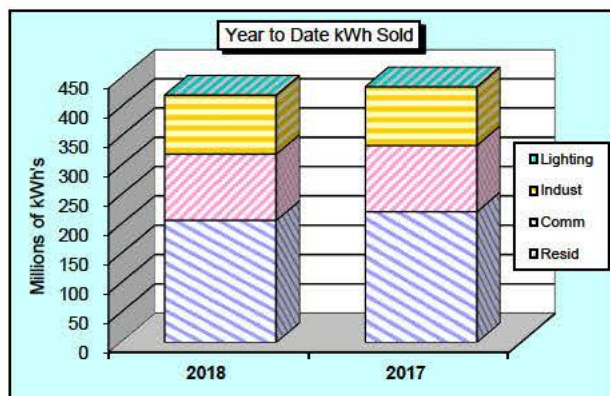
Cash Report - Investment Detail - November 30, 2018

<u>Bank</u>	<u>Investment</u>	<u>365 day Interest Rate</u>	<u>Amount Invested</u>	<u>Date Invested</u>	<u>Date Of Maturity</u>	<u>Total Days</u>
St Treas	LGIP	2.50%	\$6,033,771			
U.S. Bank	Checking	0.52%	89,701			
Subtotal before Bond Reserve			<u>6,123,472</u>	-		
Wells Fargo	US T Note	1.70%	2,640,642	1/18/18	12/15/18	
			<u>Total</u>			
			<u>\$8,764,114</u>			

ENERGY SALES REPORT

November 2018

<i>Customer Class</i>	This Month	% of Total	2018 Year to Date	% of Total	2017 Year to Date	% of Total	% Incr or -Decr
Total Sales - All Classes							
Number of Accounts	21,316	100%	21,247	100%	21,039	100%	1.0%
kWh Sold	38,267,858	100%	424,182,077	100%	438,652,501	100%	-3.3%
kWh Per Account	1,795		19,965		20,850		-4.2%
Avg Cost Per kWh (Cents)	8.19		8.08		8.04		0.5%
Revenue	\$3,132,291	100%	\$34,286,349	100%	\$35,268,158	100%	-2.8%
Regular Residential							
Number of Accounts	11,979	56.2%	11,943	56.2%	11,871	56.4%	0.6%
kWh Sold	14,561,264	38.1%	155,541,096	36.7%	166,836,362	38.0%	-6.8%
kWh Per Account	1,216		13,023		14,054		-7.3%
Avg Cost Per kWh (Cents)	9.14		9.19		9.05		1.5%
Revenue	\$1,330,898	42.5%	\$14,289,909	41.7%	\$15,101,115	42.8%	-5.4%
Seasonal Residential							
Number of Accounts	7,063	33.1%	7,038	33.1%	6,939	33.0%	1.4%
kWh Sold	4,652,269	12.2%	52,269,856	12.3%	55,673,634	12.7%	-6.1%
kWh Per Account	659		7,427		8,023		-7.4%
Avg Cost Per kWh (Cents)	10.67		10.59		10.34		2.3%
Revenue	\$496,361	15.8%	\$5,533,635	16.1%	\$5,758,877	16.3%	-3.9%
Small Commercial (< 100 kVA)							
Number of Accounts	2,166	10.2%	2,160	10.2%	2,130	10.1%	1.4%
kWh Sold	6,720,403	17.6%	76,509,760	18.0%	77,323,857	17.6%	-1.1%
kWh Per Account	3,103		35,415		36,295		-2.4%
Avg Cost Per kWh (Cents)	8.21		8.18		8.18		0.1%
Revenue	\$551,477	17.6%	\$6,258,601	18.3%	\$6,321,384	17.9%	-1.0%
Large Commercial (100 - 1,000 kVA)							
Number of Accounts	92	0.4%	89	0.4%	82	0.4%	8.4%
kWh Sold	3,341,124	8.7%	36,482,528	8.6%	35,651,397	8.1%	2.3%
kWh Per Account	36,317		408,248		432,376		-5.6%
Avg Cost Per kWh (Cents)	7.07		6.93		6.95		-0.3%
Revenue	\$236,363	7.5%	\$2,529,784	7.4%	\$2,478,385	7.0%	2.1%
Industrial (Over 1000 kVA)							
Number of Accounts	16	0.1%	16	0.1%	15	0.1%	5.4%
kWh Sold	8,705,329	22.7%	100,198,871	23.6%	99,934,274	22.8%	0.3%
kWh Per Account	544,083		6,262,429		6,582,497		-4.9%
Avg Cost Per kWh (Cents)	5.50		5.24		5.19		1.0%
Revenue	\$478,788	15.3%	\$5,252,383	15.3%	\$5,187,688	14.7%	1.2%
Lighting & Fixed Rates							
kWh Sold	287,469	0.8%	3,179,966	0.7%	3,232,977	0.7%	-1.6%
Revenue	\$38,403	1.2%	\$422,038	1.2%	\$420,709	1.2%	0.3%





TILLAMOOK PEOPLE'S UTILITY DISTRICT

FINANCIAL STATEMENT

STATEMENT OF OPERATIONS

For the Period Ending November 30, 2018

	Current Month	Year-To-Date 2018	Year-To-Date 2017	Year-To-Date Budget
Operating Revenue	\$3,153,320	\$34,731,908	\$35,732,873	\$35,618,500
Power Supply Expense	1,633,912	18,364,581	17,742,088	18,114,500
Distribution Expense - Operations	287,949	3,869,228	3,734,997	3,849,067
Distribution Expense - Maintenance	328,476	2,774,835	2,912,012	3,303,961
Customer Accounts Expense	84,549	1,003,655	924,657	1,032,617
Customer Service/Information Expense	67,215	716,038	672,878	752,583
Sales Expense	10,009	139,282	89,602	152,200
Administrative and General Expense	275,634	3,544,336	3,122,664	3,473,633
Total Operating Expense	2,687,744	30,411,955	29,198,898	30,678,561
Depreciation and Amortization	248,172	2,690,644	2,783,540	2,871,700
Tax Expense - Property	84,278	765,691	741,334	756,000
Tax Expense - Other	0	50,955	49,810	50,000
Interest on Long-Term Debt	71,014	718,613	729,100	721,000
Interest Expense - Other	0	0	0	0
Other Deductions	1,296	14,255	14,254	14,300
Total Cost of Electric Service	3,092,503	34,652,113	33,516,936	35,091,561
Operating Margins	\$60,816	79,795	2,215,937	526,939
Non-Operating Margins - Interest	20,980	251,774	181,264	154,000
Non-Operating Margins-Sanctions	0	5,780	6,860	0
Non-Operating Margins - Other	(7,809)	1,233	3,737	0
Net Margins	\$73,987	\$338,582	\$2,407,798	\$680,939
<i>Number of Accounts</i>	21,327	21,258	21,051	21,233
<i>MWH Sold</i>	38,343	424,972	439,500	429,426
<i>% Line Loss</i>	16.60%	0.82%	2.00%	2.52%
<i>System Peak KW</i>	99,936	117,152	124,352	96,000



TILLAMOOK PEOPLE'S UTILITY DISTRICT

FINANCIAL STATEMENT

BALANCE SHEET

ASSETS	AS OF November 30,	
	2018	2017
Utility Plant:		
Total Utility Plant in Service	\$102,133,150	\$97,870,702
Construction Work in Progress	4,531,868	3,951,306
<i>Total Utility Plant</i>	106,665,018	101,822,008
Accumulated Provision for Depreciation/Amortization	(34,908,645)	(33,794,664)
Net Utility Plant	71,756,373	68,027,344
Special Funds:		
Bond Fund Accounts	4,391,824	4,393,405
Rate Stabilization Fund	4,000,000	3,400,000
Total Special Funds	8,391,824	7,793,405
Current Assets:		
Cash - General Funds	440,819	838,268
Cash - REA Construction Fund	100	100
Temporary Cash Investments	310,525	5,547,187
Accounts Receivable - Net	3,834,230	4,304,546
Accounts Receivable - Other	125,557	(22,324)
Materials and Supplies	1,328,431	1,318,203
Prepayments	557,458	466,323
Other Current Assets	0	0
Total Current Assets	6,597,119	12,452,303
Other Assets and Deferred Charges:		
Notes Receivable	147,896	137,634
Investments in Associate Organization-Patronage Capital	0	0
Regulatory Assets - CIA	12,651,273	11,421,122
Regulatory Assets - Pension Debit	12,874,986	7,942,665
Deferred Charges - Other	999,940	7,007,350
Total Other Assets and Deferred Charges	26,674,096	26,508,771
TOTAL ASSETS	\$113,419,412	\$114,781,823
LIABILITIES and EQUITY		
Margins:		
Operating Margins - Prior Years	\$49,065,173	\$47,355,029
Operating Margins - Current Year	338,582	2,407,798
Other Margins - Rate Stabilization Fund	4,000,000	3,400,000
Other Margins - Bond Reserve	3,586,795	3,562,723
Total Margins	56,990,550	56,725,550
Long-Term Liabilities:		
Long-Term Debt - RUS	17,792,776	18,908,882
Other Long-Term Debt	8,074,650	8,791,349
Total Long-Term Debt	25,867,425	27,700,231
Current Liabilities:		
Accounts Payable	1,958,509	1,860,699
Customer Deposits	332,790	349,935
Other Current Liabilities	2,430,582	2,041,593
Total Current Liabilities	4,721,881	4,252,227
Other Liabilities & Deferred Credits:		
Deferred Regulatory Liabilities - CIA	12,651,273	11,421,122
Deferred Regulatory Liabilities - Pension	12,874,986	14,470,870
Deferred Credits - Other	313,295	211,823
Total Deferred Credits	25,839,555	26,103,815
TOTAL LIABILITIES and EQUITY	\$113,419,412	\$114,781,822
<i>Net Contributions in Aid of Construction</i>	<i>\$11,519,173</i>	<i>\$11,457,126</i>



Human Resources

Report to the Board of Directors

December 2018

Action Items:

Approval is requested for the following resolution:

Resolution No. 18-12-08

A Resolution Amending Personnel Policy No. 120,

Total Compensation and Salary Program Administration

The only change to the policy is in Exhibit 1, Salary Rates by Grades. A market adjustment of 3% across all grades for all non-represented employees is proposed. This is consistent with the 2019 budget assumption of a 3% labor cost increase and the IBEW Local 125 Union bargaining agreement wage increase of 3% which is effective January 1, 2019.

Departures:

Ryan Sipe completed his Engineering, GIS internship on December 7, 2018. He is continuing with his schooling at Portland Community College. Ryan related that he really enjoyed the work atmosphere and enjoyed participating in the Walking Challenge and other activities organized by employees. He appreciates the opportunity and learned a lot; he felt like he was able to be productive and complete work that needed to be done. A WIN all around!

Recruitments:

Shane Stuart has accepted the position of **Human Resources Manager**, with a start date of December 17, 2018. Shane graduated from Oregon State University (Go Beavers!) with a Bachelor's Degree in Business Administration and a minor in Athletic Administration. He has spent the past year and a half developing the human resources department for Tillamook Family Counseling Center. Shane gained much of his HR experience from his five and a half years with the Target Corporation.

The **Meter Reader/Collector** position closed on December 3, 2018. We received 70 applications and are in the process of

conducting telephone interviews. We hope to schedule in-person interviews soon.

The **Journeyman Utility Mechanic** opening closes January 2, 2019. However, we have an initial review period which ended on December 3, 2018. We plan on evaluating the applications received by that date to determine if there are sufficient qualified applicants to conduct interviews.

Other:

An initial draft of the new Employee Handbook has been received and we are in the process of reviewing it. The handbook replaces the Personnel Policy Manual and will have an updated look and style.

Terri and Linda participated in mock interviews at Tillamook High School. The interviews were the final for Lori Loeffler's *Careers in Natural Resources* class.

Meetings are being held with all six of our VEBA groups for a review of the benefits of a VEBA account and the qualified uses of the funds. Each group then votes on the contribution level for the following calendar year. The majority prevails; there is no individual choice.

**TILLAMOOK PEOPLE'S UTILITY DISTRICT
THE BOARD OF DIRECTORS**

RESOLUTION NO. 18-12-08

**A RESOLUTION AMENDING PERSONNEL POLICY NO. 120,
TOTAL COMPENSATION AND SALARY PROGRAM ADMINISTRATION**

WHEREAS, the staff recommends that Tillamook People's Utility District make changes to Policy No. 120 of the Personnel Policy Guidelines, in regard to annual and hourly salary rates in order to bring them in line with industry standards, to be effective for all wages earned beginning January 1, 2019 and

WHEREAS, the Board, by proper motions at regular Board meetings, has duly adopted changes to the Personnel Guidelines; and

WHEREAS, it is now the desire of the Board to adopt and ratify Policy No. 120 of the Personnel Guidelines as amended in the attached schedule:

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Tillamook People's Utility District as follows:

Policy No. 120 of the Personnel Guidelines pertaining to annual salary rates for all administrative personnel are hereby modified to read as described in the Administrative Personnel Salary Schedule, to be effective commencing with wages earned beginning January 1, 2019.

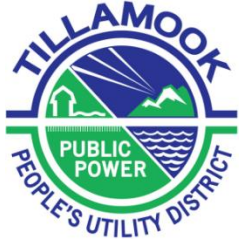
APPROVED and **ADOPTED** this 18 day of December, 2018.

TILLAMOOK PEOPLE'S UTILITY DISTRICT

Doug Olson, President

ATTEST:

Harry E. Hewitt, Secretary



Information Technology

Report to the Board of Directors

December 2018

Action Items

No action items

Projects

- Completed technical setup for the EUS contractors that will be working on the meter replacement project.
- Completed final upgrade and testing of the iVUE software for the year.
- Working to segregate the existing data networks for enhanced security.
- Upgrading the internal phone system

Website Stats

Total Website Page Views = 4600
Total SmartHub Web Page Views = 3800
Total SmartHub Mobile Users = 914
 iOS = 610
 Android = 304

TWACS

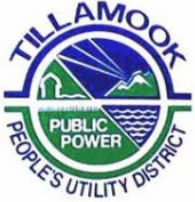
TWACS Monitoring

Through monitoring, TWACS alerted us to the following situations during the reporting period:

- Three bad meter bases
- Blown meter fuse
- Service damaged by tree
- Five load transfers

Feeder-Level Detection at Beaver Substation

Newly installed equipment at Beaver Substation allows TWACS to detect both feeder and phase. Prior to the installation, TWACS meters were reading on one of three signal paths, indicating phase. Now meters can read on one of nine signal paths (three feeders x three phases). Beaver Substation feeders, or circuits, are Feeders 25, 27, and 28. Feeder-level detection not only improves communication, but also provides more accurate information for distribution analysis, and helps us verify that the electrical connectivity layer in the map is correct.



Key Accounts & Energy Services Report to the Board of Directors December 2018

Action Items

None.

Meetings & Activities:

- **TCCA** – Met with staff at TCCA to discuss the capital projects and facility improvements they have planned for 2019. Several of the upcoming projects were identified as having energy saving benefits, we will be working with TCCA to help implement these energy efficiency projects.
- **Neah-Kah-Nie School District** – Attended a “Kick-Off” meeting for the upcoming LED lighting project planned for Neah-Kah-Nie School District. Lighting contractor, NW Edison, will begin the district wide lighting project December 4, starting with the Garibaldi Grade School. The anticipated projection completion date will be in early January, with most of the work being accomplished at night or during Christmas break. The project is expected to save the school district approximately 244,000 kWh or \$17,000 a year.
- **Nestucca Valley School District** – Met with Alderbrook & Associates to finalize the LED lighting project at Nestucca High School. Alderbrook will begin the LED lighting upgrade project December 17, starting with the exterior lighting. The interior lighting will be completed during the school closure for the Christmas break. The project is expected to save the school district approximately 64,000 kWh or \$4,500 a year.
- **Stimson Lumber** – Completed an energy study of the 550 horsepower compressed air system. Compression Engineering Corporation monitored the energy use, air pressure and flow during mill operations. The final report is projected to be available by late December and will include recommendations to improve the performance of the compressed air system and to operate more efficiently.



Tim Dugan with Compression Engineering – Installing a data logger to record energy use on the ZEKS air dryer.



Stimson Lumber Staff – Installing an air fitting and air-flow data logger on the main air supply line from the compressor room to the mill.

Completed Monthly Projects

Measure	Number of Rebates	Annual Savings (kWh)	Customer Savings per Year
Ductless Heat Pumps	12 Homes	41,208.71	\$3,020.60
Energy Star Windows	11 Homes	10,402.04	\$762.47
Heat Pump Water Heaters	2 Homes	2,457.84	\$180.16
Insulation	--	--	--
Duct Sealing	--	--	--
Energy Star MFG Homes	1 Home	3,060.42	\$224.33
PTCS Heat Pumps	--	--	--
ENERGY STAR Appliances	5	786.82	\$57.67

Measure	Number of Rebates	Annual Savings (kWh)	Customer Savings per Year
Commercial Lighting	3 Business'	51,985.60	\$3,690.98
Dairy Lighting	--	--	--
Dairy Milk Plate Cooler	--	--	--
Site Specific Project	--	--	--

Measure	Number of Rebates	Annual Savings (kWh)	Customer Savings per Year
Commercial Heat Pump	2 Business'	13,455.47	\$955.34
Low Income Weatherization	--	--	--

Measure	Number of Site Visits	Number of Rebates	Paid	BPA Credit
Residential	27	31	\$19,794.00	\$19,794.00
Commercial, Industrial & Ag	21	5	\$14,695.00	\$14,695.00
High Bill Complaints	--	2	NA	NA
TOTAL	48	38	\$34,489.00	\$34,489.00

Annual Energy Savings	November '18	Calendar Year to Date
BPA Programs	124,356.90	1,857,418.50
PUD Programs	--	13,579

**Hampton Lumber – 3111 3rd Street, Tillamook
Industrial Lighting Program**

TPUD/502
Fagen/35

- Saw Mill Stacker #2 - Replaced 460 watt high-bay fixtures with 150 watt LED fixtures.
- Kiln-12 - Replaced 460 watt flood lights with 130 watt LED flood lights.
- Annual savings of approximately 25,650 kWh or \$1,133 per year.



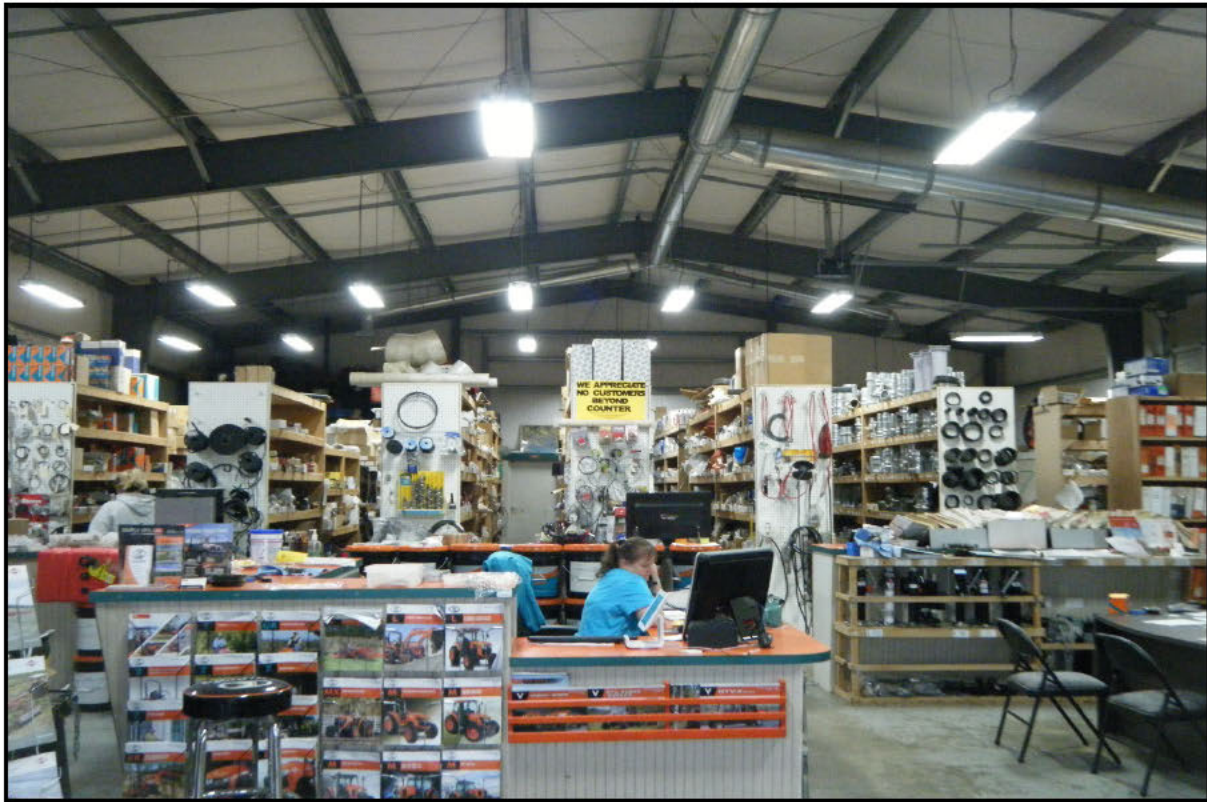
Saw Mill #2 Stacker – 150 watt LED fixtures installed.



Kiln-12 – Exterior 130 watt LED flood lights installed.

**Boyd's Implement Service – 2850 Latimer Road, Tillamook
Commercial Lighting Program**

- Retrofitted or replaced the interior and exterior fixtures to LED.
- Annual savings of approximately 14,000 kWh or \$994 per year.



Interior Lighting - Retrofitted the 110 watt fluorescent fixtures to 50 watt LED.



Exterior Lighting – Replaced 500 watt halogen fixtures with 100 watt LED fixtures.

**Sacred Heart Parish – 2411 5th Street, Tillamook
Commercial Lighting Program**

TPUD/502
Fagen/37

- Retrofitted or replaced interior and exterior lighting at the Parish.
- Annual savings of approximately 12,250 kWh or \$870 per year.



Sacred Heart Parish – Retrofitted the exterior 190 watt fixtures to 28 watt LED.



Sanctuary – Retrofitted the 105 watt fixtures to 54 watt LED.

**Neskowin Valley School – 10005 Slab Creek Road, Neskowin
Commercial Heat Pump Program**

TPUD/502
Fagen/38

- Installed two, 2-Ton Ductless Heat Pumps.
- Annual savings of approximately 7,688 kWh or \$545 per year.



Neskowin Valley School



2-Ton Ductless Heat Pumps Installed.

**Three Arch Inn – 1505 Pacific Avenue, Oceanside
Commercial Heat Pump Program**

TPUD/502
Fagen/39

- Installed one 3-Ton Ductless Heat Pump.
- Annual savings of approximately 5,766 kWh or \$409 per year.



Three Arch Inn – Oceanside.



3-Ton Ductless Heat Pump Installed.

**Tillamook People's Utility District
Purchase Requisition
Exempt**

Date: November 14, 2018

Purchase Order No. 1811141

Purchase: Phone Software Support

Charge to: 921.1

Vendor Name: Matrix Networks

Amount: \$13,445.90

This form is to be used on purchases over \$5,000 that are exempt without written findings, as referred to in Section 6 of Policy 1-8. The following classes of public contracts are exempt from competitive procurement. (See Section 6 for complete description of exemption.)

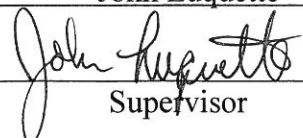
1. Power Services Contracts.
2. Government Funded Contracts.
3. Contracts With Certain Non-Profit Entities.
4. Contracts for Public Improvement Projects Less Than or Equal to \$100,000.
5. Emergency Contracts for Goods and Services.
6. Emergency Contracts for Public Improvements Projects Costing More than \$100,000. (Board Resolution Required)
7. Change Orders in an Amount Less than or Equal to 10% of Original Contract Price.
8. Facility and Equipment Maintenance.
9. Personal Services Contracts. (See Policy for List of Personal Services Contracts)
10. Contracts for Price-Regulated Items.
11. Used Personal Property Less Than \$10,000.
12. Advertising Contracts.
13. Investment Contracts.
14. Requirements Contracts.
15. Insurance.
16. Affirmative Action Contracts.
17. Standardized Equipment.
18. Telecommunications Equipment.

Class of contract (from above): 18. Telecommunications Equipment

General Discussion/Recommendation: This purchase order is for 3 years of phone system software support from Matrix Networks our provider of this software.

Requested by John Luquette

Approved by 

Approved by: 
Supervisor

General Manager

Date: 11-14-18

Date: 11/15/18

**Tillamook People's Utility District
Purchase Requisition
Exempt**

Date: November 19, 2018

Purchase Order No. 1811192

Purchase: 1 yr. license renewal (2019)

Charge to: 921.5

Vendor Name: ESRI

Amount: \$25,000.00

This form is to be used on purchases over \$5,000 that are exempt without written findings, as referred to in Section 6 of Policy 1-8. The following classes of public contracts are exempt from competitive procurement. (See Section 6 for complete description of exemption.)

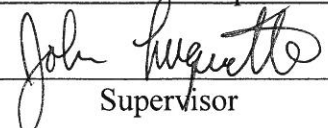
1. Power Services Contracts.
2. Government Funded Contracts.
3. Contracts With Certain Non-Profit Entities.
4. Contracts for Public Improvement Projects Less Than or Equal to \$100,000.
5. Emergency Contracts for Goods and Services.
6. Emergency Contracts for Public Improvements Projects Costing More than \$100,000. (Board Resolution Required)
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9. Personal Services Contracts. (See Policy for List of Personal Services Contracts)
10. Contracts for Price-Regulated Items.
11. Used Personal Property Less Than \$10,000.
12. Advertising Contracts.
13. Investment Contracts.
14. Requirements Contracts.
15. Insurance.
16. Affirmative Action Contracts.
17. Standardized Equipment.
18. Telecommunications Equipment.

Class of contract (from above): 18 Telecommunications Equipment

General Discussion/Recommendation: This contract is for the second installment of a three year 75,000.00 licensing agreement between Tillamook PUD and ESRI our provider of GIS software.

Requested by: John Luquette

Approved by: 

Approved by: 
Supervisor

General Manager

Date: 11-19-18

Date: 11/26/18

**Tillamook People's Utility District
Purchase Requisition
Exempt**

Date: November 19, 2018

Purchase Order No. 1811191

Purchase: MultiSpeak Outage Analysis Interface Charge to: 582.3

Vendor Name: Survalent Technologies Amount: \$21,500.00

This form is to be used on purchases over \$5,000 that are exempt without written findings, as referred to in Section 6 of Policy 1-8. The following classes of public contracts are exempt from competitive procurement. (See Section 6 for complete description of exemption.)

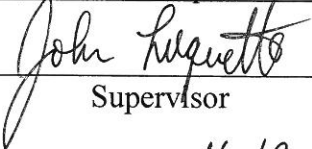
1. Power Services Contracts.
2. Government Funded Contracts.
3. Contracts With Certain Non-Profit Entities.
4. Contracts for Public Improvement Projects Less Than or Equal to \$100,000.
5. Emergency Contracts for Goods and Services.
6. Emergency Contracts for Public Improvements Projects Costing More than \$100,000. (Board Resolution Required)
7. Change Orders in an Amount Less than or Equal to 10% of Original Contract Price.
8. Facility and Equipment Maintenance.
9. Personal Services Contracts. (See Policy for List of Personal Services Contracts)
10. Contracts for Price-Regulated Items.
11. Used Personal Property Less Than \$10,000.
12. Advertising Contracts.
13. Investment Contracts.
14. Requirements Contracts.
15. Insurance.
16. Affirmative Action Contracts.
17. Standardized Equipment.
18. Telecommunications Equipment.

Class of contract (from above): 18. Telecommunications Equipment.

General Discussion/Recommendation: This purchase order is for the MultiSpeak AVL interface and GPS Integration. Survalent Technologies is our provider of this software.

Requested by John Luquette

Approved by 
General Manager

Approved by: 
Supervisor

Date: 11-19-18

Date: 11/20/18

**Tillamook People's Utility District
Purchase Requisition**

TPUD/502
Fagen/43

Date: 11/27/2018

Purchase Order No. 1811271

Item to be Purchased: Radio Comm Equipment

Charge to: 107

Purpose: Communicate with remote reclosers/regulators

Budget Reference: W.O. 100382

This form is to be used on purchases over \$5,000 that are exempt without written findings and require competitive quotes as referred to in Section 6 of Policy 1-8. Attach all documentation and correspondence to this Purchase Requisition.

Quote No. 1	Quote No. 2	Quote No. 3
Vendor/Supplier Twin Eagle Consulting, LLC. 7308 S. Alton Way STE 2-J Centennial, CO 80112	Vendor/Supplier	Vendor/Supplier
Phone No. 303-531-4598	Phone No.	Phone No.
Contact Mark Wallace	Contact	Contact
Quantity 1 Communication Pkg	Quantity	Quantity
Price \$20,500.16	Price	Price
F.O.B. Tillamook? Y <u>X</u> N ___	F.O.B. Tillamook? Y ___ N ___	F.O.B. Tillamook? Y ___ N ___
Delivery	Delivery	Delivery
Comments:	Comments:	Comments:
General Discussion/Recommendation: I recommend that we purchase the recloser / regulator communication equipment from Twin Eagle Consulting, LLC as they are the only manufacturer's vendor in the Pacific Northwest for the 4RF system		

Requested by Derek Mickelson

Approved by 
General Manager

Approved by: 
Supervisor

Date: 11-27-2018

Date: 11/27/18

**Tillamook People's Utility District
Architectural, Engineering and Land Surveying Services
Exemption**

Date: 11-19-2018

Purchase Order No. N/A

Services: RUS BER Support Services

Charge to: RUS BER 2017

Consultant Name: Jacobs (formerly CH2M Hill)

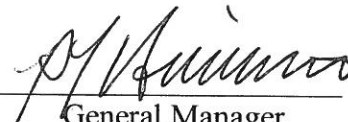
Amount: \$ 15,000

This form is to be used on contracts under \$150,000 that are exempt from formal selection procedures, as referred to in Section 7 of Policy 1-13. (See Section 7 for complete description of exemption.)

General Discussion/Recommendation: Jacobs is provided support to review and document needed SHPO forms for RUS approval of the Environmental Report for the Beaver substation, Wilson substation, and the Tillamook to Oceanside transmission line. This effort is for the project identified in the Environment Report of the Construction Work Plan 2018 to 2021. The total amended amount of the services is $\$20,000 + \$15,000 = \$35,000$.

Requested by KC Fagen

Approved by


General Manager

Approved by: KC Fagen
Supervisor

Date: 11-19-2018

Date:

11/29/18

**Tillamook People's Utility District
Purchase Requisition**

TPUD/502
Fagen/45

Date: November 30, 2018

Purchase Order No. 1811303

Item to be Purchased: Raingear

Charge to: Personal Protective Equip

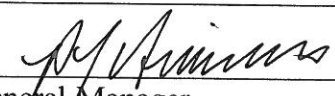
Purpose:

Budget Reference: 583.6

This form is to be used on purchases over \$5,000 that are exempt without written findings and require competitive quotes as referred to in Section 6 of Policy 1-8. Attach all documentation and correspondence to this Purchase Requisition.

Quote No. 1 ***	Quote No. 2	Quote No. 3
Vendor/Supplier General Pacific 22414 NE Townsend Rd Fairview, OR 97024	Vendor/Supplier Tyndale 5050 Applebutter Rd Pipersville, PA 18947	Vendor/Supplier Stellar Industrial Supply 12831 NE Whitaker Way Portland, OR 97230
Phone No. 503-907-2877	Phone No. 303-946-9115	Phone No. 503-261-7181
Contact Chris Talarico	Contact Tom Severino	Contact Rani Carreira
Quantity 36 Sets	Quantity 36 Sets	Quantity 35 Sets
Price \$ 18,299.44	Price \$ 18,451.80	Price \$25,058.94
F.O.B. Tillamook? Y <u>X</u> N ___	F.O.B. Tillamook? Y <u>X</u> N ___	F.O.B. Tillamook? Y <u>X</u> N ___
Delivery 10 - 15 Days	Delivery Unknown	Delivery Unknown
Manufacture: NEILSEN PROARC	Manufacture: NEILSEN PROARC	Manufacture: NEILSEN PROARC
Comments: Shipping Included	Comments: Shipping not included	Comments: Shipping Included
Plus 1 set	Plus 1 set	
General Discussion/Recommendation: We received quotes from General Pacific, Tyndale, Stellar Industrial Supply and Grainger for 35 sets of Neilsen Pro Arc raingear. I recommend that we purchase Raingear from General Pacific as they have the lowest cost.		

Requested by Wayne Greeson

Approved by 
General Manager

Approved by: 
Supervisor

Date: 11-30-18

Date: 12/3/18

**Tillamook People's Utility District
Purchase Requisition**

TPUD/502
Fagen/46

Date: December 7, 2018

Purchase Order No. 1811303

Item to be Purchased: Raingear

Charge to: Personal Protective Equip

Purpose:

Budget Reference: 583.6

This form is to be used on purchases over \$5,000 that are exempt without written findings and require competitive quotes as referred to in Section 6 of Policy 1-8. Attach all documentation and correspondence to this Purchase Requisition.

Quote No. 4	Quote No. 5	Quote No. 6
Vendor/Supplier Grainger Industrial Supply 100 Grainger Pkwy Lake Forest, IL 60045	Vendor/Supplier	Vendor/Supplier
Phone No. 847-753-5363	Phone No.	Phone No.
Contact Christopher Migely	Contact	Contact
Quantity 36 Sets	Quantity 35 Sets	Quantity 35 Sets
Price \$ 30,110.84	Price	Price
F.O.B. Tillamook? Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	F.O.B. Tillamook? Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	F.O.B. Tillamook? Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Delivery Unknown	Delivery	Delivery
Manufacture: NEILSEN PROARC	Manufacture:	Manufacture:
Comments:	Comments:	Comments:
Shipping Included		
General Discussion/Recommendation:		

Requested by Wayne Greeson

Approved by _____
General Manager

Approved by: _____
Supervisor

Date: _____

Date: _____

**Tillamook People's Utility District
Architectural, Engineering and Land Surveying Services
Exemption**

Date: 11-19-2018

Purchase Order No. N/A

Services: Substation Power Transformer Services

Charge to: Substation Power
Transformer Purchase

Consultant Name: Ken Morgan Consulting

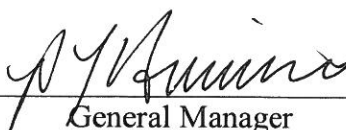
Amount: \$40,000 (Contract total \$60,000)


This form is to be used on contracts under \$150,000 that are exempt from formal selection procedures, as referred to in Section 7 of Policy 1-13. (See Section 7 for complete description of exemption.)

General Discussion/Recommendation:

Ken Morgan Consulting has been supporting the PUD for Substation Power Transformer proposal process. This amends the existing contract to cover additional work requested by the District including; additional factory visits for the additional transformer after the Nestucca unit required reprocessing of oil after it was energized; additional design reviews necessary to ensure that the manufacturing meet specifications; and installation and commission services for the Substation Power Transformers.

Requested by KC Fagen

Approved by 
General Manager

Approved by: 
Engineer Manager

Date: 11-19-2018

Date: 12/6/18

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

PCN-2

In the Matter of)
)
TILLAMOOK PEOPLE’S UTILITY)
DISTRICT,)
)
Petition for Certification of Public)
Convenience and Necessity.)

**EXHIBIT 503
TO THE
REBUTTAL TESTIMONY OF KC FAGEN
ON BEHALF OF
TILLAMOOK PEOPLE’S UTILITY DISTRICT**

January 28, 2019

From: [Derek Mickelson](#)
 To: [KC Fagen](#)
 Subject: losses beginning at high side of transformer
 Date: Thursday, January 25, 2018 7:16:28 AM
 Attachments: [image004.png](#)
[image002.png](#)
[image001.png](#)
[image003.png](#)
[image005.png](#)
[image006.png](#)

Modeled with Oceanside and Netarts Substation with work plan projects completed.

Oceanside-Netarts Substation:

Result	A/AB	B/BC	C/CA	Agg
⚡ Ft Into	157625	103520	125051	257171
⚡ Pct Loading	22%	22%	22%	22%
⚡ Emer Loading	22%	22%	22%	22%
⚡ Resrv Amp Cont	677	681	685	675
⚡ Resrv Amp Emer	677	681	685	675
⚡ Resrv MVA Cont	9.752	9.807	9.869	29.166
⚡ Resrv MVA DER	15.415	15.359	15.296	46.246
⚡ Resrv MVA Emer	9.752	9.807	9.869	29.166
⚡ Taps	---	---	---	---
⚡ Vrr	0.0	0.0	0.0	---
⚡ Amps Into	41	40	39	41
⚡ Volts Out	122.2	122.2	122.2	122.2
⚡ Volt Drop	1.8	1.8	1.8	1.8
⚡ Imbalance	V,I,ln	0.0%	2.3%	0 A
⚡ kVA Into	2723	2723	2723	8168
⚡ kW Into	2493	2493	2493	7480
⚡ kvar Into	1093	1093	1093	3280
⚡ Nom kW Into	D,S,LC	7353	0	0
⚡ Nom kvar Into	D,S,LC	3425	0	0
⚡ kW Demand	2586	2341	2523	7450
⚡ kvar Demand	999	992	1009	3000
⚡ kW Loss	9.9	9.9	9.9	29.8
⚡ kvar Loss	93.4	93.4	93.4	280.1
⚡ kW Loss Into	26.2	17.2	22.5	65.9
⚡ kvar Loss Into	-83.1	-52.5	-32.5	-168.1

Trask Substation:

Result	A/AB	B/BC	C/CA	Agg
⚡ Ft Into	355936	334443	317646	505172
⚡ Pct Loading	39%	39%	39%	39%
⚡ Emer Loading	31%	31%	31%	31%
⚡ Resrv Amp Cont	417	436	417	417
⚡ Resrv Amp Emer	2493	2504	2503	588
⚡ Resrv MVA Cont	6.005	6.285	6.004	18.011
⚡ Resrv MVA DER	44.363	44.212	44.226	41.582
⚡ Resrv MVA Emer	35.901	36.050	36.036	25.391
⚡ Taps	2	2	2	---
⚡ Vrr	123.1	123.2	123.1	---
⚡ Amps Into	59	57	57	59
⚡ Volts Out	121.6	121.7	121.6	121.6
⚡ Volt Drop	-1.6	-1.7	-1.6	-1.6
⚡ Imbalance	V,I,ln	0.1%	2.5%	0 A
⚡ kVA Into	3841	3841	3841	11523
⚡ kW Into	3742	3742	3742	11226
⚡ kvar Into	866	866	866	2598
⚡ Nom kW Into	D,S,LC	10557	0	0
⚡ Nom kvar Into	D,S,LC	3584	0	0
⚡ kW Demand	3820	3547	3821	11188
⚡ kvar Demand	708	649	711	2068
⚡ kW Loss	12.8	12.8	12.8	38.5
⚡ kvar Loss	176.7	176.7	176.7	530.0
⚡ kW Loss Into	28.2	33.0	33.6	94.8
⚡ kvar Loss Into	7.6	13.5	69.6	90.7

Wilson 2:

Result	A/AB	B/BC	C/CA	Agg
⚡ Ft Into	291711	275451	289664	388214
⚡ Pct Loading	95%	95%	95%	95%
⚡ Emer Loading	76%	76%	76%	76%
⚡ Resrv Amp Cont	67	112	69	67
⚡ Resrv Amp Emer	276	320	278	276
⚡ Resrv MVA Cont	0.970	1.612	0.999	2.911
⚡ Resrv MVA DER	52.325	51.926	51.945	69.960
⚡ Resrv MVA Emer	3.970	4.612	3.999	11.911
⚡ Taps	4	4	4	---
⚡ Vrr	122.1	122.4	122.2	---
⚡ Amps Into	174	168	168	174
⚡ Volts Out	122.1	122.4	122.2	122.2
⚡ Volt Drop	-2.1	-2.4	-2.2	-2.2
⚡ Imbalance	V,I,In	0.1%	2.3%	0 A
⚡ kVA Into	11281	11281	11281	33844
⚡ kW Into	10836	10836	10836	32509
⚡ kvar Into	3137	3137	3137	9412
⚡ Nom kW Into	D,S,LC	30287	0	0
⚡ Nom kvar Into	D,S,LC	8550	0	0
⚡ kW Demand	10991	10382	10998	32371
⚡ kvar Demand	1880	1735	1757	5373
⚡ kW Loss	45.9	45.9	45.9	137.6
⚡ kvar Loss	1346.3	1346.3	1346.3	4038.9
⚡ kW Loss Into	115.7	115.4	106.8	337.9
⚡ kvar Loss Into	1164.5	1171.3	1158.4	3494.2

Modeled with current feeder configuration and feeder work plan projects completed:

Trask:

Same as above.

Wilson:

Result	A/AB	B/BC	C/CA	Agg
⚡ Ft Into	446759	376394	412137	843898
⚡ Pct Loading	96%	96%	96%	96%
⚡ Emer Loading	96%	96%	96%	96%
⚡ Resrv Amp Cont	86	153	92	86
⚡ Resrv Amp Emer	86	153	92	86
⚡ Resrv MVA Cont	1.235	2.197	1.329	3.706
⚡ Resrv MVA DER	55.902	55.353	55.343	88.020
⚡ Resrv MVA Emer	1.235	2.197	1.329	3.706
⚡ Taps	6	6	6	---
⚡ Vrr	121.3	121.8	121.5	---
⚡ Amps Into	222	214	213	222
⚡ Volts Out	122.7	123.2	122.9	123.0
⚡ Volt Drop	-2.7	-3.2	-2.9	-3.0
⚡ Imbalance	V,I,ln	0.2%	2.5%	0 A
⚡ kVA Into	14352	14352	14352	43055
⚡ kW Into	13427	13427	13427	40280
⚡ kvar Into	5069	5069	5069	15208
⚡ Nom kW Into	D,S,LC	44083	0	0
⚡ Nom kvar Into	D,S,LC	14963	0	0
⚡ kW Demand	13677	12766	13627	40070
⚡ kvar Demand	3038	2854	2919	8812
⚡ kW Loss	69.8	69.8	69.8	209.3
⚡ kvar Loss	2132.3	2132.3	2132.3	6396.9
⚡ kW Loss Into	194.2	184.8	191.5	570.5
⚡ kvar Loss Into	1924.6	1938.0	1966.2	5828.8

Modeled with feeder out of Trask and Feeder out of Wilson with work plan projects completed:

Trask:

Result	A/AB	B/BC	C/CA	Agg
✓ Ft Into	463613	390256	391690	644532
✓ Pct Loading	54%	54%	54%	54%
✓ Emer Loading	43%	43%	43%	43%
✓ Resrv Amp Cont	299	371	307	299
✓ Resrv Amp Emer	470	2408	478	470
✓ Resrv MVA Cont	4.312	5.345	4.425	12.937
✓ Resrv MVA DER	46.321	45.789	45.826	46.912
✓ Resrv MVA Emer	6.772	34.675	6.885	20.317
✓ Taps	3	3	3	---
✓ Vrr	121.9	122.5	121.9	---
✓ Amps Into	86	78	78	86
✓ Volts Out	121.9	122.5	121.9	122.1
✓ Volt Drop	-1.9	-2.5	-1.9	-2.1
✓ Imbalance	V,I,In	0.4%	6.3%	0 A
✓ kVA Into	5343	5343	5343	16030
✓ kW Into	5109	5109	5109	15327
✓ kvar Into	1565	1565	1565	4696
✓ Nom kW Into	D,S,LC	14368	0	0
✓ Nom kvar Into	D,S,LC	5347	0	0
✓ kW Demand	5448	4478	5341	15268
✓ kvar Demand	1350	1005	1318	3674
✓ kW Loss	19.6	19.6	19.6	58.9
✓ kvar Loss	340.6	340.6	340.6	1021.7
✓ kW Loss Into	73.1	51.7	110.3	235.1
✓ kvar Loss Into	94.2	86.1	191.4	371.8

Wilson:

Result	A/AB	B/BC	C/CA	Agg
⚡ Ft Into	364662	346160	363674	616336
⚡ Pct Loading	84%	84%	84%	84%
⚡ Emer Loading	84%	84%	84%	84%
⚡ Resrv Amp Cont	201	214	200	200
⚡ Resrv Amp Emer	201	214	200	200
⚡ Resrv MVA Cont	2.897	3.075	2.873	8.620
⚡ Resrv MVA DER	53.159	53.052	52.984	81.967
⚡ Resrv MVA Emer	2.897	3.075	2.873	8.620
⚡ Taps	4	4	4	---
⚡ Vrr	122.9	122.8	123.0	---
⚡ Amps Into	191	189	188	191
⚡ Volts Out	121.4	121.4	121.6	121.5
⚡ Volt Drop	-1.4	-1.4	-1.6	-1.5
⚡ Imbalance	V,I,ln	0.1%	0.7%	0 A
⚡ kVA Into	12588	12588	12588	37765
⚡ kW Into	11996	11996	11996	35989
⚡ kvar Into	3816	3816	3816	11447
⚡ Nom kW Into	D,S,LC	36461	0	0
⚡ Nom kvar Into	D,S,LC	11438	0	0
⚡ kW Demand	11991	11787	12043	35821
⚡ kvar Demand	2144	2222	2055	6421
⚡ kW Loss	55.9	55.9	55.9	167.7
⚡ kvar Loss	1675.4	1675.4	1675.4	5026.1
⚡ kW Loss Into	138.4	149.2	125.7	413.3
⚡ kvar Loss Into	1309.4	1304.1	1319.2	3932.7

Derek Mickelson, PE

Tillamook People's Utility District

A Consumer-Owned Electric Utility

1115 Pacific Avenue • PO Box 433 • Tillamook, Oregon 97141

phone: 503.815.8629 facsimile: 503.815.8648

email: dmickelson@tpud.org

Visit our website at www.tpud.org to learn more about Tillamook PUD

System Loss Option 3 vs Option 4

Normal Configuration

	Option 3	Option 4
Trask	235.1	94.8
Wilson	413.3	337.9
Oceanside	N/A	65.9
Total	648.4	432.7

Difference 215.7

Load Factor 0.44271117

Loss Factor LF² 0.19599318

Energy/hours/Peak 2017 Data

484380912 8760 124900

Annual losses = Peak loss * Loss Factor * 8760

370,335.38 kWhr more loss from Option 3 than Option 4 based on 2017 data.

Load of average Res. 15,638.00 Annual Res. Energy From Jan 2018 Board Report for YTD thru December 017
23.681761 average homes

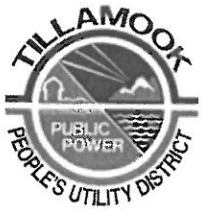
**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

PCN-2

In the Matter of)
)
TILLAMOOK PEOPLE’S UTILITY)
DISTRICT,)
)
Petition for Certification of Public)
Convenience and Necessity.)

**EXHIBIT 504
TO THE
REBUTTAL TESTIMONY OF KC FAGEN
ON BEHALF OF
TILLAMOOK PEOPLE’S UTILITY DISTRICT**

January 28, 2019



**Tillamook People's Utility District
Agenda for June 14, 2011
Regular Board Meeting**

- **6 p.m.** - Convene Regular Board Meeting
(City of Garibaldi City Hall, 107 6th Street, Garibaldi, Oregon)

- **Presentations by the Public:** None

Presentations will be limited to five minutes per person or group unless prior arrangements for additional time have been requested through the general manager's office.

- **Approval of Minutes** (Voice Vote) Pgs. 1 - 4

- May 17, 2011 Regular Board Minutes

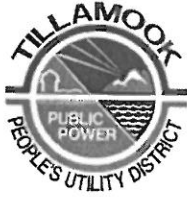
- **Department Reports**

General Manager	Pgs. 5 Action Item(s):
Customer Services	Pgs. 6 - 7 Action Item(s): Approve Write-offs \$ 6,313.91 (Voice Vote)
Human Resources	Pgs. 8 - 9 Action Item(s): None
Public Relations	Pgs. 10 - 14 ACTION ITEM(S): None
Power Services	Pgs. 15 - 21 ACTION ITEM(S): Accept the proposed Oceanside Transmission Line route and substation site and direct staff to proceed with the Conditional Use Permit applications with Tillamook County and City of Tillamook when appropriate.
Finance/IS	Pgs. 22 - 30 ACTION ITEM(S): Approve the first reading of Ordinance 1-11 "Establishing Certain Retail Rates of the District" (Roll Call Vote); and Workers Compensation Insurance

- **Approval of May 2011 Accounts Payables** (Voice Vote)

- **Items from the Board:**

*



Tillamook People's Utility District
1115 Pacific Avenue, PO Box 433
Tillamook, OR 97141

May 17, 2011 – Regular Meeting Minutes

Board Members Present:

Harry Hewitt, President
Barbara Trout, Vice President
Doug Olson, Treasurer
Ed Jenkins, Secretary
Ken Phillips, Director

Staff Present:

General Manager/Human Resources

Pat Ashby, General Manager
Nancy Dillard, Executive Assistant; Recording Secretary
Terri Filosi, Human Resources Director

Customer Services

Joel George, Customer Services Manager

Finance & Information Systems

Jim Martin, Finance Manager

Power Services

Bob White, Power Services Manager

Public Relations

Barbara Johnson, Public Relations Manager (absent)
Dave Wimpy, Energy Services Specialist

General Counsel:

Guests:

Call to Order

President Hewitt called the meeting to order at 6:00 p.m.

Presentation by the Public

Director Olson discussed the redistricting that is occurring in Oregon. The proposed redistricting would put South Tillamook County in a different District than the rest of the County. Currently Tillamook PUD has an excellent relationship with its Representative and Senator. Olson is concerned that this would change if the County is split and has two Representatives and two Senators. The Board discussed writing a letter sharing Tillamook PUD's concerns and supporting Tillamook County remaining in one District. It was the consensus of the Board to write a letter to support a Redistricting that follows natural boundaries and leaves all of Tillamook County in one District. The letter will be mailed to the House and Senate Committees on Redistricting.

Approval of Minutes

MOTION: By Director Jenkins and seconded by Director Olson to approve the minutes from the April 12, 2011 Board Workshop (2010 Audit Presentation), the April 12, 2011 Regular Board meeting, and the April 28, 2011 Special Board Meeting (Employment for Education). The motion passed unanimously.

General Manager

Pat Ashby reported on employee educational activities. The District has been arranging in house training held at Tillamook Bay Community College. Because of this a number of employees have participated in NWPPA's leadership training. More employees are able to receive training with less travel at a reduced cost to the District.

Resolution 11-05-03 "A Resolution Authorizing Execution of the Revised Residential Exchange Program Settlement Agreement" was reviewed. After discussion, it was decided by the Board to adopt the resolution and authorize the chairman to sign it.

MOTION: By Director Trout and seconded by Director Jenkins to adopt Resolution 11-05-03 as stated and authorize the chairman to sign it. The motion passed unanimously.

Human Resources

Teri Filosi updated the Board on current recruitments. Due to Janetta Johnson's resignation, they are in the middle of the recruitment process for a Customer Services Assistant. 120 applications were received for that position. Andrea Kenagy, the new Employment for Education student, will start working on June 14th. Jackie Floyd, the Employment for Education student chosen in 2009, will be working on a project with James Aman and Derek Mickelson. This will be a good experience for Floyd, an electrical engineering major.

Filosi reported that Simon Hagerty's wife, who recently delivered twins, is experiencing health issues. The District allows employees to transfer vacation time or PTO (paid time off) when a coworker or a coworker's family member experiences serious health issues. The employees have been very generous with their donations. This benefit occurs at virtually no cost to the District.

Public Relations

Dave Wimpy reported that there were no action items for May. The Board asked for an update on Farm Power and on the Bio Energy Feasibility Study. Ashby reported that the District is waiting for Farm Power to sign the Power Purchase Agreement. Most of the details have been straightened out. Tetra Tech, the company performing the Bio Energy Feasibility Study for the Port, is on schedule and has completed about 50% of the study. The port has been sent a copy of a Power Purchase Agreement to review. Ashby hasn't heard back from them at this time.

Power Services

Bob White discussed progress on the Oceanside Transmission Line and Substation. They have been meeting for months with agencies and concerned citizens in different formats. CH2M Hill was hired to assist as a consultant in the conditional use permit process. CH2M Hill has completed both the biological and the cultural field studies. A number of potential routes have been eliminated. The District was asked to compare the cost of the South Bank Slough Route to the cost of undergrounding the transmission line down Second Street in Tillamook. White is currently working on the cost estimates. The transmission line route was discussed at a meeting with concerned land owners along Bay Ocean Road to give the history of the routes and to explain the need for the transmission line. Land owners were given the opportunity to comment and ask questions. There are still two or three groups that White will need to meet with. White is continuing to work with FAA regarding the pole placement near the hospital. A short article concerning the transmission line and substation will be in the June Ruralite. The Manager's Letter will discuss system planning. This will be the start of several educational pieces.

White gave an update on the letter that was sent to the RV park owners regarding RV Park Procedures. Historically, the District has responded to requests from park owners or tenants for new electrical installations, upgrades, and /or maintenance to existing facilities. The District is now encouraging park owners and tenants to contact electricians to perform these activities if the facilities are customer owned. Tenant-owned poles will be marked with a red tag with white writing that reads "CUSTOMER OWNED POLE." The District-owned poles are tagged with a yellow metal tag with black letters reading "TPUD" with numbers.

Finance/Information Services

Jim Martin updated the Board on the District's revenue requirements and discussed the proposed rate increase. There was discussion concerning when to implement this increase. The current forecast shows that the District will need a 12% increase in revenue requirements. Martin recommended increasing rates effective October 1, 2011 due to a number of factors. The Board has asked for the rate increase to be effective July 1, 2011, because the Board has been telling customers that there would be a rate increase at that time, and because a rate increase in the summer would be easier for customers. After discussion, it was decided that there would be a smaller rate increase (5-6%) this summer with another rate increase in 2012 after the Cost of Service Study and the Rate Design is finished. Martin will get back to the Board with the earliest date that a rate increase could be effective.

Customer Services

MOTION: By Director Phillips and seconded by Director Olson to approve write-offs in the amount of \$3,638.24. The motion passed unanimously.

Joel George updated the Board on the Online Utility Exchange program. With this new program, customers that are applying for new service no longer need to have their previous utility fax a reference. This makes it easier for the customer.

George gave a TWACS update. Almost 20,400 TWACS meters have been installed. Almost 300 meters still need to be installed before all of the TWACS meters are installed.

Accounts Payable

MOTION: By Director Jenkins and seconded by Director Trout to approve April 2011 Accounts Payables totaling \$3,484,025.78. The motion passed unanimously.

Items from the Board

Director Jenkins mentioned that he would be interested in the possibility of modifying retirement options for future new hires. After discussion, the consensus of the Board was for staff to research this.

Adjournment

With no further business to come before the Board, the Board meeting adjourned at 8:25 p.m.

Ed Jenkins, Secretary

Date

Manager's Report

June 2011

In retrospect

Over time the PUD has established itself as a responsive service organization. With good reason, the Board has given, and continues to give, strong direction for staff to continually look at ways to improve our services. Improving services is the most important task before us. As I will mention below, the PUD will be pressured by competitive forces (renewable generation, customer self-generation, new technology) to change how we interact with customers. Expectations of the customer for power quality will increase along with demands for more reliability.

I continue to think that our broadband fiber optic project holds the key to increased service to customers. The deployment of automatic meter reading will greatly enhance our ability to assist customers with concerns and questions regarding power use.

Energy efficiency and conservation measures is that direct link to the customer. These energy services have been successfully deployed for over twenty years and will be a wise investment for the foreseeable future.

The crystal ball

Clearly the Board is functioning fantastically. The Board regularly discusses business with a variety of staff. The Board is continually educating yourself with national, regional, and state meetings and conferences. I see these qualities enabling the Board to give powerful strategic direction for the staff to carry out. It is crucial to maintain your respectful discussions and debates amongst yourselves in order to deal with challenging future decisions.

Competition is here. Various businesses will gladly "chip away" at selling products that provide power to our customers. I see the PUD as the energy company. I believe the PUD should provide virtually all energy production products.

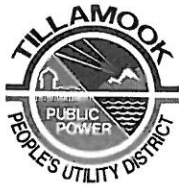
Electric transportation will make headway in the near future. This is an immediate challenge to define the role of the PUD regarding electric transportation.

We will compete for the best and brightest employees. The PUD, by keeping expectations of employees very high, will attract very qualified people.

Attention must be made to our communication with customers. A huge generational change is happening before our eyes. The new employees have really good, but different, value beliefs.

The next generation is very comfortable with social media. The PUD will be challenged to understand how to leverage the new communication channels.

The PUD is more than fortunate to have a highly functional Board of Directors and an immensely talented staff to face the future. Oh, by the way this has been a good ride.



Customer Services Report to the Board of Directors June 14, 2011 Meeting

Action Items:

- Write-offs:** \$6,313.91 (\$665.85 from Weatherization Loan, \$705.21 from Car Hit Pole)

Active Bankruptcies

Date	Location	Total \$\$
Jan. 2009	Hebo	\$ 398.06
Mar. 2009	Tillamook	\$ 14,024.10
Oct. 2010	Neskowin	\$ 354.60
Nov. 2010	Beaver	\$ 1,489.15
May 2011	Tillamook	\$ 246.22

Credit & Collection

	May	\$/May	YTD	\$/YTD
Notices Mailed	1,576	-	7,568	-
Paid to Collector	177	\$ 41,506.00	814	\$ 185,122.00
Collection Fees	174	\$ 4,350.00	821	\$ 20,525.00
LIEAP Receipts	24	\$ 6,845.00	344	\$ 99,962.00
CAP Payments	9	\$ 1,157.05		\$ 12,712.25
*CAP Donations	-	\$ 358.89	-	\$ 4,789.16
Non Match CAP Refunds	-	-	-	\$ 13.08
**Write Off Recoveries	-	\$ 1,099.03	-	\$ 6,831.23
Cut off for Non-Payment	43	-	173	-

*Does not include PUD match

**Includes credit bureau receipts

Active Meters

Month	Seasonal	All Other	Total
January	6,366	14,171	20,537
February	6,379	14,149	20,528
March	6,397	14,140	20,537
April	6,415	14,127	20,542
May	6,424	14,125	20,549

Last-Chance Collections

	Write-offs
January	\$2,119.74
February	\$1,849.49
March	\$5,000.90
April	\$2,727.25
May	\$3,413.36

Service Information

	May	Year to Date
Connects	260	1,239
Disconnects	270	1,297
Area Lights Removal	-	2
Meters Changed	132	542
Meters Removed	3	24
New Service		
Residential	5	15
Seasonal	1	13
Commercial	1	5
Irrigation	-	-
Area Lights	-	8
Flat Rate	-	-
Total New Service	7	41

Cash

	May	\$/May	Year to Date	\$/ YTD
Cash days over	0	\$ 0.00	8	\$ 107.20
Cash days under	2	\$ 1.75	13	\$ 244.89
Cash days/total	21	\$ 3,372,744.58	105	\$ 19,896,478.20



Human Resources Report to the Board of Directors June 2011

Action Items: NONE

Recruitments:

As previously reported, we have three new employees starting work in June. On Monday the 13th, to start the week off in grand style, **Ray Sieler** begins as **General Manager**. The plan is for **Pat Ashby** to continue as acting **General Manager** through June 30th; Ray will then take over the reins officially on July 1st. This allows Ray time to acclimate to his new surroundings and be brought up to speed.

The trend continues on Tuesday, with **Andrea Kenagy**, our newest **Employee for Education** recipient beginning work. Finally, on Wednesday, **Don Waldo** joins our PUD family as a **Utility Mapping Technician**.

After two rounds of interviews (a total of 12 candidates) **Kimberly Ramsell** has been selected to fill the **Customer Services Assistant** position and will begin work on July 5th. Kim has been working as an Administrative Secretary at Tillamook School District since 2006. She earned her Bachelor of Science degree from OSU (that's Oklahoma State University) and is working towards her Master of Business Administration in Finance through Portland State University. She is also fluent in Spanish, both verbal and written.

Departures:

Janetta Johnson, Customer Services Assistant, will continue to work part-time until she has trained her replacement. We certainly appreciate her willingness to assist in making this a smooth transition.

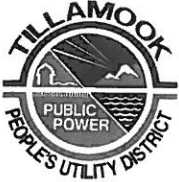
One of our **Employees for Education** recipients, **Jacqueline (Jackie) Floyd**, has been awarded an internship with the Army Corps of Engineers. This is a great opportunity for her, with a very good chance of it leading to a permanent position upon her

graduation as an Electrical Engineer. The guidelines for this scholarship only provide for the alternate to be called upon during the first year. Since this is her third year, and we still have five students involved the program, she will not be replaced. Jackie's last day was June 3, 2011.

May 31st was **Danya Gingerich's** final day as she has made the decision to pursue other opportunities. Danya was the **Warehouse High School Student**. Greg Hurliman is in the process of finding a replacement to fill this position through the next school year and the following summer.

Other:

Just a reminder that **open enrollment for health insurance** will be June 13th through 24th. The small conference room will be set up with lap tops for employees to use. The crews will be scheduled in the mornings.



Public Relations Department Report to the Board of Directors June 2011

Advertising, Articles and Other Press

<i>Newspaper</i>	<i>Radio</i>	<i>Ruralite</i>	<i>Bill Insert</i>
Window Replacement Program	Window Replacement Program	Ad – Window Replacement Program	Window Replacement Program
Electrical Safety Month	NEEM Manufactured Homes	Local Interest – CART™M – Recycling and “Trash Bash”	Energy Star Appliances and Home & Garden Show
NEEM Manufactured Homes	Safety for Children	Manager’s Letter New General Manager; Ocean-Derived Power Public Meeting	TIDE Informational Meeting
Billing Options	Public Power	Community Grant Awards	
	Electrical Safety Month	Home & Garden Show	
	Billing Options	PUD Partners on Three Rivers Stream Restoration Project	

Promotional /Department Activities

- Barbara attended the TIDE sponsored Ocean Energy Community Forum – May 7
- Dave and Ryan attended BPA’s Utility Summit in Portland – May 10 - 11
- Dorene attended Ruralite’s Annual Meeting – May 12
- Barbara attended NWPPA’s Front Line Leadership Series – May 18 - 19
- Dorene and Barbara attended Social Media Conference – May 25
- Barbara is working with the [Leadership Group] PAT Marketing team (Nancy Kloak, Terry Blanc, Wade Scott and Jim Martin) to enhance the Power Friendly Tree program. We are currently working on identifying trees to plant on our grounds to identify and mark as power friendly, revising and developing printed

materials and working with local stakeholders to assist in our efforts to promote planting in safe zones. Our plan is to feature the Power Friendly Tree program in our booth at the Tillamook County Fair.

- We have volunteers to drive trucks in the June Dairy Parade, Clover's Day Parade and Dory Days Parade.
- We are assisting the Power Services Group in providing public information about the Oceanside Transmission Line.
- We had discussions with Farm Power regarding the Power Purchase Agreement details and the associated attachments. We are getting very close to a final version of an agreement for signature.
- An error was discovered in the software calculation of ebill and paperless billing stats. The table below shows corrected data for past two months:

ebill and Paperless Billing Usage

<i>Date</i>	<i>ebill Accounts</i>	<i>Paperless</i>
5/5/2011	2847	1436
6/7/2011	2884	1464

Energy Services

RESIDENTIAL PROJECTS

- ENERGY STAR® Windows: 634 SF
- Floor Insulation: 4,535 SF
- Wall Insulation: 575 SF
- Attic Insulation: 1,201 SF
- PTCS Duct Testing and Sealing: 1 home
- Ductless Heat Pump: 7 homes

Customer Audits, Rebates and Loans

Product	# of Audits	# of Rebates	Paid	BPA Credit	# of Loans	Loans
Weatherization, Heat Pumps, Vacuum Pumps & NEEM Manufactured Homes	40	17	\$24,709	\$19,532	1	\$2,327
Commercial & Industrial Audits & Inspections	12	2	\$6,843	\$6,843		
High Bill Audits	3					
TOTAL	55	19	\$31,552	\$26,375	1	\$2,327

Appliance and Water Heater Rebates and Loans

Product	# of Rebates	Paid	BPA Credit	# of Loans	Loans
ENERGY STAR Appliances	32	\$1,615	\$525	3	\$2,952
Water Heaters	3	\$385	\$148	0	0
TOTAL	35	\$2,000	\$673	3	\$2,952

Annual Energy Savings

	May '11	FY 10-11 Year to Date	August '06 to Present
BPA Programs	101,342 kWh	2,301,979 kWh	10,749,945 kWh
PUD Programs	4,703 kWh	83,013 kWh	423,558 kWh

COMMERCIAL & INDUSTRIAL PROJECTS

**TCCA, 4175 Highway 101 North, Tillamook
Commercial Lighting Program – Visitors' Center Kitchen**

- Retrofitted existing T12 fixtures with energy efficient T8 lamps and electronic ballasts
- Annual savings - approximately 2,628 kWh



**Martin Braun Dairy, 22700 Sandlake Road, Cloverdale
Dairy Milk Plate Cooler Program**

- Installed a DeLaval milk plate heat exchanger and a variable speed milk transfer pump
- Annual savings - approximately 36,777 kWh



Surge Protection Equipment Sales

Product	# of Sales	Price
Surge Protectors	0	-
UPS – Battery Back-up	2	\$150
TOTAL	2	\$150

Meter Base Rebates and Loans

Product	# of Rebates	Paid	# of Loans	Amount
Stainless Steel Meter Base	10	\$1,500	0	-
Standard Meter Base	-	-	0	-
TOTAL	10	\$1,500	0	-

May-11

BPA Power Purchases	kW	kWh	Cost	Mills/kWh
<i>PF-10 Energy</i>		38,309,746	\$735,528	
<i>PF-10 Demand*</i>	58,617		\$84,408	
<i>Load Variance</i>	0	38,309,746	\$18,772	
			\$0	
Gross Power Requirements	58,617	38,309,746	\$838,708	21.89
CRC Conservation - PF			(19,111)	
Net BPA Power Bill			\$819,597	
<i>POTB Digester</i>				
Net Power Purchases		38,309,746	\$819,597	21.39
<i>BPA Lookback Credit</i>			(\$51,073)	
			<u>\$768,524</u>	
BPA Transmission Purchases				
NT-10 Base Charge	54,954		\$71,330	
NT-10 Load Shaping	54,954		\$20,168	
ACS-10 SCD NT LT Firm	54,954		\$11,156	
ACS-10 GSR NT			\$0	
ACS-10 Reg & Frequency Response		30,141,681	\$4,521	
ACS-10 Spin & Supp Resrv Requirement		996,053	\$16,703	
GRSP-10 Power Factor Lagging Ratchet			\$54	
GRSP-10 Power Factor Leading Ratchet			\$6	
OTHER			\$55	
BPA Transmission Bill			\$123,993	3.24
Total		38,309,746	\$943,590	24.63

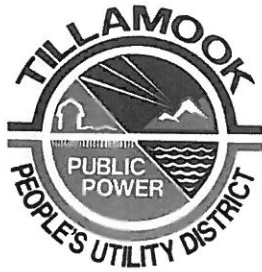
*Tillamook PUD System Peak** 79,643 5/04/2011 @ 0800

Monthly Federal Generation Peak 5/27/2011 @ 1900

Monthly Federal Transmission Peak 5/11/2011 @ 2100

* includes losses

BPA credits not included in cost per kWh



Power Services Group Report to the Board of Directors June 2011

Action Items

- Staff would like the Board to accept the proposed transmission line route and substation site and direct staff to proceed with the Conditional Use Permit applications with Tillamook County and City of Tillamook when appropriate.
- Staff will be making a presentation on the Oceanside Transmission Line and Substation Project at the Board Workshop prior to the Board Meeting. The presentation will include information on: the project scope and need, pole types, route selection criteria, routes under consideration, and the route proposed by staff and challenges of the proposed routes. (See attached graphic of the proposed Oceanside Transmission Line route.)

System Planning and Design

OCEANSIDE TRANSMISSION LINE AND SUBSTATION

- Finalized the cost comparison requested by the City of Tillamook for undergrounding a portion of the transmission line route down Second Street versus the proposed route along Hoquarton Slough.
- Finalizing the wetland delineation report, biological resources study report, and cultural resources investigation reports.

FACILITY GENERATOR UPGRADE PROJECT

- The progress was slowed due to some modifications that were needed to the exhaust silencer before the generator engine exhaust system could be completed. The PUD mechanic's shop did a great job of making the modifications, so we should be able to get back on schedule soon.

WECC COMPLIANCE

- WECC has been changing to a new, more secure web portal where documents may be submitted and where notices and forms may be downloaded. The new system is hosted by Open Access Technology International and requires digital signatures that are assigned to users' computers. WECC pays for the first two licenses for each utility, which will meet our needs. Training on the new system will take place at the WECC Compliance User's Group meeting in Portland in June.

Projects

- Attended a pre-application meeting hosted by the City of Tillamook for a proposed Bi-Mart development on Wilson River Loop.
- Working with Farm Power Tillamook, LLC for their methane generation project on McCormick Loop Road.
- Upgrading the conductor along McCormick Loop Road to 465 AAC.
- Working with the Nehalem Bay Fire and Rescue on their new fire hall.
- Continuing to work on the Third Street improvement project.
- Continuing to work with Werner Gourmet Meat Snacks on their expansion project
- Work continues with ODOT on the Highway 6 and Wilson River Loop project.

Maintenance and Construction

- There were two incidents of damage caused by vehicles: one on Tillamook River Road (broken pole) and one on Farmer Creek Road (primary torn down).
- Increased the capacity and converted the service to underground at the Tillamook County Courthouse.
- Began the Highway 22 relocation project near Castle Rock.
- Scheduled an all-crew outage of Netarts and Oceanside on Sunday, May 15, to cut over to the new Happy Camp line, replace a main line pole, and rebuild a main line riser, along with a number of major maintenance items.
- Scheduled an all-crew outage in a portion of southeast Rockaway Beach to replace crossarms.
- Replaced the bus recloser in Nestucca Substation for maintenance purposes.
- Performed maintenance on the low-side disconnect switches in the Wilson River Substation.
- Replaced parts in the Neahkahnie switch cabinet per the manufacturer.
- Worked with BPA to replace two poles along the Wilson River Highway.
- Trees, Inc. continues work along the Miami-Foley Road.
- PUD trim crews worked in the areas of Highway 22, Fred Meyer, Slab Creek Road, and Little Nestucca River.
- Continuing the mowing of rights-of-way.
- Completed the spraying of substations and began the spraying of rights-of-way.

Meterbase Relocation Program

- A total of 565 meterbase relocation letters have been mailed to customers. No services have been disconnected.

Outage Management

Summary of Interruptions				
	May 2011	May 2010	2011 YTD	2010 YTD
Power Supplier	-0- minutes	-0- minutes	¾ minutes	-0- minutes
Scheduled	24 minutes	1 ½ minutes	42 ¾ minutes	13 ½ minutes
Storm	-0- minutes	-0- minutes	11 minutes	29 ½ minutes
Equipment Failure	¾ minutes	2 ¾ minutes	6 ½ minutes	4 ¾ minutes
Trees & Wind	-0- minutes	½ minute	11 minutes	14 ½ minutes
Customer Caused	-0- minutes	2 ¼ minutes	1 hr 38 minutes	4 ¾ minutes
Birds &/or Animals	½ minute	-0- minutes	¼ minute	¼ minute
All Other	-0- minutes	2 minutes	6 ¾ minutes	2 minutes
TOTALS	25¼ minutes	9 minutes	2 hrs 57 minutes	1 hr 9 ¼ minutes

Work Orders

Work Order Activity					
	May 2011	YTD 2011	YTD 2010	YTD 2009	YTD 2008
New Construction					
Temporary	9	30	37	139	294
Permanent	10	54	39		
Temporary to permanent	2	19	31		
Permanent to temporary	1	6	9		
Other Construction					
General (Backbone, Service Changes, and Area Lights)	71	305	199	228	117
Reimbursable	6	36	37		
Total Work Orders	99	450	372	367	411

Line Extension Agreements

Line Extension Agreements Received					
	May 2011	YTD 2011	YTD 2010	YTD 2009	YTD 2008
Line Extensions	5	38	68	71	153
Amt. Received	\$5,812.00	104,295.00	\$266,331.73	\$327,901.00	\$385,307.42

Line Extension Agreements Processed – May 2011		
Hathaway Cornelius Lindsay & Heather Shuford	Dan Silver Patrick Coles	City of Tillamook

Utility Asset Activities

- The District has worked successfully with a number of customers in order to modify their service points and correct NESC violations; however, we have encountered a handful of customers who appear to be uncooperative and unwilling to assist in this endeavor. Similar to the process used to address bad order meterbases, the District is working on a formal procedure to address these types of NESC violations which will set forth the District's expectations and establish timeframes. Once this procedure has been developed, it will be included in a future Board Report.
- By way of update, with exception of one RV park located in Watseco, the District has completed all necessary pole tagging in connection with the manufactured dwelling and RV park pole tagging project.
- Reviewing Plans of Correction that have been submitted by both CenturyLink and Charter Communications in response to violations noticed in connection with the 2010 Detailed Facility Inspection (DFI).
- Invoiced CenturyLink for 23 unauthorized attachments which were identified by the 2010 DFI.

Warehouse Activities

- Finalizing plans for an office addition at the Hebo Warehouse. The current schedule is to complete the drawings in June, apply for permits in July, request quotes in August, and begin construction in September.
- Danya Gingerich, warehouse high school student, submitted her resignation. Her last day of work was May 31, 2011. The process has begun to hire a new student.
- Sent 36,184 pounds of metals (aluminum, copper, and steel) to Far West Fibers for recycling. We received just over \$42,400.

Personnel

- Supervisory staff attended Front Line Leadership III held at Tillamook Bay Community College.
- Bob Lightfoot and Wade Scott performed an electric board presentation for the City of Tillamook.
- Katie Hurliman, educational employee, returned to work for the summer.

Safety and Environmental

- Discussed "Safety Attitudes" at the monthly safety meeting.
- A bald eagle fatal contact incident occurred on the Kilchis River May 31; U.S. Fish and Wildlife was notified.

Proposed Transmission Line Route



Proposed
Substation
Site



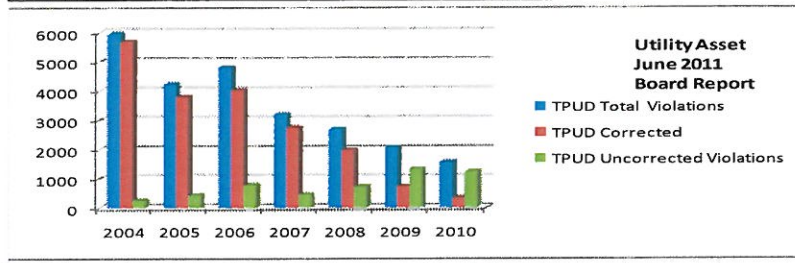
BPA
Tillamook
Substation



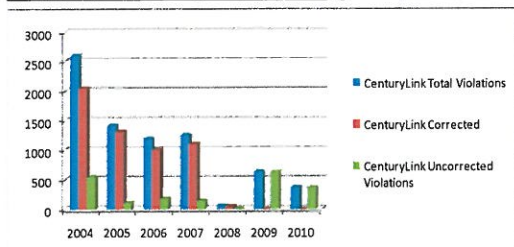
June Board Report

Detailed Inspection Correction Effort

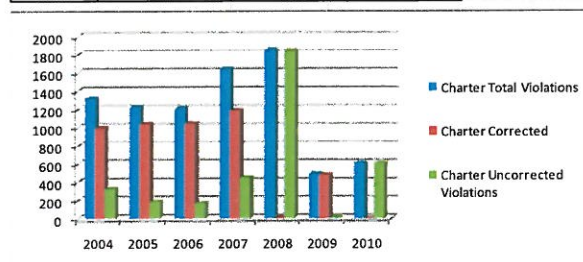
	TPUD Total Violations	TPUD Corrected	TPUD Uncorrected Violations
2004	5958	5691	267
2005	4228	3799	429
2006	4798	4021	777
2007	3196	2742	454
2008	2692	1971	721
2009	2056	733	1323
2010	1568	330	1238



	CenturyLink Total Violations	CenturyLink Corrected	CenturyLink Uncorrected Violations
2004	2598	2050	548
2005	1424	1316	108
2006	1195	1010	185
2007	1258	1108	150
2008	62	51	11
2009	637	4	633
2010	367	0	367



	Charter Total Violations	Charter Corrected	Charter Uncorrected Violations
2004	1316	990	326
2005	1220	1036	184
2006	1207	1038	169
2007	1635	1185	450
2008	1847	9	1838
2009	486	477	9
2010	607	0	607



Finance and Information Systems Report

JUNE 2011

5% Retail Rate Increase

At the workshop, we will present three options for the 5% Rate Increase.

Action Item - Ordinance 1-11

A Motion to have the first reading of Ordinance 1-11, Establishing Certain Retail Rates of the District. (Roll Call Vote)

Workers Compensation Plan for 2011 - 12

Cheryl Spellman from Hudson Ins. is trying to get quotes from three insurance carriers for our workers compensation plan for the fiscal year July 2011 to June 2012:

- 1) Special Districts Association - our present carrier (1992 to present)
- 2) Liberty Northwest - our carrier from 1988 to 1992
- 3) SAIF - our carrier for many years until 1988

Now that our Experience Mod Factor is under 1.00 we will be looking at both a standard plan and a retro plan.

<u>Year</u>	<u>Experience Mod Factor</u>	<u>Ins. Co.</u>	<u>Plan Type</u>	<u>No. of Claims</u>	<u>Cost of Claims</u>	<u>Net Premium & taxes paid</u>
2011 - 12	0.98					
2010 - 11*	1.02	SDAO	Retro	5	\$8,960	\$45,157
2009 - 10	1.04	SDAO	Retro	10	14,594	48,807
2008 - 09	0.98	SDAO	Retro	6	3,886	35,791
2007 - 08	0.99	SDAO	Retro	15	62,654	105,327
2006 - 07	1.12	SDAO	Retro	12	49,519	92,783
2005 - 06	1.40	SDAO	Retro	6	7,497	53,563
2004 - 05	1.18	SDAO	Retro	10	35,558	75,397
2003 - 04	0.95	SDAO	Retro	13	48,991	81,150
2002 - 03	0.64	SDAO	Standard	14	23,322	29,462
2001 - 02	0.68	SDAO	Standard	18	110,612	30,318
2000 - 01	0.75	SDAO	Standard	13	6,790	28,398
1999 - 00	0.81	SDAO	Standard	10	2,919	33,885
1998 - 99	0.85	SDAO	Standard	8	1,532	35,288
1997 - 98	0.93	SDAO	Retro	14	9,979	28,158
1996 - 97	0.94	SDAO	Retro	16	5,151	26,382
1995 - 96	0.94	SDAO	Retro	11	9,321	33,673
1994 - 95	1.15	SDAO	Retro	12	22,183	34,243
1993 - 94	1.40	SDAO	Retro	15	14,525	31,735
1992 - 93	1.27	SDAO	Retro	15	8,714	26,138
1991 - 92	0.99	LNW	Standard	13	24,036	62,421
1990 - 91	0.95	LNW	Standard	21	51,963	53,411
1989 - 90	1.14	LNW	Standard	16	158,225	63,569
1988 - 89	1.06	LNW	Standard	13	12,137	31,997
1987 - 88	1.13	SAIF	Retro	7	14,420	36,200

* 2010 - 11 partial year "No. & Cost of Claims" data as of April 2011

Action Item:

The detail comparison for workers compensation with a recommendation will be ready for Tuesday's board meeting.

ORDINANCE NO. 1-11

**AN ORDINANCE ESTABLISHING CERTAIN RETAIL RATES
OF THE DISTRICT AS PROVIDED FOR IN THIS ORDINANCE**

WHEREAS, Tillamook People’s Utility District has determined that due to increased wholesale power costs that an increase in revenue is required; and

WHEREAS, a revenue requirements and rate study was conducted to determine the most equitable and appropriate method of revising prices to provide the necessary revenue;

NOW, THEREFORE, BE IT ENACTED by Tillamook People’s Utility District as follows:

Section 1:

The following current District rates and rate schedules for the sale of electricity are hereby rescinded and repealed as of the effective date of this ordinance:

<u>Rate Schedule</u>	<u>Description</u>	<u>Authorizing Ordinance</u>
R-2	Residential Service	1-06
G-2	General Service	1-06
LP-3	Large Power Service	1-06

These rescinded rate schedules shall be replaced by those described in Section 2.

Section 2:

The following rate schedules are hereby fixed and established as set forth in attached Exhibit A, which by reference is expressly incorporated herein as if actually set forth on the face of this ordinance. The rate schedules contained in Exhibit A are as follows:

<u>Rate Schedule</u>	<u>Description</u>
R-2	Residential Service
G-2	General Service
LP-3	Large Power Service
NLL-1	New Large Load

Section 3:

If any section, paragraph, clause or provision of this ordinance shall be held to be invalid or ineffective for any reason, the remainder thereof shall remain in full force and effect, it being expressly found and hereby declared that the remainder of this ordinance would have been adopted, despite the invalidity of such section, paragraph, clause or provision.

Section 4:

This Ordinance and the rates and rate schedules described in Section 2 shall take effect on August 1, 2011.

ADOPTED at a special meeting of Tillamook People's Utility District Board of Directors held on June 28, 2011.

TILLAMOOK PEOPLE'S UTILITY DISTRICT

Harry Hewitt, President

Barbara Trout, Vice President

Doug Olson, Treasurer

Edwin L. Jenkins, Secretary

Ken Phillips, Director

TILLAMOOK PEOPLE'S UTILITY DISTRICT

POLICY BULLETIN NO. 2-8

SUBJECT: RATE SCHEDULES

POLICY: The Board of Directors shall establish and approve all prices and conditions of service.

RESPONSIBILITY: Finance Manager, who will prepare price schedule modifications, additions, or deletions for consideration by the Board of Directors.

PROCEDURE: The following rate schedules are approved retail rates of the District as provided for in the ordinances referenced below and shall remain in effect until revised by action of the Board of Directors.

Rate Schedule	Description	Authorizing Ordinance	Effective Date
R-2	Residential Service	1-06	11-01-06
GR-1	Renewable Power Block Service	2-07	07-01-07
G-2	General Service	1-06	11-01-06
LP-3	Large Power Service	1-06	11-01-06
NLL-1	Special Contract for New Large Load	1-11	08-01-11
TU-3	General Service – Time of Use	1-06	11-01-06
AL-1	Area Lighting & Flat Rate Service	2-00	11-01-00
PL-1	Public Lighting Service	2-00	11-01-00
SPP-01	Small Power Purchases	1-01	10-01-01

APPROVAL DATE: July 12, 1966

Revised Dates: 5-01-71; 6-17-74; 7-15-75; 3-21-78; 12-18-79; 6-18-81; 6-15-82; 8-17-82; 8-23-83; 10-18-83; 6-19-84; 10-16-84; 05-14-85; 4-14-87; 4-17-90; 8-17-93; 3-17-98; 8-31-99; 10-17-00; 8-28-01; 3-12-02; 9-03-02; 9-26-06; 05-15-07; 06-28-11

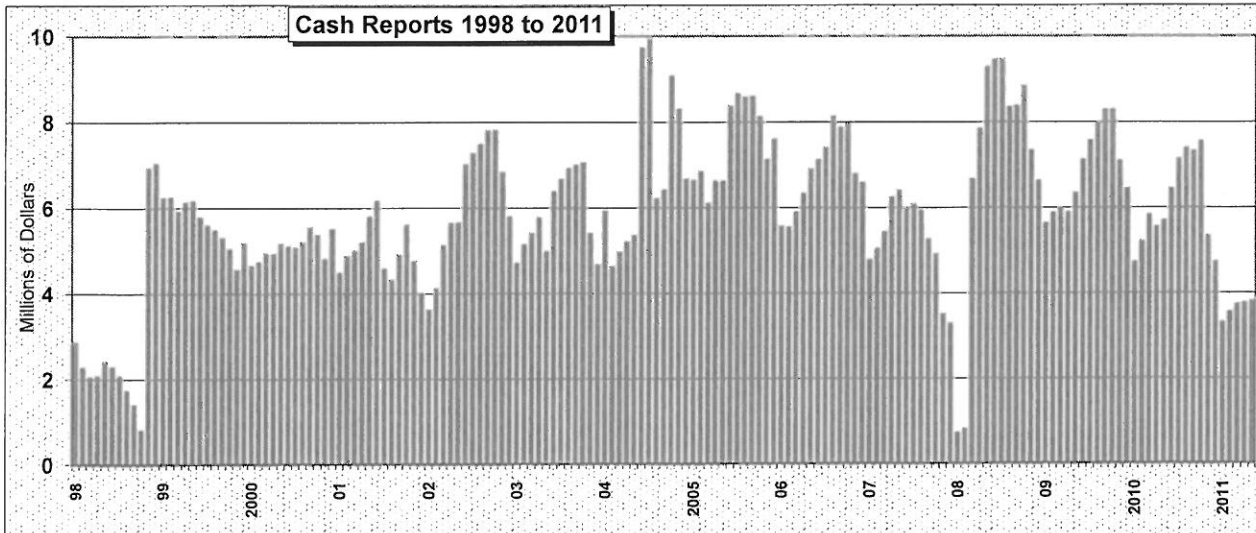
Tillamook P.U.D.

May 2011 Cash Report

BANK STATEMENT SUMMARY - US Bank

<u>Beginning Cash Balance 5-1-2011</u>		\$441,805
+ Cash In:	Cash Receipts from Sales on Account	\$3,036,802
	Contributions In Aid of Construction	14,542
	BPA - ECA	209,448
	Sale of Scrap Metals and Meters	42,438
	Sale of six vehicles to State of Oregon	19,916
	Other Cash Receipts	<u>46,912</u>
	Transfers from LGIP / Other Accts.	3,370,057
		1,000,000
-Cash Out:	Checks Written: - Power Bills	1,266,449
	Payroll Related Costs	592,993
<i>The Top Ten:</i>	Wells Fargo - Semi Annual Bond Interest	237,944
	Terex Utilities - 2010 Tree Trimming Line Truck	218,826
	Ermco - Transformers	173,010
	EBS Trust - Health Ins.	108,235
	PERS - Retirement	79,131
	Interwest Construction - Generator Project	50,794
	HD Supply - Meters	35,200
	McFarland Cascade - Poles	35,110
	Day Wireless - Radio Project	33,886
	City of Tillamook - Franchise Fees	31,727
	All Other Checks	<u>514,178</u>
	Transfers to LGIP / Other Accts.	(3,377,483)
		(900,000)
<u>Ending Cash Balance 5-31-2011</u>		<u>\$534,380</u>

<u>Investment Portfolio as of 5-31-2011</u>				<u>Type of Investment:</u>	
Type	Bank	Interest Rate	Amount		
LGIP	St. Treas.	0.50	\$ 1,276,667	U.S. Treasuries	3%
Check'g Acct	Sterling Svgs	0.40	13,177	Federal Agencies	0%
Check'g Acct	U.S. Bank	0.75	334,380	Loc. Govt. Inv. Pool	33%
Mkt Int Acct	Oregon Coast	0.65	1,045,198	Time CD's	0%
Mkt Int Acct	Bnk of Astoria	0.50	508,597	Comm Paper	0%
Mkt Int Acct	Wells Fargo	0.60	514,576	Chkg / Mkt Int Accts	<u>63%</u>
Bond Acct	Wells Fargo	0.30	128,958	Total	<u>100%</u>
		Total	<u>\$ 3,821,552</u>	<u>Bank:</u>	
				Sterling Savings	0%
				Wells Fargo Bank	17%
				US Bank	9%
				Oregon Coast	27%
				Bank of Astoria	13%
				State Treas. LGIP	<u>33%</u>
				Total	<u>100%</u>



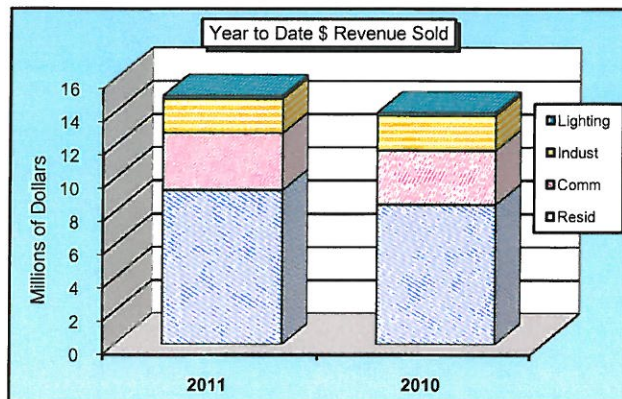
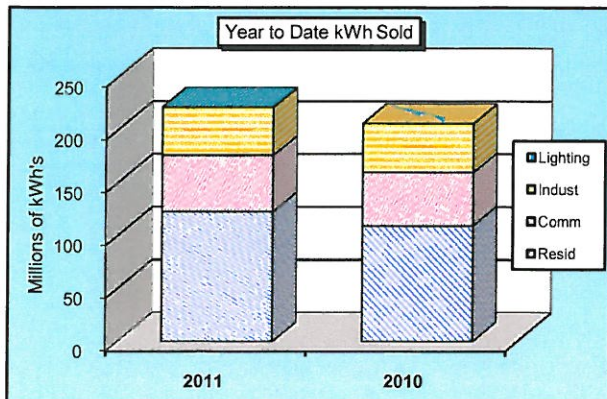
Cash Report - Investment Detail - May 31, 2011

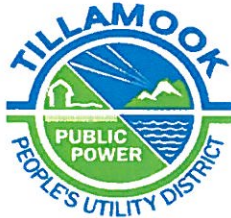
<u>Bank</u>	<u>Investment</u>	<u>365 day Interest Rate</u>	<u>Amount Invested</u>	<u>Date Invested</u>	<u>Date Of Maturity</u>	<u>Total Days</u>
St Treas	LGIP	0.50%	\$1,276,667			
Wells Fargo	Bond Mkt Int	0.30%	128,958	12/16/10	12/15/11	364
Oregon Coast	Mkt Int	0.65%	1,045,198	6/28/08		
Bank of Astoria	Mkt Int	0.50%	508,597	1/26/09		
Wells Fargo	Mkt Int	0.60%	514,576	10/16/09		
U.S. Bank	Checking	0.75%	334,380			
Strlg Svgs	Checking	0.35%	13,177			
<u>Total</u>			<u>\$3,821,552</u>			

ENERGY SALES REPORT

May 2011

<i>Customer Class</i>	This Month	% of Total	2011 Year to Date	% of Total	2010 Year to Date	% of Total	% Incr or -Decr
Total Sales - All Classes							
Number of Accounts	20,538	100%	20,528	100%	20,478	100%	0.2%
kWh Sold	37,165,642	100%	221,796,655	100%	206,232,365	100%	7.5%
kWh Per Account	1,810		10,805		10,071		7.3%
Avg Cost Per kWh (Cents)	6.86		6.75		6.76		-0.2%
Revenue	\$2,548,582	100%	\$14,963,708	100%	\$13,946,499	100%	7.3%
Regular Residential							
Number of Accounts	11,986	58.4%	12,006	58.5%	12,045	58.8%	-0.3%
kWh Sold	14,848,573	40.0%	96,119,629	43.3%	85,263,180	41.3%	12.7%
kWh Per Account	1,239		8,006		7,078		13.1%
Avg Cost Per kWh (Cents)	7.63		7.37		7.49		-1.6%
Revenue	\$1,133,417	44.5%	\$7,086,436	47.4%	\$6,386,262	45.8%	11.0%
Seasonal Residential							
Number of Accounts	6,424	31.3%	6,396	31.2%	6,301	30.8%	1.5%
kWh Sold	3,719,944	10.0%	26,947,270	12.1%	24,448,516	11.9%	10.2%
kWh Per Account	579		4,213		3,880		8.6%
Avg Cost Per kWh (Cents)	8.92		8.16		8.27		-1.4%
Revenue	\$331,636	13.0%	\$2,198,842	14.7%	\$2,022,313	14.5%	8.7%
Small Commercial (< 100 kVA)							
Number of Accounts	2,045	10.0%	2,043	10.0%	2,046	10.0%	-0.2%
kWh Sold	6,185,419	16.6%	36,640,088	16.5%	34,454,592	16.7%	6.3%
kWh Per Account	3,025		17,936		16,837		6.5%
Avg Cost Per kWh (Cents)	7.28		6.83		6.89		-0.9%
Revenue	\$450,563	17.7%	\$2,503,743	16.7%	\$2,374,612	17.0%	5.4%
Large Commercial (100 - 1,000 kVA)							
Number of Accounts	69	0.3%	69	0.3%	71	0.3%	-2.5%
kWh Sold	3,095,440	8.3%	16,665,413	7.5%	15,898,100	7.7%	4.8%
kWh Per Account	44,861		241,528		224,549		7.6%
Avg Cost Per kWh (Cents)	5.71		5.63		5.60		0.5%
Revenue	\$176,800	6.9%	\$937,434	6.3%	\$889,639	6.4%	5.4%
Industrial (Over 1000 kVA)							
Number of Accounts	14	0.1%	14	0.1%	14	0.1%	0.0%
kWh Sold	9,316,266	25.1%	45,424,255	20.5%	46,167,977	22.4%	-1.6%
kWh Per Account	665,448		3,244,590		3,297,713		-1.6%
Avg Cost Per kWh (Cents)	4.53		4.57		4.57		-0.1%
Revenue	\$421,878	16.6%	\$2,075,175	13.9%	\$2,110,791	15.1%	-1.7%
Lighting & Fixed Rates							
Revenue	\$34,289	1.3%	\$162,079	1.1%	\$162,882	1.2%	-0.5%





TILLAMOOK PEOPLE'S UTILITY DISTRICT

FINANCIAL STATEMENT

STATEMENT OF OPERATIONS

For the Period Ending **May 31, 2011**

	Current Month	Year-To-Date 2011	Year-To-Date 2010	Year-To-Date Budget
Operating Revenue	\$2,565,179	\$15,092,713	\$14,121,081	\$14,630,500
Power Supply Expense	922,425	6,815,799	6,396,572	7,040,900
Distribution Expense - Operations	253,623	1,412,840	1,429,480	1,535,417
Distribution Expense - Maintenance	222,936	1,146,034	1,080,891	1,243,039
Customer Accounts Expense	73,151	357,558	365,043	397,000
Customer Service/Information Expense	49,655	284,036	270,442	402,000
Sales Expense	11,981	56,724	52,354	76,125
Administrative and General Expense	254,435	1,285,152	1,271,595	1,527,275
Total Operating Expense	1,788,206	11,358,145	10,866,377	12,221,756
Depreciation and Amortization	207,383	1,024,749	979,705	1,029,700
Tax Expense - Property	62,085	310,425	291,301	310,500
Tax Expense - Other	0	0	21,931	22,000
Interest on Long-Term Debt	52,615	263,078	345,923	263,500
Interest Expense - Other	0	0	0	0
Other Deductions	712	3,562	(1,795)	3,333
Total Cost of Electric Service	2,111,002	12,959,959	12,503,441	13,850,789
Operating Margins	454,177	2,132,754	1,617,639	779,711
Non-Operating Margins - Interest	3,474	15,423	27,089	28,000
Non-Operating Margins-Property Sales	0	0	0	0
Non-Operating Margins - Other	0	331	148	0
Net Margins	\$457,650	\$2,148,508	\$1,644,877	\$807,711
<i>Number of Accounts</i>	20,549	20,539	20,487	20,584
<i>MWH Sold</i>	37,630	224,206	206,601	216,984
<i>% Line Loss</i>	2.54%	1.27%	0.67%	0.69%
<i>System Peak KW</i>	79,643	116,735	94,555	106,000



TILLAMOOK PEOPLE'S UTILITY DISTRICT
FINANCIAL STATEMENT
BALANCE SHEET

ASSETS	AS OF MAY 31,	
	2011	2010
Utility Plant:		
Total Utility Plant in Service	\$82,050,463	\$77,236,039
Construction Work in Progress	2,888,307	2,837,555
<i>Total Utility Plant</i>	84,938,771	80,073,595
Accumulated Provision for Depreciation/Amortization	(22,552,101)	(21,099,976)
Net Utility Plant	62,386,669	58,973,619
Special Funds:		
Bond Fund Accounts	3,115,601	2,822,229
Rate Stabilization Fund	3,500,000	3,500,000
Total Special Funds	6,615,601	6,322,229
Current Assets:		
Cash - General Funds	785,317	693,229
Cash - REA Construction Fund	100	100
Temporary Cash Investments	(849,496)	1,506,181
Accounts Receivable - Net	1,825,123	1,781,883
Accounts Receivable - Other	413,608	627,790
Materials and Supplies	1,279,012	1,231,338
Prepayments	209,029	307,857
Other Current Assets	0	4,342
Total Current Assets	3,662,693	6,152,720
Other Assets and Deferred Charges:		
Notes Receivable	311,359	374,328
Investment in Associate Organization-Patronage Capital	0	0
Deferred Charges	996,884	1,441,833
Total Other Assets and Deferred Charges	1,308,243	1,816,161
TOTAL ASSETS	\$73,973,206	\$73,264,730
LIABILITIES and EQUITY		
Margins:		
Operating Margins - Prior Years	\$38,628,156	\$37,091,081
Operating Margins - Current Year	2,148,508	1,644,877
Other Margins - Rate Stabilization Fund	3,500,000	3,500,000
Other Margins - Bond Reserve	2,932,841	2,849,397
Total Margins	47,209,505	45,085,354
Long-Term Liabilities:		
Long-Term Debt - RUS	10,281,002	10,872,648
Other Long-Term Debt	13,236,127	13,857,498
Total Long-Term Debt	23,517,130	24,730,146
Current Liabilities:		
Accounts Payable	1,148,183	1,424,494
Customer Deposits	242,970	259,900
Other Current Liabilities	1,752,338	1,669,126
Total Current Liabilities	3,143,491	3,353,520
Deferred Credits	103,080	95,710
TOTAL LIABILITIES and EQUITY	\$73,973,206	\$73,264,730
<i>Net Contributions in Aid of Construction</i>	<i>\$11,504,441</i>	<i>\$12,250,891</i>

**Tillamook People's Utility District
Purchase Requisition**

TPUD/504
Fagen/32

Date: May 17, 2011

Purchase Order No. 1105171

Item to be Purchased: Single Phase Transformers

Charge to: Transformers

Purpose: Stock

Budget Reference: 368

This form to be used when exemptions require written findings, as referred to in Policy 1-8. Attach all documentation and correspondence to this Purchase Requisition.

Quote No. 1	Quote No. 2	Quote No. 3
Vendor/Supplier HEES Enterprises PO Box 1110 Astoria, OR 97103	Vendor/Supplier H-D Supply P.O. Box 82549 Portland, OR 97282-0549	Vendor/Supplier WESCO 2341 NW 31 st St Portland, OR 97210
Phone No. (503) 325-8778	Phone No. (800) 452-5916	Phone No. (800) 624-9843
Contact Amey McNally	Contact Stella Frahm	Contact Greg Swift
Quantity ERMCO Transformer 80 – Pole Mount Transformers	Quantity Cooper Transformer 80 – Pole Mount Transformers	Quantity GE Transformer 80 – Pole Mount Transformers
Total Price \$ 149,020.00	Total Price \$	Total Price \$ 254,964.20
F.O.B. Tillamook? <u>Y</u> <u>X</u> <u>N</u>	F.O.B. Tillamook? <u>Y</u> <u>X</u> <u>N</u>	F.O.B. Tillamook? <u>Y</u> <u>X</u> <u>N</u>
Delivery 10 Weeks	Delivery	Delivery 8 - 10 Weeks
Comments: Losses: No Load \$6.798 x 6,970 watts = \$47,382.06 Load \$1.973 x 15,550 watts = \$30,680.15	Comments: Losses: No Load \$6.798 x watts = \$ Load \$1.973 x watts = \$	Comments: Losses: No Load \$6.798 x 8,120 watts = \$55,199.76 Load \$1.973 x 12,270 watts = \$24,208.71
Evaluated Cost = \$ 227,082.21	Evaluated Cost = \$	Evaluated Cost = \$ 334,372.67
	No Quote	
General Discussion/Recommendation: A request for quote was sent to H-D Supply but it was not received by the deadline. I recommend we purchase the ERMCO transformers from HEES Enterprises as they have the lowest cost.		

Requested by Greg Hurliman

Approved by Pety J. [Signature]
General Manager

Approved by: [Signature]
Supervisor

Date: 5/18/11

Date: 5/23/11

**Tillamook People's Utility District
Purchase Requisition**

Date: May 24, 2011

Purchase Order No. 1105246

Item to be Purchased: Copper USE Cable

Charge to: Expensed Material

Purpose: Stock

Budget Reference: 163

This form to be used when exemptions require written findings, as referred to in Policy 1-8. Attach all documentation and correspondence to this Purchase Requisition.

Quote No. 1	Quote No. 2	Quote No. 3
Vendor/Supplier HD Supply PO Box 82549 Portland, OR 97282-0549	Vendor/Supplier Platt 10605 SW Allen Blvd. Beaverton, OR 97005	Vendor/Supplier WESCO PO Box 4669 Portland, oR 97208
Phone No. (800) 452-5916	Phone No. (503) 526-2316	Phone No. (503) 325-8778
Contact Steve Munch	Contact Jonathan Mask	Contact Mike Pickens
Quantity 2000' - #4, 1/0 1000' - 2/0	Quantity 2000' - #4, 1/0 1000' - 2/0	Quantity 2000' - #4, 1/0 1000' - 2/0
Price #4 - \$ 876.00/M (\$ 1,752.00) 1/0 - \$ 2,136.00/M (\$ 4,272.00) 2/0 - \$ 2,686.00/M (\$ 2,686.00) Total (\$ 8,710.00)	Price #4 - \$ 1,132.00/M (\$ 2,264.00) 1/0 - \$ 2,896.00/M (\$ 5,792.00) 2/0 - \$ 3,684.00/M (\$ 3,684.00) Total (\$11,740.00)	Price #4 - \$ 927.47/M (\$ 1,854.94) 1/0 - \$ 2,245.09/M (\$ 4,490.18) 2/0 - \$ 2,765.93/M (\$ 2,765.93) Total (\$ 9,111.05)
F.O.B. Tillamook? Y <u>X</u> N ___	F.O.B. Tillamook? Y <u>X</u> N ___	F.O.B. Tillamook? Y <u>X</u> N ___
Delivery 1 Week	Delivery 2 - 3 Week	Delivery 1 - 2 Week
Comments: Price is firm	Comments: Price is firm	Comments: Price is firm
General Discussion/Recommendation I recommend we purchase the cable from H-D Supply as they have the lowest cost.		

Requested by Greg Hurliman
Approved by: [Signature]
Supervisor

Approved by: [Signature]
General Manager

Date: 5/24/11

Date: 5/31/11



**Tillamook People's Utility District
Purchase Requisition
Sole Source Procurement**

Date: June 1, 2011

Purchase Order No. 1105251

Purchase: Laminated Wood Poles

Charge to: 163

Vendor Name: Laminated Wood Systems

Amount: \$13,845.00

This form is to be used on the purchase of laminated wood poles as authorized by the General Manager's Determination of Sole Source Exemption dated May 16, 2011.

General Discussion/Recommendation: This contract is for the procurement of three 50' laminated wood poles. I recommend we purchase the poles from Laminated Wood Systems, the only known supplier of laminated wood poles.

Requested by: Greg Hurliman

Approved by: Pat Fally
General Manager

Approved by: [Signature]
Supervisor

Date: 6/1/11

Date: 6/1/11



**Tillamook People's Utility District
Agenda for July 12, 2011
Regular Board Meeting**

- **4 p.m.** - Convene Executive Session
- **6 p.m.** - Convene Regular Board Meeting
- **Presentations by the Public:** None

Presentations will be limited to five minutes per person or group unless prior arrangements for additional time have been requested through the general manager's office.

- **Approval of Minutes** (Voice Vote) Pgs. 1 - 9
 - June 14, 2011 Board Workshop Minutes
 - June 14, 2011 Regular Board Minutes
 - June 28, 2011 Special Board Minutes

▪ **Department Reports**

General Manager	Pgs. 10-11 Action Item(s): Approve Resolution 11-07-04 "Secretary's Certificate"; and the Certificate of Authority
Finance/IS	Pgs. 12-22 ACTION ITEM(S): Approve the First Reading of Ordinance 2-11 "Time of Use and New Large Load Rate Schedule Revisions"
Customer Services	Pgs. 23-24 Action Item(s): Approve Write-offs \$ 5,122.56 (Voice Vote)
Human Resources	Pgs. 25 Action Item(s): None
Public Relations	Pgs. 26-30 ACTION ITEM(S): None
Power Services	Pgs. 31-36 ACTION ITEM(S):

- **Approval of June 2011 Accounts Payables** (Voice Vote)
- **Items from the Board:**

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Tillamook People's Utility District
1115 Pacific Avenue, PO Box 433
Tillamook, OR 97141

June 14, 2011 –Board Workshop Minutes

Board Members Present:

Harry Hewitt, President
Barbara Trout, Vice President (absent)
Doug Olson, Treasurer
Ed Jenkins, Secretary
Ken Phillips, Director

Staff Present:

General Manager/Human Resources

Pat Ashby, General Manager
Ray Sieler, General Manager beginning July 1, 2011
Nancy Dillard, Executive Assistant; Recording Secretary
Terri Filosi, Human Resources Director
Tammy Rodrigues, Human Resources Administrative Assistant

Customer Services

Joel George, Customer Services Manager

Finance & Information Systems

Jim Martin, Finance Manager
Shirley Scott, Accounting Supervisor

Power Services

Bob White, Power Services Manager
James Aman, Distribution Engineering Supervisor
Nancy Kloak, Engineering Coordinator
Derek Mickelson, Associate Engineer
Wade Scott, Operations Supervisor

Public Relations

Barbara Johnson, Public Relations Manager (absent)
Dave Wimpy, Energy Services Specialist
Dorene White, Community Relations Coordinator

General Counsel:

Guests:

Call to Order

President Hewitt called the meeting to order at 1:00 p.m.

Dorene White reported to the Board that Tillamook PUD's Relay for Life team was given a Corporate Sponsor sign. Tillamook PUD has had a team for the last 12 years. The District has been a \$500 sponsor one year and a \$750 sponsor for the last two years. Teams usually don't receive a banner unless they have a \$1,000 sponsor. Relay for Life wanted to recognize the hard work of the Tillamook PUD Relay for Life team. Last year the team raised \$8,500.

▪ Rates Discussion

At the last Board meeting there was a discussion about rates and a decision was made to have two smaller rate increases, instead of one large rate increase of approximately 12%. One rate increase will be this summer with another increase next year. Jim Martin reported that he had contacted legal counsel and it would be possible to declare an emergency and have the rate increase be effective immediately. The emergency would need to be substantiated and Martin didn't feel that this increase was an emergency. If the First Reading of Ordinance 1-11 occurs at tonight's Board meeting, the Second Reading can be as soon as in six days. Martin suggested having the second reading on June 28th. The rates would then be effective 30 days after the Second Reading, making the rates effective August 1st, 2011. Martin presented a rate increase of 5% with three different rate increase options. Martin reviewed the different rate increase options and answered questions from the Board. After discussing the 3 options, the consensus was for Martin to put Option C into the rate schedule for the First Reading of Ordinance 1-11 at tonight's Board meeting. The Second Reading will be two weeks from today and effective August 1st, 2011.

The meeting recessed from 1:55 – 2:00 p.m.

▪ Tillamook- Oceanside Transmission Line Project Presentation

Bob White gave a presentation reviewing the Tillamook-Oceanside Transmission Line Project. The presentation included information on: the project scope and need, pole types, route selection criteria, routes under consideration, the route proposed by staff, and the challenges of the proposed routes. The scope of the project is to site and build a 115 kV transmission line from Tillamook BPA Substation to the proposed substation site at the Netarts/Oceanside community. The project has become necessary due to load growth, the need to increase reliability, and due to the age and condition of the current transmission line to that area. White discussed the criteria for route selection. The route selected must meet the project purpose, be siteable (meeting the City of Tillamook, Tillamook County, Federal, and State requirements), the right-of-way must be obtainable, it must be buildable, and it must be able to be operated and be maintained in various conditions. In selecting the route they would like to minimize visual impact; conflicts with existing land uses, structures, and congestion; environmental impacts; the number of landowner and properties affected; affects on existing vegetation; the need for high-cost special structures; space requirements; angle poles; co-location of circuits serving the same geographic area; and the need for access roads. In the site selection, they would like to maximize the ability to co-locate within existing linear corridors; the use of existing right-of-ways and pole locations; the constructability and accessibility for maintenance during poor weather conditions; distance from existing structures, residences, etc.; the ability to obtain desired right-of-way width; and the length of straight sections.

White stated that they would like to have the route built and energized by the fall of 2012. The conditional use permit process will take 3 months. The right-of-way will be logged and then built the next year. If a route is approved tonight at the June Board meeting, White will begin discussing the route with the City of Tillamook and start having public meetings. The conditional use permit would be submitted in July or August.

Adjournment

With no further business to come before the Board, the Board Workshop adjourned at 3:35 p.m.

Ed Jenkins, Secretary

Date



Tillamook People's Utility District
1115 Pacific Avenue, PO Box 433
Tillamook, OR 97141

June 14, 2011 – Regular Meeting Minutes

(Meeting was held at: City of Garibaldi City Hall, 107 6th Street, Garibaldi, Oregon)

Board Members Present:

Harry Hewitt, President
Barbara Trout, Vice President
Doug Olson, Treasurer
Ed Jenkins, Secretary
Ken Phillips, Director

Staff Present:

General Manager/Human Resources

Pat Ashby, General Manager
Ray Sieler, General Manager beginning July 1, 2011
Nancy Dillard, Executive Assistant; Recording Secretary
Terri Filosi, Human Resources Director

Customer Services

Joel George, Customer Services Manager

Finance & Information Systems

Jim Martin, Finance Manager

Power Services

Bob White, Power Services Manager

Public Relations

Barbara Johnson, Public Relations Manager (absent)
Dave Wimpy, Energy Services Specialist
Dorene White, Community Relations Coordinator

General Counsel: Tom Grim, Attorney at Law, Cable Huston

Guests: John O'Leary, Administrator/Recorder, City of Garibaldi

Call to Order

President Hewitt called the meeting to order at 6:00 p.m.

Presentation by the Public: None

Approval of Minutes

MOTION: By Director Phillips and seconded by Director Olson to approve the minutes from the May 17, 2011 Regular Board meeting. The motion passed unanimously.

General Manager

Pat Ashby reported to the Board that Ray Sieler, who will be replacing Ashby as General Manager on July 1st, began working on June 13th. There was an All Hands meeting on June 14th to introduce Sieler to the employees. Ashby will be spending time with Sieler providing him with Tillamook PUD background.

Customer Services

Joel George reported that June's write-offs included a weatherization loan and a car hit pole that they weren't able to collect on. Director Jenkins asked about the lien on the weatherization loan. Dorene White explained that Tillamook PUD is usually in the first or second position on a lien. Taking the third position is not normal practice. There have only been one or two loans that have been written off in all of the loans that have been done. White will discuss this situation further with Shirley Scott and then report back to Director Jenkins with the findings.

MOTION: By Director Olson and seconded by Director Trout to approve write-offs in the amount of \$6,313.91. The motion passed unanimously.

Human Resources

Terri Filosi reported that the Open Enrollment Packets have gone out and Open Enrollment started on Monday. Crews are coming in to the small conference room to complete it. This year employees are not required to do the health survey, unless they want to take advantage of any of the programs, such as tobacco cessation or weight loss.

Filosi gave a recruitment update. Ray Sieler, the new General Manager, began working on June 13th. Ashby will continue working as General Manager through June 30th. Andrea Kenagy, the 2011 Employee for Education recipient began work today, June 14th. Don Waldo, the new Utility Mapping Technician, will begin work on June 15th. Kimberly Ramsell was selected for the Customer Services Assistant position and will begin work on July 5th. Janetta Johnson, the current Customer Services Assistant, will continue to work part-time until she has trained her replacement. Jacqueline Floyd, the 2009 Employee for Education recipient, has been awarded an internship with the Army Corp of Engineers. Floyd's last day was June 3rd. Danya Gingerich's final day as the Warehouse High School Student was May 31st. Greg Hurliman has hired Emily Hanenkraft to fill that vacancy. Annessa Hahn was hired as the Office High School Student. She will start mid-August.

An Executive Session will be scheduled for the July Board meeting to discuss possible union contract negotiation points.

Public Relations

The Board didn't have any questions about the Public Relations board report. Director Phillips asked about the charge in accounts payable for Nixle software. He asked if this was going to be used for outages. Dorene White responded that they have signed up for Nixle and have paid the dues, but there hasn't been any alerts or messages sent out.

Dorene White reported that Tillamook PUD's Relay for Life team was given a Corporate Sponsor banner. Tillamook PUD has had a team for the last 12 years. The District has been a \$500 sponsor one year and a \$750 sponsor for the last two years. Teams usually don't receive a banner unless they have a \$1,000 sponsor. Relay for Life wanted to recognize the Tillamook PUD Relay for Life team for their hard work. Last year the team raised \$8,500.

Power Services

Tillamook- Oceanside Transmission Line Project Presentation

A Tillamook – Oceanside Transmission Line Project Presentation was given at the Board Workshop. This presentation included information on the project scope and need, pole types, route selection criteria, routes under consideration, the route proposed by staff, and the challenges of the proposed routes. Bob White asked the Board to accept the proposed transmission line route and substation site (from the Tillamook BPA Substation to the proposed substation site at the Netarts/Oceanside community) and direct staff to proceed with the Conditional Use Permit applications with Tillamook County and the City of Tillamook when appropriate. White reviewed the information from the Board Workshop for Director Trout.

MOTION: By Director Jenkins and seconded by Director Olson to accept the proposed transmission line route and substation site and direct staff to proceed with the Conditional Use Permit applications with Tillamook County and City of Tillamook when appropriate. The motion passed unanimously.

Director Olson and Director Trout commended White and staff on the excellent work they have done on this project.

White reported that a bald eagle had collided with a power line on Kilchis River. A report was filed with the Department of Fish and Wildlife and the eagle was sent to the Colorado repository for bald eagles. He is working with a manufacturer to put markers on that power line.

Finance/Information Services

Three options for a 5% rate increase were presented at the Board Workshop. Jim Martin reviewed the options for Director Trout. The consensus of the Board present at the Board Workshop was to accept Option C. Option C: Regular Residential 4.7%; Seasonal Residential 5.9%; Combined Residential 5.0%; Small Commercial 5.0%; Medium Commercial 4.8%; Large Commercial 5.2%; Combined Commercial 5.0%; Industrial 4.9%; and Total System 5.0%; Residential Basic Charge \$16.00; Energy Charge (cents/kWh 6.70; Commercial Basic Charge – Single Phase \$23.00; Basic Charge – Three Phase \$40.00; Energy (cents/kWh) 1-12,000 6.60; Energy (cents/kWh) Over - 12,000 4.37; and Demand Charge – Over 50 kW \$3.80. The first reading of Ordinance 1-11 "Establishing Certain Retail Rates of the District" will be today.

Before voting, Director Trout asked for further clarification about the \$3000 minimum charge for Industrial Rates. Jim Martin explained that currently for the industrial rates there is a minimum \$3000 charge. This has never been collected because the customer's bills have always been above this amount. Martin is suggesting revising it so that it is a \$300 basic charge. When compared to other utilities the current charge is high. If one of the industrial customers shut down for a couple of months, the charge would seem punitive. It is more common to have a basic charge.

MOTION: By Director Jenkins and seconded by Director Olson to have the first reading of Ordinance 1-11 by title only. A roll call vote was taken, with the following results: Director Hewitt – Aye; Director Phillips – Aye; Director Olson – Aye; Director Jenkins – Aye; and Director Trout – No. The motion passed.

President Hewitt read the title of Ordinance 1-11 "An Ordinance Establishing Certain Retail Rates of the District as Provided for in this Ordinance."

The second reading of Ordinance 1-11 will occur on June 28th at 3:00 p.m. at a Special Board meeting.

Martin reviewed the District's options for workers compensation insurance. He recommended that the Board select the Special District's Workers Comp Retro Plan for the fiscal year July 2011 to June 2012.

MOTION: By Director Phillips and seconded by Director Trout to select the Special Districts Workers Comp Retro Plan for the fiscal year July 2011 to June 2012. The motion passed unanimously.

Accounts Payable

MOTION: By Director Trout and seconded by Director Olson to approve May 2011 Accounts Payables totaling \$2,755,867.94. The motion passed unanimously.

Legal Council Update

Tom Grim gave the Board an update on current litigation that Cable Huston is working on on Tillamook PUD's behalf. They have been working with staff on the Farm Power Purchase Agreement. They have been working with Greg Hurliman on the sale of the South County Warehouse. They also work with staff on day to day and procedural issues.

Grim told the Board that Tillamook PUD has been out of contract with Cable Huston for several years. They would like to bring a proposal before the Board this summer. Cable Huston has been representing Tillamook PUD since 1997.

Items from the Board

Director Olson asked about the status of the co-generation project. Ashby replied that a grant for a feasibility study was obtained and the contractor selected. The Port is hoping to come before the Board in July to report on the results of the study.

Director Olson suggested that the Board schedule a meeting with Ray Sieler, the new General Manager, to define goals and objectives, and discuss the relationship and expectations of the Board.

Director Hewitt welcomed Ray Sieler to Tillamook PUD.

Adjournment

With no further business to come before the Board, the Board meeting adjourned at 7:30 p.m.

Ed Jenkins, Secretary

Date



Tillamook People's Utility District
1115 Pacific Avenue, PO Box 433
Tillamook, OR 97141

June 28, 2011 –Special Board Meeting Minutes

Board Members Present:

Harry Hewitt, President
Barbara Trout, Vice President (absent)
Doug Olson, Treasurer
Ed Jenkins, Secretary
Ken Phillips, Director

Staff Present:

General Manager/Human Resources

Pat Ashby, General Manager
Ray Sieler, General Manager beginning July 1, 2011
Nancy Dillard, Executive Assistant; Recording Secretary
Terri Filosi, Human Resources Director (absent)

Customer Services

Joel George, Customer Services Manager

Finance & Information Systems

Jim Martin, Finance Manager
Shirley Scott, Accounting Supervisor

Power Services

Bob White, Power Services Manager

Public Relations

Barbara Johnson, Public Relations Manager

General Counsel:

Guests:

Call to Order

President Hewitt called the meeting to order at 3:00 p.m.

▪ **Second Reading of Ordinance 1-11**

MOTION: By Director Jenkins and seconded by Director Phillips to have the Second Reading of Ordinance 1-11 by title only. A roll call vote was taken, with the four directors in attendance voting aye. The motion was approved.

President Hewitt read the title of Ordinance 1-11 "An Ordinance Establishing Certain Retail Rates of the District as Provided for in this Ordinance."

There was no public comment.

MOTION: By Director Jenkins and seconded by Director Phillips to adopt Ordinance 1-11 "An Ordinance Establishing Certain Retail Rates of the District as Provided for in this Ordinance." A roll call vote was taken, with the four directors in attendance voting aye. The motion was approved. Ordinance 1-11 was declared adopted effective with the August 1, 2011 meter reads.

Adjournment

With no further business to come before the Board, the Special Board meeting adjourned at 3:06 p.m.

Ed Jenkins, Secretary

Date

**TILLAMOOK PEOPLE'S UTILITY DISTRICT
BOARD OF DIRECTORS**

RESOLUTION NO. 11-07-04

SECRETARY'S CERTIFICATE

I, **Edwin Jenkins**, do hereby certify that: I am the Secretary of **Tillamook People's Utility District** (hereinafter the "Corporation,") that the following are true and correct copies of resolutions duly adopted by the Board of Directors of the Corporation at the **Regular meeting** held **July 12, 2011**, and entered in the minute book of the Corporation; that the meeting was duly and regularly called and held in accordance with the bylaws of the Corporation; and that none of the following resolutions has been rescinded or modified:

RESOLUTIONS

1. **RESOLVED** that **Raymon Sieler**, the **General Manager** of the Corporation, be the Certifier on behalf of the Corporation, who shall be responsible for submitting and certifying to the Rural Utilities Service, an agency of the United States Department of Agriculture delivering Rural Development Utilities Programs, any and all data required by RDUP Form 674;
2. **RESOLVED** that **Jim Martin**, the **Finance Manager** of the Corporation, be the Security Administrator on behalf of the Corporation, who shall give access to the Corporation's data, as appropriate, to other employees, officers, or contractors of the Corporation, for the purpose of complying with RDUP Form 674; and
3. **RESOLVED** that both shall comply with the Instructions for RDUP Form 674 in regard to use of the government's data collection system.

I FURTHER CERTIFY THAT each member of the Board of Directors of the Corporation was furnished with notice of said meeting in compliance with the bylaws of the Corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the Corporation this **12th day of July, 2011**.

Ed Jenkins, Secretary

(Corporate Seal)

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0074. The time required to complete this information collection is estimated to average 6 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Tillamook PUD/504
Fagen/46

U.S. Department of Agriculture
Rural Utilities Service

CERTIFICATE OF AUTHORITY

INSTRUCTIONS-Submit one copy to RUS. See 7 CFR 1744 (Telecommunications) and RUS Bulletin 26-1 (Electric)

In conformity with the requirements of the Rural Utilities Service (RUS), and in accordance with the resolution of the board of directors of the Tillamook People's Utility District
BORROWER'S NAME

1115 Pacific Avenue, P. O. Box 433, Tillamook, OR 97141
BORROWER'S ADDRESS

attached hereto, adopted at a meeting of the board, held July 12, 2011 at which a quorum of the board was present, the officers and manager, whose signatures appear below, have been authorized

to sign the following RUS forms in connection with requisitioning and accounting for Loan Funds:

(Check One)

	RUS Form No.	TITLE
<input type="checkbox"/>	481	FINANCIAL REQUIREMENT STATEMENT (Telecommunications)
<input checked="" type="checkbox"/>	595	FINANCIAL REQUIREMENT & EXPENDITURE STATEMENT (Electric)

This certification is to remain in *force* until rescinded by resolution of the board of directors and notification of such action to RUS.

General Manager Raymon Sieler
TITLE NAME (TYPE OR PRINT) SIGNATURE

Finance Manager Jim Martin
TITLE NAME (TYPE OR PRINT) SIGNATURE

TITLE NAME (TYPE OR PRINT) SIGNATURE

Tillamook PUD
BORROWER'S NAME

SIGNATURE OF PRESIDENT

07-12-2011
DATE

SIGNATURE OF SECRETARY

Finance and Information Systems Report

JULY 2011

Industrial Time of Use Rate Change

In order to change the timing of the Heavy and Light Load Hours of our Industrial rate schedule to be in sync with BPA's rates, we need to have the first reading here at the July Board meeting. The second reading will be the August 16th Board meeting, then with the thirty day requirement after the second reading, it will be effective October 1, 2011.

This is a rate decrease in that the Heavy Load Hours decrease from 16 hours (6 am to 10 pm), to only 5 hours (7 am to 12 noon). The Light Load Hours increase from 8 hours (10 pm to 6 am) way up to 19 hours (12 noon to 7 am).

This rate change reflects the BPA change from the current demand charge that bills for the demand at the hour of the regional peak (which has ranged anywhere from 8 am to 9 pm), to the new billing determinant, which will be our own system peak (which has ranged from 8 am to 11 am).

The impact under current load usage is small (less than 1%), but it does allow the Industrial time of use customers to shape their load in the future to take advantage of this.

We are also revising the language of that New Large Load rate schedule to allow for the flexibility to consider economic development and other community benefits that a New Large Load may offer.

Action Item - Ordinance 2-11

A Motion to have the first reading of Ordinance 2-11, Establishing Certain Retail Rates of the District. (Roll Call Vote)

Second Quarter 2011 Budget Comparison

The quarterly budget report for the six months ending June 30, 2011 will be mailed out later this month. It will show the actual compared to the budget.

ORDINANCE NO. 2-11

**AN ORDINANCE ESTABLISHING CERTAIN RETAIL RATES
OF THE DISTRICT AS PROVIDED FOR IN THIS ORDINANCE**

WHEREAS, Tillamook People's Utility District has determined that due to a fundamental change by BPA in the billing determinant of the peak demand charge, that a related change to the retail rate is required; and

WHEREAS, the impact to time of use customers is minimal, it does result in a slight rate decrease;

NOW, THEREFORE, BE IT ENACTED by Tillamook People's Utility District as follows:

Section 1:

The following current District rates and rate schedules for the sale of electricity are hereby rescinded and repealed as of the effective date of this ordinance:

<u>Rate Schedule</u>	<u>Description</u>	<u>Authorizing Ordinance</u>
LP-3	Large Power Service	1-11
NLL-1	New Large Load	1-11

These rescinded rate schedules shall be replaced by those described in Section 2.

Section 2:

The following rate schedules are hereby fixed and established as set forth in attached Exhibit A, which by reference is expressly incorporated herein as if actually set forth on the face of this ordinance. The rate schedules contained in Exhibit A are as follows:

<u>Rate Schedule</u>	<u>Description</u>
LP-3	Large Power Service
NLL-1	New Large Load

Section 3:

If any section, paragraph, clause or provision of this ordinance shall be held to be invalid or ineffective for any reason, the remainder thereof shall remain in full force and effect, it being expressly found and hereby declared that the remainder of this ordinance would have been adopted, despite the invalidity of such section, paragraph, clause or provision.

Section 4:

This Ordinance and the rates and rate schedules described in Section 2 shall take effect on October 1, 2011.

ADOPTED at a regular meeting of Tillamook People's Utility District Board of Directors held on August 16, 2011.

TILLAMOOK PEOPLE'S UTILITY DISTRICT

Harry Hewitt, President

Barbara Trout, Vice President

Doug Olson, Treasurer

Edwin L. Jenkins, Secretary

Ken Phillips, Director

TILLAMOOK PEOPLE'S UTILITY DISTRICT

POLICY BULLETIN NO. 2-8

SUBJECT: RATE SCHEDULES

POLICY: The Board of Directors shall establish and approve all prices and conditions of service.

RESPONSIBILITY: Finance Manager, who will prepare price schedule modifications, additions, or deletions for consideration by the Board of Directors.

PROCEDURE: The following rate schedules are approved retail rates of the District as provided for in the ordinances referenced below and shall remain in effect until revised by action of the Board of Directors.

Rate Schedule	Description	Authorizing Ordinance	Effective Date
R-2	Residential Service	1-11	08-01-11
GR-1	Renewable Power Block Service	2-07	07-01-07
G-2	General Service	1-11	08-01-11
LP-3	Large Power Service	2-11	10-01-11
NLL-1	Special Contract for New Large Load	2-11	10-01-11
TU-3	General Service – Time of Use	1-11	08-01-11
AL-1	Area Lighting & Flat Rate Service	2-00	11-01-00
PL-1	Public Lighting Service	2-00	11-01-00
SPP-01	Small Power Purchases	1-01	10-01-01

APPROVAL DATE: July 12, 1966

Revised Dates: 5-01-71; 6-17-74; 7-15-75; 3-21-78; 12-18-79; 6-18-81; 6-15-82; 8-17-82; 8-23-83; 10-18-83; 6-19-84; 10-16-84; 05-14-85; 4-14-87; 4-17-90; 8-17-93; 3-17-98; 8-31-99; 10-17-00; 8-28-01; 3-12-02; 9-03-02; 9-26-06; 05-15-07; 06-28-11; 08-16-11

TILLAMOOK PEOPLE'S UTILITY DISTRICT

LARGE POWER SERVICE

Schedule LP-3

Applicability:

This schedule applies to all large power customers where actual demand has exceeded one thousand kilowatts three times or more within the preceding twelve months or where installed capacity serving a customer at a single, contiguous site is 2500 kilovolt-amperes (KVA) or greater.

Type of Service:

Service to be furnished under this schedule is three-phase, sixty Hertz, alternating current.

Monthly Rates:

Demand Charge:

a) Heavy Load Period Demand Charges

The maximum billing occurring during the hours of 7 a.m. through 12 noon, Monday through Saturday, after adjustment for power factor:

Primary voltage delivery:	\$3.90/kW of billing demand
Secondary voltage delivery:	\$4.00/kW of billing demand

b) Light Load Period Demand Charges

The maximum billing demand occurring during the hours of 12 noon through 7 a.m., Monday through Saturday, and all hours Sunday which is in excess of billing demand occurring during heavy or intermediate load hours, after adjustment for power factor:

Primary voltage delivery:	\$1.50/kW of billing demand
Secondary voltage delivery:	\$1.70/kW of billing demand

Energy Charge:

Delivery Voltage

Primary	\$.0386
Secondary	\$.0392

a) Basic Charge:

The basic monthly charge shall be \$300.00 per delivery point unless otherwise specified by contract.

Billing Demand

Billing demand shall be the maximum 30 minute demand for the month, after adjustment for power factor. Application of intermediate and/or light load period demand charges is subject to the availability of District approved metering for determining these demands. Until such time that metering is installed and operational to determine such demands, the heavy load period demand charges shall apply.

POWER FACTOR

The consumer agrees to maintain unity power factor as nearly as practicable. Should measurement indicate that the average power factor is less than 95%, the demand for billing purposes shall be increased by one percent (1%) for each percentage point or major fraction thereof by which the average power factor is below 95%. The average power factor shall be determined by measurement of kilowatt hours and reactive kilovolt-ampere hours during the billing period using the following formula:

$$\text{Power Factor} = \text{KWH} \div \sqrt{(\text{KWH})^2 + (\text{Kvarh})^2}$$

Where PF	=	Average Power Factor
Where KWH	=	Kilowatt Hours
Where Kvarh	=	Reactive Kilovolt-ampere hours

Primary Voltage Delivery:

Where delivery is made at the District's currently available primary distribution voltage, rates for primary voltage delivery shall apply. The point of delivery will be determined by the District. If, at the District's option, deliveries are measured at secondary voltage, billing will be based upon measured deliveries adjusted for District's estimated transformer losses.

Delivery Point:

Where multiple points of delivery are provided to the same consumer at the same premises, the deliveries shall be metered separately and the demands for each period shall be computed on a non-coincidental basis, unless provided for otherwise by contract. Minimum charges, if any, apply to each delivery point.

Terms of Payment:

Charges for service under the schedule are due and payable fifteen (15) days after the invoice date.

Rules and Policies:

Service under this schedule is subject to the rules and policies of the District.

The District reserves the right to require installation of load limiting and/or other control devices whenever, in its judgment, they are necessary to prevent injury to its system or undesirable peak load conditions.

Effective: 08/01/11

TILLAMOOK PEOPLE'S UTILITY DISTRICT
SPECIAL CONTRACTS for NEW LARGE LOAD CUSTOMERS
SCHEDULE NLL

Applicability:

Applicable to all **N**ew Large Load Customers with a connected load greater than 2,000 kW. Also applicable to existing customers who plan to install and connect new service greater than 2,000 to existing load.

All applicable Large Load Customers are required to enter into a Special Contract for Electric Service before delivery of electric service begins.

Type of Service:

Service to be furnished under this schedule is three-phase, sixty Hertz, alternating current.

Monthly Rate

Energy Charge for All kWh's	To be determined on a "cost-causer"- "cost-payer" basis
KW Demand	

Other Charges and Conditions

The Special Contract for Electric Service shall include the estimated cost of service and incorporate provisions designed to recover any additional power-related costs and expenses incurred by the District as a result of the **N**ew Large Load Customer taking electric service and the District having the potential to be above its Tier 1 allocation from BPA.

This rate schedule is formulated and will be administered under a "cost-causer - cost-payer" philosophy with the specific objective of avoiding any unnecessary increases in power costs to current District customers. ~~Therefore, to the extent practicable, the District will charge any and all incremental costs associated or attributable to the new load directly to the new Large Load Customer. However, the District will consider economic development and other benefits to the community that may offset the additional power cost of the New Large Load customer. Under circumstances that do not violate aforementioned objective, Additionally,~~ the District may, in its sole discretion, manage its power supply resources in such a manner to reduce the cost of power to the **N**ew Large Load Customer.

Rules and Policies:

Service under this schedule is subject to the ordinances, rules and policies of the District.

The District reserves the right to require installation of load limiting and/or other control devices whenever, in its judgment, they are necessary to prevent harm to the District and undesirable peak load conditions.

| Effective: ~~1008~~/01/2011

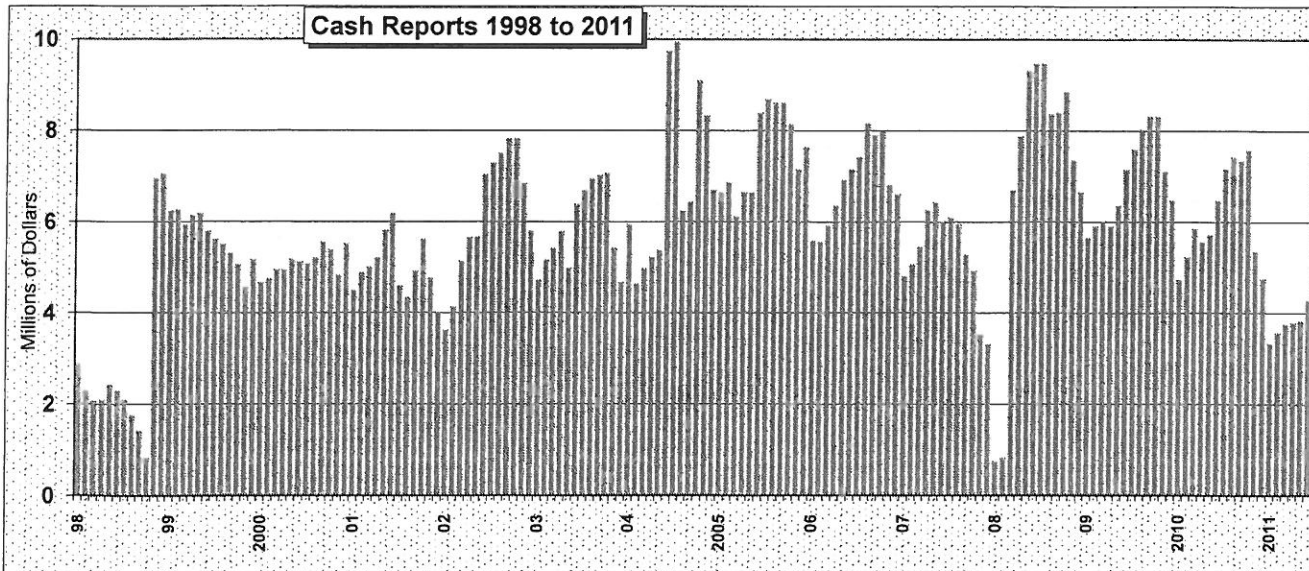
Tillamook P.U.D.

June 2011 Cash Report

BANK STATEMENT SUMMARY - US Bank

<i>Beginning Cash Balance 6-1-2011</i>		\$534,380
+ Cash In:	Cash Receipts from Sales on Account	\$2,617,384
	Contributions In Aid of Construction	62,266
	BPA - ECA	51,929
	Other Cash Receipts	<u>40,204</u>
	Transfers from LGIP / Other Accts.	2,771,783
		0
-Cash Out:	Checks Written: - Power Bills	903,602
	Payroll Related Costs	626,740
<i>The Top Ten:</i>	EBS Trust - Health Ins.	109,723
	PERS - Retirement	72,977
	North Sky Comm. - Cape Meares Loop Conduit	49,388
	Trees, Inc. - Tree Trimming Contractor	43,111
	CH2M Hill - Oceanside Transmission Line Project	39,521
	City of Tillamook - Franchise Fees	28,137
	Cable Huston - General Counsel (2 months)	25,923
	NISC - billing, postage, monthly fees	21,095
	McFarland Cascade - Poles	16,465
	Carson Oil - Gas / Fuel	15,727
	All Other Checks	<u>1,551,575</u>
	Transfers to LGIP / Other Accts.	(3,503,984)
		600,000
<u>Ending Cash Balance 6-30-2011</u>		<u>\$402,179</u>

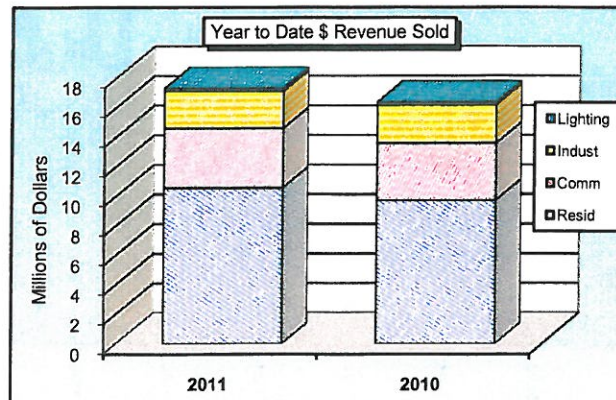
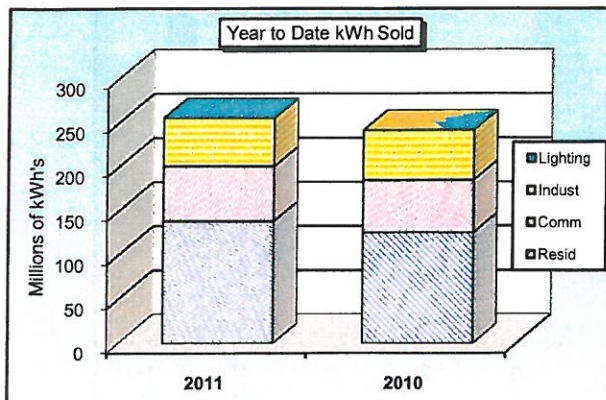
<u>Investment Portfolio as of 6-30-2011</u>				<u>Type of Investment:</u>	
<u>Type</u>	<u>Bank</u>	<u>Interest Rate</u>	<u>Amount</u>		
LGIP	St. Treas.	0.50	\$ 1,877,296	U.S. Treasuries	3%
Check'g Acct	Sterling Svgs	0.40	13,177	Federal Agencies	0%
Check'g Acct	U.S. Bank	0.75	202,179	Loc. Govt. Inv. Pool	44%
Mkt Int Acct	Oregon Coast	0.65	1,045,198	Time CD's	0%
Mkt Int Acct	Bank of Astoria	0.50	508,597	Comm Paper	0%
Mkt Int Acct	Wells Fargo	0.60	514,576	Chkg / Mkt Int Accts	<u>53%</u>
Bond Acct	Wells Fargo	0.30	127,373	Total	<u>100%</u>
		Total	<u>\$ 4,288,395</u>		
				<u>Bank:</u>	
				Sterling Savings	0%
				Wells Fargo Bank	15%
				US Bank	5%
				Oregon Coast	24%
				Bank of Astoria	12%
				State Treas. LGIP	44%
				Total	<u>100%</u>



ENERGY SALES REPORT

June 2011

<i>Customer Class</i>	This Month	% of Total	2011 Year to Date	% of Total	2010 Year to Date	% of Total	% Incr or -Decr
Total Sales - All Classes							
Number of Accounts	20,540	100%	20,530	100%	20,486	100%	0.2%
kWh Sold	33,356,787	100%	255,153,442	100%	241,378,636	100%	5.7%
kWh Per Account	1,624		12,428		11,782		5.5%
Avg Cost Per kWh (Cents)	6.83		6.76		6.76		0.0%
Revenue	\$2,279,686	100%	\$17,241,486	100%	\$16,312,946	100%	5.7%
Regular Residential							
Number of Accounts	11,958	58.2%	11,998	58.4%	12,048	58.8%	-0.4%
kWh Sold	12,361,523	37.1%	108,481,152	42.5%	98,218,804	40.7%	10.4%
kWh Per Account	1,034		9,042		8,153		10.9%
Avg Cost Per kWh (Cents)	7.86		7.43		7.53		-1.4%
Revenue	\$971,307	42.6%	\$8,057,743	46.7%	\$7,396,924	45.3%	8.9%
Seasonal Residential							
Number of Accounts	6,453	31.4%	6,406	31.2%	6,307	30.8%	1.6%
kWh Sold	2,913,337	8.7%	29,860,607	11.7%	27,362,036	11.3%	9.1%
kWh Per Account	451		4,662		4,338		7.5%
Avg Cost Per kWh (Cents)	9.59		8.30		8.41		-1.3%
Revenue	\$279,363	12.3%	\$2,478,204	14.4%	\$2,299,987	14.1%	7.7%
Small Commercial (< 100 kVA)							
Number of Accounts	2,049	10.0%	2,044	10.0%	2,047	10.0%	-0.1%
kWh Sold	5,926,705	17.8%	42,566,793	16.7%	40,617,326	16.8%	4.8%
kWh Per Account	2,892		20,827		19,846		4.9%
Avg Cost Per kWh (Cents)	6.91		6.84		6.88		-0.6%
Revenue	\$409,599	18.0%	\$2,913,342	16.9%	\$2,796,452	17.1%	4.2%
Large Commercial (100 - 1,000 kVA)							
Number of Accounts	66	0.3%	69	0.3%	71	0.3%	-3.5%
kWh Sold	3,047,842	9.1%	19,713,255	7.7%	18,800,317	7.8%	4.9%
kWh Per Account	46,179		287,785		264,793		8.7%
Avg Cost Per kWh (Cents)	5.67		5.63		5.62		0.3%
Revenue	\$172,815	7.6%	\$1,110,250	6.4%	\$1,055,802	6.5%	5.2%
Industrial (Over 1000 kVA)							
Number of Accounts	14	0.1%	14	0.1%	14	0.1%	0.0%
kWh Sold	9,107,380	27.3%	54,531,635	21.4%	56,380,153	23.4%	-3.3%
kWh Per Account	650,527		3,895,117		4,027,154		-3.3%
Avg Cost Per kWh (Cents)	4.53		4.56		4.56		0.1%
Revenue	\$412,358	18.1%	\$2,487,533	14.4%	\$2,568,656	15.7%	-3.2%
Lighting & Fixed Rates							
Revenue	\$34,244	1.5%	\$194,415	1.1%	\$195,125	1.2%	-0.4%





Customer Services
Report to the Board of Directors
July 12, 2011 Meeting

Action Items:

Write-offs: \$5,122.56

Active Bankruptcies

Date	Location	Total \$\$
Jan. 2009	Hebo	\$ 398.06
Mar. 2009	Tillamook	\$ 14,024.10
Oct. 2010	Neskowin	\$ 354.60
Nov. 2010	Beaver	\$ 1,489.15
May 2011	Tillamook	\$ 246.22

Credit & Collection

	June	\$/June	YTD	\$/YTD
Notices Mailed	2,039	-	9,607	-
Paid to Collector	204	\$40,887.00	1,018	\$226,009.00
Collection Fees	197	\$4,925.00	1,018	\$25,450.00
LIEAP Receipts	47	\$11,919.00	391	\$111,881.00
CAP Payments	9	\$1,019.87	125	\$13,732.12
*CAP Donations	-	\$487.58	-	\$5,246.81
Non Match CAP Refunds	-	-	-	\$13.08
**Write Off Recoveries	-	-	-	\$7,831.67
Cut off for Non-Payment	39	-	212	-

*Does not include PUD match

**Includes credit bureau receipts

Active Meters

Month	Seasonal	All Other	Total
January	6,366	14,171	20,537
February	6,379	14,149	20,528
March	6,397	14,140	20,537
April	6,415	14,127	20,542
May	6,424	14,125	20,549
June	6,453	14,099	20,552

Last-Chance Collections

	Write-offs
January	\$2,119.74
February	\$1,849.49
March	\$5,000.90
April	\$2,727.25
May	\$3,413.36
June	\$4,825.14

Service Information

	June	Year to Date
Connects	284	1,523
Disconnects	296	1,593
Area Lights Removal	1	3
Meters Changed	71	613
Meters Removed	6	30
Residential	6	21
Seasonal	5	18
Commercial	13	18
Irrigation	0	0
Area Lights	2	10
Flat Rate	1	1
Total New Service	27	68

Cash

	June	\$/June	Year to Date	\$/ YTD
Cash days over	3	\$6.42	11	\$113.62
Cash days under	1	\$20.00	14	\$264.89
Cash days/total	22	\$2,771,489.64	127	\$22,667,967.84



Human Resources

Report to the Board of Directors

July 2011

Action Items: NONE

Recruitments:

Emily Hanenkrat began work on June 14th as the **Warehouse High School Student**, replacing **Danya Gingerich**. Emily is a senior at Tillamook High School and has been working at the Tillamook County Creamery Association as an ice cream scooper for the last two years.

Departures:

Janetta Johnson, Customer Services Assistant, will continue to work part-time through July 28th. She will be working diligently to bring her replacement, **Kim Ramsell**, up to speed.

Other:

Open Enrollment for health insurance went smoothly with a rate increase of less than 5%.

Terri Filosi and Tammy Rodrigues attended the **Society for Human Resource Management Conference** which was a huge event with 14,000 participants. There were excellent speakers for the general sessions who provided some great insights. During the concurrent sessions we explored a wide variety of topics and were encouraged to find that we are right on track with the direction we are taking in many of our programs, including our Wellness Program and our hiring processes.



Public Relations Department Report to the Board of Directors July 2011

Advertising, Articles and Other Press

<i>Newspaper</i>	<i>Radio</i>	<i>Ruralite</i>	<i>Bill Insert</i>
All Programs	Window Replacement Program	Transmission Line and Substation	Window Replacement Program
Kids Korner (Website)	NEEM Manufactured Homes	Local Interest – Tillamook PUD Kids to Work Day	Energy Star Appliances and Home & Garden Show
Marathon Water Heaters	Safety for Children	Manager's Letter Construction Work Plan and Long-Range Plan	TIDE Informational Meeting
Keep Power Poles Clear	Public Power	2010 Financial Report	
Public Power (Dairy Parade Insert)	Billing Options		

Promotional /Department Activities

- Met with Hampton representatives to review and discuss termination of lease agreement
- Attended TIDE and TLW meetings
- Working on Power Friendly Tree program materials
- Coordinated participation in June Dairy Parade
- Recorded radio ads
- Prepared rate increase news release
- Worked on website revisions
- Prepared for county fair booth
- Interviewed with Headlight Herald on Oceanside Transmission Line
- Met with Ruralite writer and summer intern

Ebill and Paperless Billing Usage

<i>Date</i>	<i>ebill Accounts</i>	<i>Paperless</i>
5/5/2011	2847	1436
6/7/2011	2884	1464
7/6/2011	2960	1511

Energy Services

RESIDENTIAL PROJECTS

- ENERGY STAR® Windows: 2,282 SF
- Floor Insulation: 6,751 SF
- Wall Insulation: 3,304 SF
- Attic Insulation: 5,487 SF
- PTCS Duct Testing and Sealing: 1 home
- Ductless Heat Pump: 2 homes

Customer Audits, Rebates and Loans

Product	# of Audits	# of Rebates	Paid	BPA Credit	# of Loans	Loans
Weatherization, Heat Pumps, Vacuum Pumps & NEEM Manufactured Homes	46	33	\$36,803	\$32,284	2	\$11,123
Commercial & Industrial	19	4	\$25,683	\$21,969		
High Bill Audits	4					
TOTAL	69	37	\$62,486	\$54,253	2	\$11,123

Appliance and Water Heater Rebates and Loans

Product	# of Rebates	Paid	BPA Credit	# of Loans	Loans
ENERGY STAR Appliances	59	\$2,940	\$915	5	\$6,814
Water Heaters	9	\$1,320	\$529	1	\$926
TOTAL	68	\$4,260	\$1,444	6	\$7,740

Annual Energy Savings

	June '11	FY 10-11 Year to Date	August '06 to Present
BPA Programs	191,994 kWh	2,493,973 kWh	10,941,939 kWh
PUD Programs	8,835 kWh	91,848 kWh	432,393 kWh

COMMERCIAL & INDUSTRIAL PROJECTS

The Landing Restaurant, 5620 B Street, Bay City Commercial Heat Pump Program

- Installed single unit ductless heat pump in the restaurant area
- Annual savings of approximately 1,870 kWh



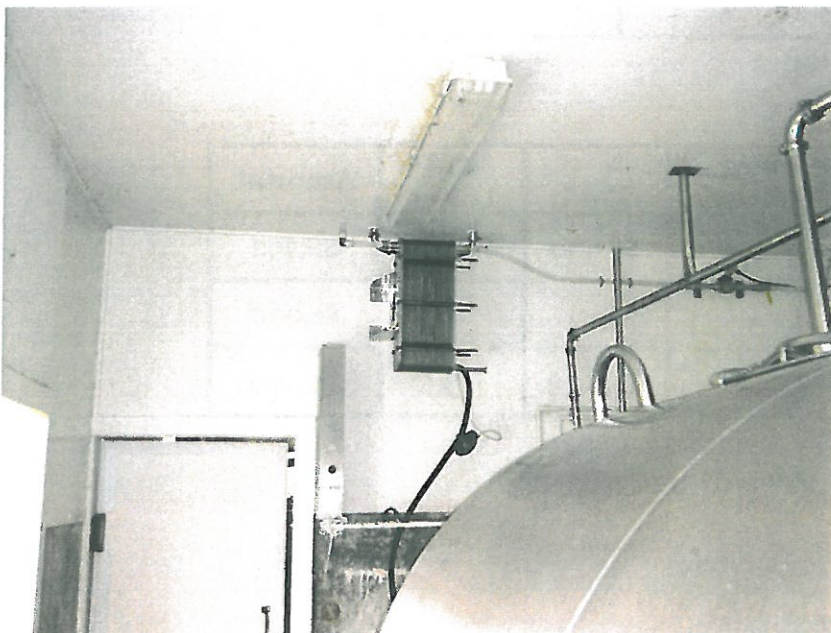
**Hallco Industries Inc. , 6605 Ammunition Road, Tillamook
Commercial Lighting Program**

- Replaced high-bay metal halide fixtures with high performance T5HO fixtures with occupancy sensors
- Retrofitted existing T12 fixtures with energy efficient T8 lamps and ballasts
- Annual savings - approximately 32,387 kWh



**G & S Dairy, 6715 Brickyard Road, Tillamook
Dairy Milk Plate Cooler Program**

- Installed a DeLaval DE-81 milk plate heat exchanger and a variable speed milk transfer pump
- Annual savings - approximately 30,501 kWh



**Tony Silveira Dairy, 1445 Tone Road, Tillamook
Dairy Lighting Program**

- Replaced existing T12 fluorescent and incandescent fixtures with energy efficient 3-lamp T8 agricultural fixtures
- Annual savings - approximately 12,214 kWh

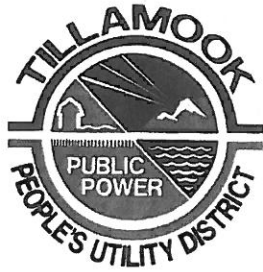


Surge Protection Equipment Sales

Product	# of Sales	Price
Surge Protectors	0	-
UPS – Battery Back-up	1	\$75
TOTAL	1	\$75

Meter Base Rebates and Loans

Product	# of Rebates	Paid	# of Loans	Amount
Stainless Steel Meter Base	12	\$1,800	2	\$2,792
Standard Meter Base	-	-	1	\$1,000
TOTAL	12	\$1,800	3	\$3,792



Power Services Group Report to the Board of Directors July 2011

Action Items

- None.

System Planning and Design

OCEANSIDE TRANSMISSION LINE AND SUBSTATION

- Received a response to our June 10 estimate letter to the City of Tillamook to underground a portion of the transmission line route down Second Street versus the route along Hoquarton Slough. Staff will be meeting with Paul Wyntergreen, Tillamook City Manager, to discuss the correspondence and the siting of the transmission line through the City of Tillamook.
- The wetland delineation report has been filed with the Oregon Department of State Lands; and the cultural resources investigation report has been filed with the Oregon State Historic Preservation Office.
- Finalizing the biological resources study report and project description.
- Met with Stimson Lumber to begin discussions about obtaining the transmission line route through their property.
- Finalizing contract to proceed with surveying the Stimson Lumber property for the transmission line route. Information will be used to negotiate a right-of-way easement and the harvesting of timber this fall prior to obtaining our conditional use permit.

Projects

- Working on a plan to move poles out of two slide areas: one on Highway 131 at Happy Camp; one near MP 7 on the Wilson River Highway.
- Plans for the Hebo Fire Hall are moving forward; working with the contractor for a temporary service for construction.
- Met with ODOT on the Highway 101 and Highway 6 in Tillamook.

Maintenance and Construction

- One bad order pole was replaced.
- Completed the Highway 22 relocation project near Castle Rock.
- The regulators in the South Fork Substation were replaced for maintenance.

- Primary poles along rivers and river crossings are being identified and reflectors installed or cross-arms lowered to reduce bird contact incidents.
- Garibaldi Substation was taken out of service and crews replaced insulators and performed other maintenance work.
- Hebo Substation was taken out of service for BPA work and to replace a regulator.
- Trees, Inc. completed work along the Miami-Foley Road and are working in the vicinity of Manzanita.
- PUD trim crews worked in the areas of Little Nestucca River, Viking Estates, Slab Creek, and Blaine Road.

Meterbase Relocation Program

- A total of 580 meterbase relocation letters have been mailed to customers. No services have been disconnected.

Outage Management

<i>Summary of Interruptions</i>				
	June 2011	June 2010	2011 YTD	2010 YTD
Power Supplier	-0- minutes	-0- minutes	¾ minutes	-0- minutes
Scheduled	1 ½ minutes	4 minutes	44 ¼ minutes	17 ½ minutes
Storm	-0- minutes	-0- minutes	11 minutes	29 ½ minutes
Equipment Failure	16 ¾ minutes	8 ¼ minutes	23 ¼ minutes	13 minutes
Trees & Wind	-0- minutes	2 ¼ minutes	11 minutes	16 ¾ minutes
Customer Caused	-0- minutes	-0- minutes	1 hr 38 minutes	4 ¾ minutes
Birds &/or Animals	-0- minutes	1 minute	¼ minute	1 ¼ minutes
All Other	2 ½ minutes	¼ minutes	9 ¼ minutes	2 ¼ minutes
TOTALS	20 ¾ minutes	15 ¾ minutes	2 hrs 40¾ minutes	1 hr 25 minutes

Work Orders

<i>Work Order Activity</i>					
	June 2011	YTD 2011	YTD 2010	YTD 2009	YTD 2008
<i>New Construction</i>					
Temporary	8	38	45	359	607
Permanent	12	66	47		
Temporary to permanent	10	29	35		
Permanent to temporary	1	7	10		
General (Backbone, Service Changes, and Area Lights)	84	389	245	149	131
Reimbursable	11	47	53		
Total Work Orders	126	576	455	508	738

Line Extension Agreements

<i>Line Extension Agreements Received</i>					
	June 2011	YTD 2011	YTD 2010	YTD 2009	YTD 2008
Line Extensions	13	51	83	109	181
Amt. Received	\$55,818.00	160,113.00	\$321,892.72	\$552,660.00	\$429,906.42

<i>Line Extension Agreements Processed – June 2011</i>		
Bublitz and Koch Construction Kent Campbell Ken Cross Scott Galvin	Paul Goddell Houchins Construction Max Hurliman, Jr. Nehalem Bay Fire & Rescue	Lawrence Oswald Kevin Russo Construction Charles Sheehan Wing Ridge Construction (2)

Utility Asset Group Activities

- Solicited quotes in connection with the District's 2011 inspection and treatment of wood poles project. The National Wood Treating Company, based out of Albany, submitted the apparent low quote for the project and is prepared to begin work on July 11.

Warehouse Activities

- Installed a new weather station at the Hebo Warehouse.
- Completed the asphalt project in the southeast corner of the fenced yard behind the Warehouse. We also had some holes patched, filled around a manhole, and installed a concrete curb.
- Finalizing plans and specifications for the Hebo Warehouse office addition.
- The sale of our Central Warehouse property is not proceeding as smoothly as planned. No offers were received from our initial Notice of Intent to Sell. After consulting with legal counsel, the notice was revised to eliminate the minimum. The second round closed on June 29; one unacceptable offer was received. We are currently negotiating to reach an acceptable amount.
- The Netarts Oceanside Sanitary District has completed the installation of conduit for the sewer treatment plant. The Request for Proposal to supply the underground primary cable has been issued. The estimate is over \$200,000. We will report next month on the award of the contract.

Personnel

- Interviewed six high school juniors for the warehouse student position. Emily Hanenkrat started on June 14.
- Ben Hulburt and Jessie Martin returned to work for the summer.
- Andrea Kenagy, new educational employee, began work on June 14.
- Ben Hulburt, Jessie Martin, and Andrea Kenagy were certified as flaggers.

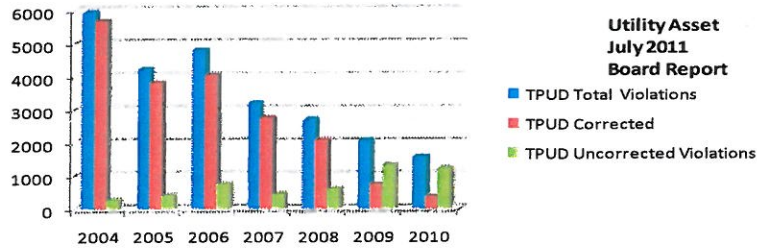
Safety and Environmental

- Poison ivy, oak, and sumac were discussed at the monthly safety meeting.
- Completed bi-annual boom inspection of all boom trucks.

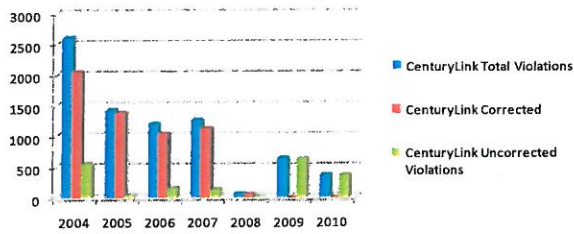
July Board Report

Detailed Inspection Correction Effort

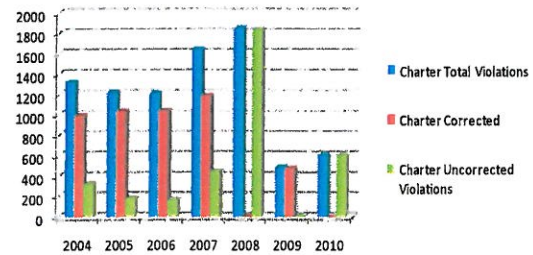
	TPUD Total Violations	TPUD Corrected	TPUD Uncorrected Violations
2004	5957	5692	265
2005	4229	3814	415
2006	4800	4042	758
2007	3197	2746	451
2008	2703	2089	614
2009	2056	743	1313
2010	1569	347	1222



	CenturyLink Total Violations	CenturyLink Corrected	CenturyLink Uncorrected Violations
2004	2598	2050	548
2005	1424	1383	41
2006	1195	1042	153
2007	1258	1127	131
2008	62	51	11
2009	637	4	633
2010	367	2	365



	Charter Total Violations	Charter Corrected	Charter Uncorrected Violations
2004	1316	990	326
2005	1220	1036	184
2006	1207	1038	169
2007	1635	1185	450
2008	1847	9	1838
2009	486	477	9
2010	607	0	607

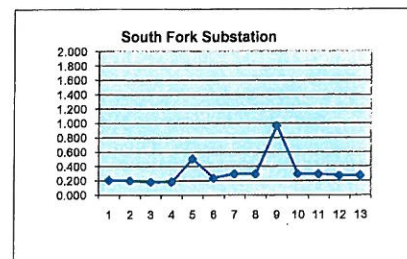
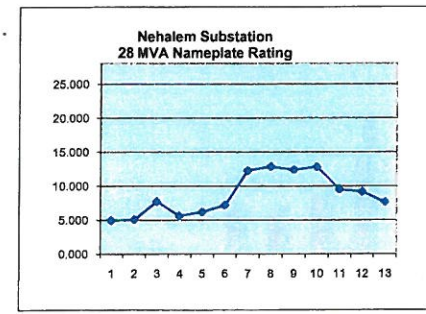
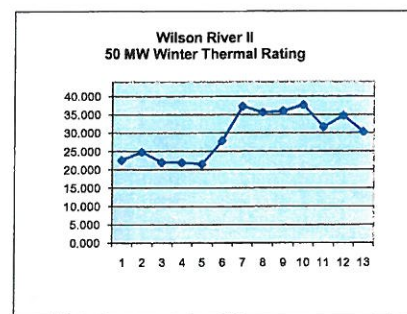
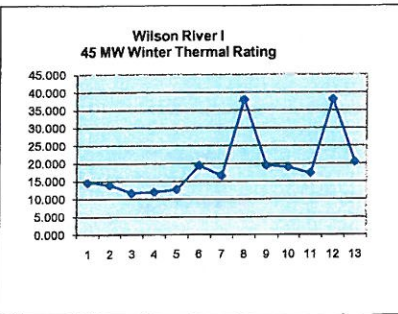
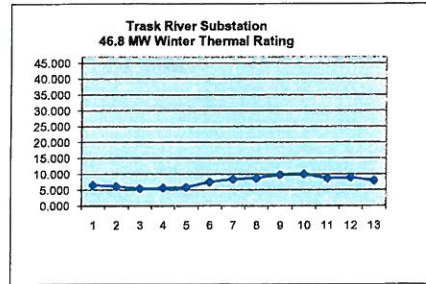
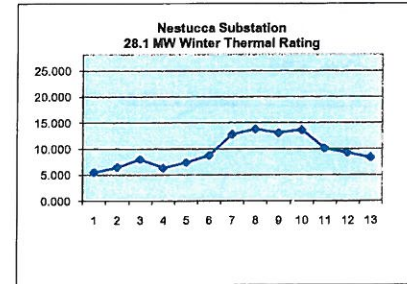
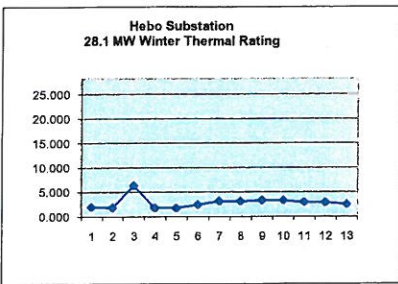
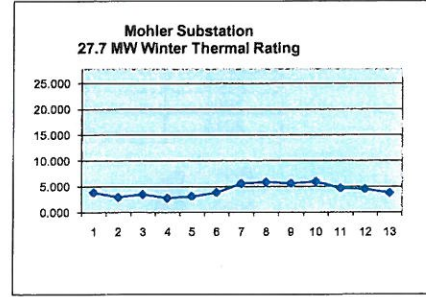
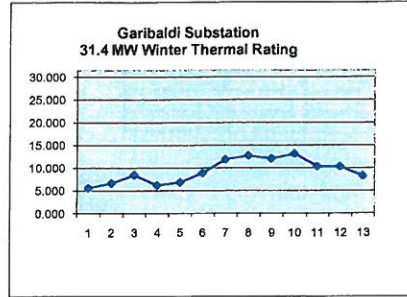
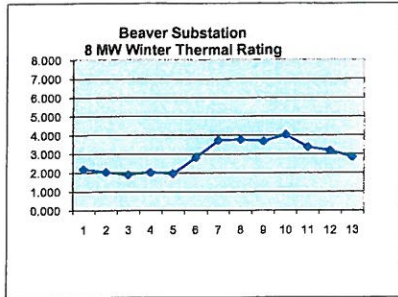


SUBSTATION LOADING (In Megawatts)

TPUD/504

Page 71

	Jun-11	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11
Bvr 5/7	2.170	2.010	1.890	2.000	1.940	2.790	3.710	3.740	3.650	4.000	3.350	3.180
Grbd 15/25	5.500	6.550	8.360	6.100	6.740	8.770	11.760	12.560	11.950	12.980	10.220	10.190
Mhrl 12/20	3.750	2.840	3.410	2.670	2.990	3.740	5.510	5.740	5.490	5.830	4.580	4.430
Hbo 12/20	1.870	1.700	6.210	1.650	1.610	2.280	3.000	2.940	3.130	3.150	2.770	2.760
Nstca 12/20	5.420	6.330	7.900	6.230	7.280	8.640	12.690	13.660	12.950	13.550	9.970	9.140
Trskrv 20/33	6.370	5.990	5.310	5.520	5.690	7.400	8.200	8.570	9.610	9.760	8.530	8.730
Wilson River I - 24/40	14.470	13.740	11.500	11.790	12.520	19.210	16.400	37.770	19.270	18.780	17.170	37.880
Wilson River II - 24/46	22.420	24.680	21.830	21.810	21.410	27.760	37.150	35.490	35.840	37.450	31.420	34.560
Nhlm 15/25	4.850	4.970	7.640	5.520	6.100	7.080	12.170	12.750	12.300	12.730	9.410	9.070
SoFork 5/7	0.202	0.198	0.181	0.177	0.499	0.232	0.287	0.286	0.957	0.289	0.286	0.266
System Total	67.022	69.008	74.231	63.467	66.779	87.902	110.877	133.508	115.147	118.519	97.706	120.186



June 28, 2011

Dear P.U.D. Directors,

We've been participating in Tillamook's June Dairy for more than 30 years. We have to say this year's event was better than ever.

More bands with music. More kids full of excitement. More spectators lining the sidewalks.

And it's all because of you, and your support by sponsoring a trophy for this year's June Dairy Parade.

You're so appreciated.

Thanking you again,

Tom Connaughton and the
Tillamook June Dairy Parade & Festivals
Committee

**Tillamook People's Utility District
Purchase Requisition
Exempt**

Date: June 2, 2011

Purchase Order No. 1106021

Purchase: Blast, Prime and Paint

Charge to: 932.7

Vendor Name: LiveWire Construction, Inc.

Amount: \$24,450.00


This form is to be used on purchases over \$5,000 that are exempt without written findings, as referred to in Section 6 of Policy 1-8. The following classes of public contracts are exempt from competitive procurement. (See Section 6 for complete description of exemption.)

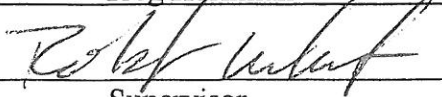
1. Power Services Contracts.
2. Government Funded Contracts.
3. Contracts With Certain Non-Profit Entities.
4. Contracts for Public Improvement Projects Less Than or Equal to \$100,000.
5. Emergency Contracts for Goods and Services.
6. Emergency Contracts for Public Improvements Projects Costing More than \$100,000. (Board Resolution Required)
7. Change Orders in an Amount Less than or Equal to 10% of Original Contract Price.
8. Facility and Equipment Maintenance.
9. Personal Services Contracts. (See Policy for List of Personal Services Contracts)
10. Contracts for Price-Regulated Items.
11. Used Personal Property Less Than \$10,000.
12. Advertising Contracts.
13. Investment Contracts.
14. Requirements Contracts.
15. Insurance.
16. Affirmative Action Contracts.
17. Standardized Equipment.
18. Telecommunications Equipment.

Class of contract (from above): 8. Facility and Equipment Maintenance.

General Discussion/Recommendation: The overhang, doors, steps and rails on the warehouse needs painting. I received a quote from LiveWire Construction who as performed most all of our painting that requires blasting. I recommend we award the contract to LiveWire Construction.

Requested by Greg Hurliman

Approved by 
General Manager

Approved by: 
Supervisor

Date: 6/2/11

Date: 6/13/11

**Tillamook People's Utility District
Purchase Requisition**

TPUD/504
Fagen/74

Date: June 8, 2011

Purchase Order No. 1106082

Item to be Purchased: Poles

Charge to: Inventory

Purpose: Stock

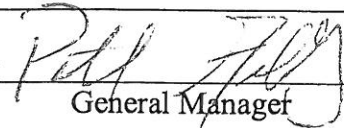
Budget Reference: 154

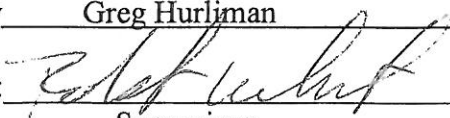
This form to be used when exemptions require written findings, as referred to in Policy 1-8. Attach all documentation and correspondence to this Purchase Requisition.

Quote No. 1	Quote No. 2	Quote No. 3
Vendor/Supplier The Oeser Co. PO Box 156 Bellingham, WA 98227	Vendor/Supplier McFarland Cascade PO Box 1496 Tacoma, WA 98401	Vendor/Supplier
Phone No. (800) 465-1480	Phone No. (800) 314-0746	Phone No.
Contact Sarah Seerist	Contact Joe Harbert	Contact
Quantity 1 Truck Load	Quantity 1 Truck Load	Quantity
Price \$ 22,275.00	Price \$ 19,100.00	Price
F.O.B. Tillamook? Y <u>X</u> N__	F.O.B. Tillamook? Y <u>X</u> N__	F.O.B. Tillamook? Y __ N__
Delivery 60 Days ARO	Delivery 4 Weeks ARO	Delivery
Comments:	Comments:	Comments:
Number / Length / Class / \$\$.\$\$Ea.	Number / Length / Class / \$\$.\$\$Ea.	Number / Length / Class / \$\$.\$\$Ea.
40 45 4 \$ 531.00	40 45 4 \$ 450.00	
1 55 H1 \$1,035.00	1 55 H1 \$1,100.00	

General Discussion/Recommendation: I received quotes from the two remaining approved regional treating facilities. I recommend we purchase the poles from McFarland Cascade as they have the lowest cost.

Requested by Greg Hurliman

Approved by 
General Manager

Approved by: 
Supervisor

Date: 6/9/11

Date: 8/13/11

**Tillamook People's Utility District
Purchase Requisition
Sole Source Procurement**

Date: June 14, 2011

Purchase Order No. 1105251 Revised

Purchase: Laminated Wood Poles

Charge to: 163

Vendor Name: Laminated Wood Systems

Amount: \$ 20,120.00

This form is to be used on the purchase of laminated wood poles as authorized by the General Manager's Determination of Sole Source Exemption dated May 16, 2011.

General Discussion/Recommendation: This is a revision to the original requisition. It was determined the poles initially quoted were not strong enough to meet out specifications. I recommend we purchase the poles from Laminated Wood Systems, the only known supplier of laminated wood poles.

Requested by: Greg Hurliman

Approved by: Raymond D. Sieber
General Manager

Approved by: [Signature]
Supervisor

Date: 6/14/11

Date: 6/15/2011

**Tillamook People's Utility District
Purchase Requisition**

TPUD/504
Fagen/76

Date: June 16, 2011

Purchase Order No. 1106164

Item to be Purchased: 3Ø Pad Mount Transformer

Charge to: Underground Transformers

Purpose: Stock

Budget Reference: 368.1

This form to be used when exemptions require written findings, as referred to in Policy 1-8. Attach all documentation and correspondence to this Purchase Requisition.

Quote No. 1	Quote No. 2	Quote No. 3
Vendor/Supplier HEES Enterprises PO Box 1110 Astoria, OR 97103	Vendor/Supplier WESCO Distribution Inc. 2341 NW 31 st Ave Portland, OR 97210	Vendor/Supplier HD Supply P.O. Box 82549 Portland, OR 97282-0549
Phone No. (503) 325-8778	Phone No. (800) 452-5692	Phone No. (800) 452-5916
Contact Amey McNally	Contact Greg Swift	Contact Heidi Calhoun
Quantity ERMCO Transformer 1-1500 kVA 24.9/14.4 X 20.8/12, 480/277	Quantity ABB Transformer 1-1500 kVA 24.9/14.4 X 20.8/12, 480/277	Quantity Cooper Power systems 1-1500 kVA 24.9/14.4 X 20.8/12, 480/277
Total Price \$ 36,144.00	Total Price \$ 36,902.00 ea.	Total Price \$ 34,774.00
F.O.B. Tillamook? <u>Y</u> <u>X</u> <u>N</u>	F.O.B. Tillamook? <u>Y</u> <u>X</u> <u>N</u>	F.O.B. Tillamook? <u>Y</u> <u>X</u> <u>N</u>
Delivery 8 Weeks ARO	Delivery 8 - 10 Weeks ARO	Delivery 8 Weeks ARO
Comments: Losses: No Load \$6.798 x 1645 watts = \$11,182.71 Load \$1.973 x 9105 watts = \$17,964.17	Comments: Losses: No Load \$6.798 x 1,457 watts = \$ 9,904.69 Load \$1.973 x 12209 watts = \$24,088.36	Comments: Losses: No Load \$6.798 x 1860 watts = \$12644.28 Load \$1.973 x 9969 watts = \$19,668.84
Evaluated Cost = \$ 65,290.88	Evaluated Cost = \$ 70,895.05	Evaluated Cost = \$ 67,087.12
		This quote is rejected as it does not meet specifications.
General Discussion/Recommendation: This transformer is to replace the unit being placed at the TCCA. I also received a quote from CG Power which is rejected because it does not meet specifications. I recommend we purchase the ERMCO transformer from HEES Enterprises as they have the lowest evaluated cost.		

Requested by Greg Hurliman

Approved by Raymond D. Suelzer
General Manager

Approved by: [Signature]
Supervisor

Date: 6/16/2011

Date: 6/16/2011

**Tillamook People's Utility District
Purchase Requisition**

TPUD/504
Fagen/77

Date: June 16, 2011

Purchase Order No: 1106161

Item to be Purchased: Crossarms

Charge to: Inventory

Purpose: Stock

Budget Reference: 154

This form to be used when exemptions require written findings, as referred to in Policy 1-8. Attach all documentation and correspondence to this Purchase Requisition.

Quote No. 1	Quote No. 2
Vendor/Supplier Brooks Manufacturing Inc P.O. Box 7 Bellingham, WA 98227-0007	Vendor/Supplier Pennington Crossarm Co P.O. Box 2236 Eugene, OR 97402
Phone No. (360) 733-1700	Phone No. (541) 343-6968
Contact Brooks Auld	Contact Marty Wilson
Quantity 200 - 4', 300 - 8' & 50 - 10' Arms	Quantity 200 - 4', 300 - 8' & 50 - 10' Arms
Price \$ 10,870.00	Price \$ 9,851.50
F.O.B. Tillamook? Y <u>X</u> N ___	F.O.B. Tillamook? Y <u>X</u> N ___
Delivery 3 - 4 Weeks	Delivery 3 - 4 Weeks ARO
Comments:	Comments:
4' x 3-3/4" x 4-3/4" arms - \$ 8.00ea \$1,600.00	4' x 3-3/4" x 4-3/4" arms - \$ 7.91ea \$1,582.00
8' x 3-3/4" x 4-3/4" arms - \$25.60ea \$7,680.00	8' x 3-3/4" x 4-3/4" arms - \$22.81ea \$6,843.00
10' x 3-3/4" x 4-3/4" arms - \$31.80ea \$1,590.00	10' x 3-3/4" x 4-3/4" arms - \$28.53ea \$1,426.50

General Discussion/Recommendation: I received quotes from the two manufacturers in our area. I recommend award the contract to Pennington Crossarm Co. as the have the lowest cost.

Requested by: Greg Hurliman
Approved by: [Signature]
Supervisor

Approved by: [Signature]
General Manager

Date: 6/16/11

Date: 6/16/2011



**Tillamook People's Utility District
Purchase Requisition
Competitive Quotes**

TPUD/504
Fagen/78

Date: **July 1, 2011**

Purchase Order No.

Item to be Purchased: **Inspection and Treatment
Services for Wood Poles**

Charge to:

Purpose: **Identification of bad order poles
and fumigation of serviceable poles**

Budget Reference: **593**

This form is to be used on purchases over \$5,000 that are exempt without written findings and require competitive quotes, as referred to in Section 6 of Policy 1-8. Attach all documentation and correspondence to this Purchase Requisition.

Quote No. 1	Quote No. 2	Quote No. 3
Vendor/Supplier National Wood Treating Company P.O. Box 3418 Albany, OR 97321	Vendor/Supplier Osmose Utilities Services, Inc. 215 Greencastle Road Tyrone, GA 30290-2944	Vendor/Supplier Utility Pole Technologies, Inc. 708 Blair Mill Road Willow Grove, PA 19090
Phone No. (541) 928-5005	Phone No. (770) 632-6785	Phone No. (215) 784-4248
Contact Guy Helsing	Contact Kimberly Heuchert	Contact Gregory Batchelor
Quantity See attached Quote Evaluation	Quantity See attached Quote Evaluation	Quantity See attached Quote Evaluation
Price \$129,799.94	Price \$147,957.04	Price \$116,929.04
F.O.B. Tillamook? Y ___ N ___	F.O.B. Tillamook? Y ___ N ___	F.O.B. Tillamook? Y ___ N ___
Delivery	Delivery	Delivery
Comments:	Comments:	Comments:
	Included recommended revisions to the District's quote documents from Osmose General Counsel.	The quote did not contain the required information.

General Discussion/Recommendation:

The District received three (3) quotes in connection with the 2011 Inspection and Treatment of Wood Poles Project, however, the District was unable to accept the quote from Utility Pole Technologies, Inc. because it was incomplete. Therefore, I recommend that the District award the Contract to the National Wood Treating Company because they are the lowest responsible Vendor.

Requested by
Approved by:
Supervisor

Approved by
General Manager

Date: 7/1/11

Date: 7/5/2011

**TILLAMOOK PEOPLE'S UTILITY DISTRICT
QUOTE EVALUATION
2011 POLE INSPECTION AND TREATMENT**

**DATE: June 30, 2011
TIME: 2 P.M.
PLACE: DISTRICT OFFICE**

VENDOR:	NATIONAL WOOD TREATING CO.			OSMOSE UTILITIES SERVICES, INC.			UTILITY POLE TECHNOLOGIES, INC		
VENDOR'S ADDRESS: PHONE:	Guy Helsing PO Box 3418 Albany, OR 97321 541-928-5005			Kimberly Heuchert 215 Greencastle Road Tyrone, GA 30290-2944 770-632-6785			Gregory Batchelor 708 Blair Mill Road Willow Grove, PA 19090 215-784-4248		
INSPECTION AND TREATMENT CATEGORIES:	Cost	Estimated Quantity	Extended Cost	Cost	Estimated Quantity	Extended Cost	Cost	Estimated Quantity	Extended Cost
Visual Inspection	\$ 00.00	1957	\$ 00.00	\$ 8.24	1957	16,125.68	\$8.00	1957	15,656.00
Evaluation	\$ 00.00	1852	\$ 00.00	\$ 10.30	1852	19,075.60	\$10.80	1852	20,001.60
Excavation	\$ 00.00	198	\$ 00.00	\$ 40.47	198	8,013.06	\$59.00	198	11,682.00
Internal Treatment – Groundline Trichloronitromethane or TimberFume	\$ 77.17	800	61,736.00	\$ 32.45	800	25,960.00	\$27.76	800	22,208.00
Internal Treatment – Groundline Copper Amended Dazomet	\$ 77.17	882	68,063.94	\$ 20.60	882	18,169.20	\$27.76	882	24,484.32
Internal Treatment – Above Groundline Copper Amended Dazomet	\$ 00.00	757	\$ 00.00	\$ 66.00	757	49,962.00	\$27.76	757	21,014.32
External Treatment	\$ 00.00	2	\$ 00.00	\$ 1.39	2	2.78	\$12.85	2	25.70
Woodpecker Hole Repair	\$ 00.00	41	\$ 00.00	\$ 234.00	41	9,594.00	\$18.70	41	766.70
Installation of District Pole Number Tag	\$ 00.00	38	\$ 00.00	\$ 3.09	38	117.42	\$4.85	38	184.30
Installation of Guy Marker	\$ 00.00	130	\$ 00.00	\$ 7.21	130	937.30	\$6.97	130	906.10
TOTAL EVALUATED COST	\$ 129,799.94			\$ 147,957.04			\$ 116,929.04		
RESIDENT VENDOR:	Yes			Yes			Unknown		
QUOTE ACCEPTED/REJECTED:	Accepted			Accepted			Rejected		
OTHER:				Included recommended revisions to the District's quote documents from Osmose General Counsel.			Quote did not contain the required information.		

THIS IS TO CERTIFY THAT THE QUOTES WERE OPENED AND READ ON JUNE 30 2011

TILLAMOOK PEOPLE'S UTILITY DISTRICT

By:



TPUD/504
Fagen/79

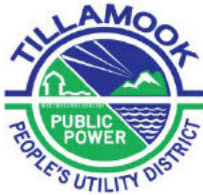
**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

PCN-2

In the Matter of)
)
TILLAMOOK PEOPLE’S UTILITY)
DISTRICT,)
)
Petition for Certification of Public)
Convenience and Necessity.)

**EXHIBIT 505
TO THE
REBUTTAL TESTIMONY OF KC FAGEN
ON BEHALF OF
TILLAMOOK PEOPLE’S UTILITY DISTRICT**

January 28, 2019



Tillamook People's Utility District
1115 Pacific Avenue, PO Box 433
Tillamook, OR 97141

January 15, 2019 – Regular Meeting Minutes

Board Members Present:

Harry Hewitt, President
Barbara Trout, Vice President
Doug Olson, Treasurer
David Burt, Secretary
Mike Gardner, Director

Staff Present:

General Manager/Human Resources

Todd Simmons, General Manager
Terri Filosi, Human Resources Director
Shane Stuart, Human Resources Manager
Nancy Dillard, Executive Assistant; Recording Secretary

Customer Services

Marty Holm, Customer Services Manager
Marissa Durrer, Customer Services Representative

Engineering

KC Fagen, Engineering Manager
Matt Andrus, UAG Lead/Field Inspector

Finance

Jim Martin, Finance Manager

Information Technology

John Luquette, Information Technology Manager

Key Accounts and Energy Services

Dave Wimpy, Key Accounts and Energy Services Manager

Operations

Wade Scott, Operations Manager
Bill Bassett, Journeyman Tree Trimmer Foreman
Mark Weber, Line Working Foreman
Vinny Martinez-Ybor, Warehouse Person

Public Relations

Joanna Stelzig, Public Relations Manager

Guests: Shirley Burt, Jenny Burt, Doris Mast, David Mast, Don Aufdermauer, Kurt Mizee, Wendy Mizee, Bob Christiansen, and Greg Hublou

Call to Order

President Hewitt called the meeting to order at 6:00 p.m. in the Carl Rawe meeting room.

Presentation by Public

Don Aufdermauer handed out a document discussing BPA's troubles siting a transmission line that he asked staff to read.

Kurt Mizee stated that in November or December they had an interaction with their nutrient application system and a power line that they had thought was dead, but was live. Tillamook PUD's crews have recently finished the repairs to the line at the cost of \$3,500 to Mizee. So when the farmer's show opposition to new infrastructure going through their property this issue points directly to what they have been discussing. He said that when the line was installed there wasn't any possibility that at some point manure would ever intersect with an energized line. As farming moves into the future, no one knows what technology changes will occur that will help them farm more efficiently but may cause an issue where the infrastructure isn't capable of allowing farming underneath it. Also, \$3,500 is substantial considering the current state of the dairy industry and how it affects their bottom line. Mizee stated that yesterday some very pointed testimony was put forth by the Masts regarding need and whether the Oceanside Transmission Line is necessary. He asked the board to drop the project when they finally realize the transmission line is not needed because it is in the best interest of the landowners and the ratepayers.

Installation of Directors (Burt, Gardner, and Trout)

Nancy Dillard swore in directors Burt, Gardner, and Trout. Their new terms will expire December 31, 2022.

The board assumed their new offices as follows: Harry Hewitt, President; Barbara Trout, Vice President; Doug Olson, Treasurer; Dave Burt, Secretary; Mike Gardner, Director.

Minutes

MOTION: By Director Trout and seconded by Director Gardner to approve the minutes of the December 11, 2018, Budget Workshop, the December 18, 2018, Regular Board Meeting, and the December 28, 2018, Special Meeting/Executive Session. The motion was approved.

General Manager

Simmons reviewed the Quarterly Performance Scorecard that is completed by staff judging themselves based on their performance. The information is for the board so they can get an indication of how each department feels they are doing. The second document reviewed was the Key Strategic Initiative. This is a progress report of the progress of the key strategic

initiatives from the strategic plan. The report indicates when each task was started, how far it has been completed. Simmons wants to track staff progress will update the board every six months.

Key Accounts and Energy Services

Northwest Hardwoods has started the energy efficiency upgrades to their compressed air system. The leaky underground air-line that connects the compressor room and the lumber stacker is being replaced. The air leaks were costing approximately \$1,500 per year. The new 3,800-gallon air receiver tank will double the capacity of stored air for the air compressor system. The upgrades to the 450 horsepower compressed air system is estimated to save about 500,000 kWh annually and improve the daily operation of the mill. The project should be completed in March.

Wimpy included the January 2018 through December 2018 solar generation of Tillamook PUD's facility. Director Hewitt asked how practical solar is in Tillamook County. Wimpy responded that solar would be used to offset usage a bit. An average home uses about 1,500 kWh per month. The district currently has about 23 customer-owned systems. The data that is collected is used to show customers what they could anticipate for generation.

Operations

Beaver substation is entirely online. A terminator failure occurred about two weeks ago. It had to be sent back to the manufacturer to be repaired. The T1 has been replaced. There have been a couple of wind storms already this winter that caused some damage. Crews keep widening the district's right-of-ways. Everything that the built is storm-hardened. Scott brought in a bad hot leg for the board to see. They are also called brick and boots. They are sealed, but with the area's weather there is still corrosion. He also brought in a K14.

Public Relations

Director Olson asked about the timeline for the community grants. The community grant applications are out and are the due date is February 22.

Green Power Presentation

Stelzig gave an update on the District's green power program.

Customer Services

MOTION: By Director Olson and seconded by Director Burt to approve write-offs in the amount of \$3,377.60. The motion was approved.

Holm gave an update on the Operations Center project. The geo pier work has been completed. One hundred and five geo piers were put in and are a mix of aggregate rock and grout that is compressed into the soil at the 25-foot level and compacted. The geo piers will provide an enhanced foundation for the addition. At this time they are a couple of days ahead of schedule.

Engineering

The property swap has been completed. This process has been going on for many years, and staff is pleased to have it finished.

Fagen reported that they are progressing with the PUC and LUBA cases. They have submitted their documents and are now receiving information from the outside parties. Staff will begin processing that information. There have been delays and postponements during the process.

Director Hewitt asked if the copper that was removed when Tideland Road was reconductored was worth anything. Fagen replied that it is worth quite a lot and when the district recycles it the district will receive money for it.

Director Hewitt asked what staff is looking for when they do a detailed facility inspection. Fagen responded that staff goes out to make sure that all of the third party attachments are attaching to the poles appropriately. Director Trout asked if the District still has unauthorized pole attachments. Fagen reported that we still have them, but we are billing for unauthorized attachments every 60 days.

Finance

The First Reading of Ordinance 1-19 “A Non-Emergency Ordinance Authorizing the Issuance of Revenue Bonds, Amending Existing Authority, and Related Matters.”

Ordinance 1-19, an amendment to Ordinance 2-18 for \$46 million authorization that was approved last summer, would allow the district to go out to the market with the district's financial advisor to contact commercial banks, underwriters, and potential borrowers for \$10 million and not have to wait to go through the RUS process.

MOTION: By Director Olson and seconded by Director Trout to approve the First Reading of Ordinance 1-19 by title only. Discussion: The process to get the RUS loan could take up to a year. Director Olson stated that part of the reason that RUS has become less than our preferred source of funding is the fact that, besides the governmental shutdown, there are significant environmental restrictions. Director Olson asked if there was a possibility of needing to modify the Ordinance again. Martin replied that this should take care of needs until the RUS loan goes through. Director Olson asked if there is any differing arbitrage requirements between the private market and the RUS loan, which is the federal government. Martin replied that if there is a bond sale, there would be regular arbitrage rules. The RUS is different because they reimburse for projects after they are completed. Director Olson also asked about the 60 day look back. Martin replied that the 60 day look back was removed from the ordinance and put into a resolution so that the meter replacement project and the operation center project, both of which have been going on for over a month, could be reimbursed. By doing this in a resolution which would be effective tonight after approval, there are 60 days back. If it had been in an ordinance, it wouldn't be effective until 30 days after next month's board meeting. Director Gardner asked if the \$10 million is needed to deal with current budget issues. Martin replied that the funds would be used for two projects that have already been approved and what is in the budget. Pole contacts is another example as well as the \$500,000 Mohler to Rockaway project that has already been started. The \$10 million is for our current obligations. The RUS loan would be no more than \$36 million. **With no further discussion, the motion was approved.**

Resolution No 19-01-01 “A Resolution Authorizing Reimbursement”

Resolution No. 19-01-01 gives the District the ability to reimburse itself for approved project cost already paid for by District reserves. The look-back for District reimbursement is 60 days from approval of this resolution.

MOTION: By Director Gardner and seconded by Director Olson to approve Resolution No. 19-01-01. The motion was approved.

The approved 2019 budget contains an 8% rate increase effective in October. Director Trout discussed the benefit of having the rate increase occur in the spring so that it happens after the larger winter bills and so that the public institutions that have a July to June fiscal year will know the rates with certainty.

Staff has started the preliminary work on a rate increase that will go into effect May 1, 2019.

Cheryl Spellman, the District’s insurance agent, will attend the February board meeting to give an update on insurance matters.

Moss Adams staff will be onsite the week of January 28th to do preliminary field work for the 2018 audit.

Human Resources

Terri Filosi thanked the board for the opportunity to work at Tillamook PUD. Her retirement party will be held Friday, March 1st, from 3:30 p.m. to 5:00 p.m. in the Carl Rawe Meeting Room. She reported that Shane Stuart is finalizing the interview process for the mechanic position. Todd Simmons thanked Filosi for her years of service.

Information Technology

Luquette reported that a couple of the board members have begun using iPads and he will be contacting the other two to schedule a time to come in and get set up with theirs. He will be arranging training for the board. There will be some training on the new board report application that should be in place for the February board meeting.

Accounts Payable

MOTION: By Director Olson and seconded by Director Gardner to approve the December 2018 Accounts Payable in the amount of \$4,087,452.91. The motion was approved.

Items from the Board

Adjournment

With no further business to come before the board, the Regular Board meeting adjourned at 7:31 p.m.

David Burt, Secretary

Date