

**Oregon Joint Use Association
Board of Directors
Wilson-Heirgood Offices – Eugene, OR
Thursday, June 19, 2008**

Chair Dave Wildman called the meeting was called to order at 10:06 a.m. A quorum was present:

Board Members Present

Dave Wildman, Chairman
Mark Beaudry, Vice Chairman
Dave Ramsey, Secretary
Richard Gray, Treasurer
Craig Andrus
Stuart Kelly (Via Telephone)
Gary Lee (Via Telephone)
Doug Morten
Stuart Sloan

Staff:

Genoa Ingram, OJUA

Board Members Absent/Excused

Jeff Kent, Immediate Past Chairman
John Sullivan
Kevin O'Connor

Guests

Mark Simonson, UCI
Bill Tierney, PGE
Tamara Johnson, SUB
Bill Woods, PacifiCorp
Mark Oberle, EWEB

Minutes

The minutes of the March 20, 2008 Board meeting, as well as the May 20, 2008 email ballot were approved en bloc as amended.

Treasurer's Report

Treasurer Gray provided the financial report, noting that the ending balance is approximately \$32,000. He added that the Executive Committee had recommended an audit of association funds and practices and asked staff to provide background information that lead to the recommendation.

Staff reported that Court Street Consulting recommends that all clients go through an audit process to review best practices at least every two to three years. Staff had contacted the association's accounting firm and had also discovered the firm of Kootz and Perdue, CPAs, though a local government contact.

Doug Morton asked about the selection process for the audit firm. Staff reported that Koontz and Perdue is a firm located in Albany, Oregon, and provides presentations and counseling related to audits and fraud prevention. A representative had met with the Executive Committee and OJUA leadership was satisfied with the firm's proposal, scope, and qualifications. A copy of the firm's proposal, reflecting an estimated cost of \$5,500 was included in the Board materials for review.

Treasurer Gray concluded his report, noting that funds are approximately \$20,000 ahead of last year.

Motion: Moved by Beaudry and seconded by Gray to amend the budget to provide \$5,500 to cover the cost of the audit. Motion passed.

**Committee
Updates**

Publicity and Education Committee Chair Stuart Sloan reported that attendance was down from last year; however, overall membership is up. Stuart reviewed figures from the Spring Training, noting that the event cleared \$18,000 including over \$10,000 in outstanding invoices. He praised the Sheridan venue as a location and recommended that the 2009 training be held there, as well. Stuart reported that the Committee had provided event giveaways and promotional materials.

Mark Simonson noted that the association appeared to be working with a surplus and asked what the plans were for that surplus to best benefit the membership. Chair Wildman replied that the Executive Committee was being conservative with regard to reserves in the event there was a wireless docket or some similar regulatory activity. Previously, the association had requested a special assessment to cover rulemaking, which is not advisable. Stuart discussed other possibilities, such as lower tuition for member training, or greater outreach for training opportunities for both members and non-members.

Stuart continued his report, noting that the Annual Meeting would be held at the Village Green in Cottage Grove. He expressed concern that Annual Meetings had focused on presentations rather than more interaction with membership. He reported that his committee was attempting to pull original Task Force members together to review the history of OJUA and discuss how the association is tracking with the original mission. Programs for the meeting will include a Prioritization of Repairs presentation as well as a presentation by the PUC.

Doug Morten asked if the association's Strategic Plan had been updated throughout the years. Stuart replied that he had not been involved with the Board activities from the beginning, but his recollection was that the plan had been generated approximately four years ago, in response to the PUC White Paper.

Bill Woods added that the document had outlined a five-year plan. Mark Beaudry provided a brief history of the association, beginning with HB 2271. He noted that education and communication had been priority components of the plan. Chair Wildman commented that it would be a good opportunity to hear from the PUC regarding their expectations of the OJUA.

Bill Woods suggested that the presentation on Prioritization of Repairs consist of a panel presentation to discuss issues surrounding passage of the administrative rules, including best practices in the field.

Board members agreed that it would be beneficial to provide funds to pull key individuals together to provide a solid history of OJUA and how the association is meeting the expectations.

Stuart noted that one speaker, Mr. Hicks had been asked to be a presenter and may be approached about providing the motivation message, as well. He asked if there were individuals available willing to assist Mr. Hicks regarding his presentation. Gary Lee, Mark Beaudry, Dave Ramsey, and Stuart Kelly offered to assist via conference call.

Conflict Resolution Staff reported that Chair Sullivan was in receipt of a compilation of suggestions as to how to improve the resolution process. Participants in the last conflict (Charter and Tillamook PUD) were asked to provide input into the process.

Standards Committee Committee Chair Gary Lee reported that the Committee had made a presentation at Spring Training. He asked for input on two issues: the OJUA map was originally to go on the members only section of the web site, however, the committee is recommending that it be available to anyone, perhaps with some enhancements for members only. The purpose of the recommendation to allow encourage further cooperation in the inspection process and fulfill the notification process.

Bill Woods reported that PacifiCorp had found the map to be a valuable tool for assisting with joint inspections. This opinion was shared by Qwest and others who routinely engage in joint inspections. Members commented on the need to update the OJUA web page and the frequency at which new information is added.

Motion: Moved by Kelly and seconded by Andrus to remove the map from the “members only” section and make it accessible to all visitors to the web site with a method to track and respond to users. Motion passed.

Tamara Johnson asked about additional costs that might be incurred with regard to constantly updating the map with inspection information. Gary replied that Committee members had offered to assist with updating. Stuart Kelly suggested a log-in to track those who are visit the site, such as a free registration to monitor useage. Richard Gray recalled that there was concern that if the OJUA posted company maps on the web page, there may be some liability incurred if maps are incorrect. He suggested providing links to company maps, which would also save web resources.

Stuart Kelly offered that promoting the OJUA web site and encouraging usage might leverage it as a tool for raising revenue source in the future. Craig Andrus added that at the very least, it could serve as a back-up to the current notification process. Staff commented that it had originally been restricted to members only because it represented a Capital outlay of association resources to develop and

disseminate the map. Bill Woods suggested that Rob Kolosvary be included in the mapping discussions.

Chair Lee continued his report, noting that the Committee had been tasked with the evaluation of PDA software. The Committee had been asked to be relieved of that task last year, but the Board had asked them to continue. The Committee's preferred approach is to provide members with a questionnaire for vendors to complete. Results and available vendors would be posted on the OJUA web site. He emphasized that the Standards Committee did not think it was appropriate for the OJUA to actually evaluate the software itself.

Chair Lee's comments generated discussion regarding software vendors. Board members asked about the possibility of copyrighting the questionnaire. Bill Tierney offered that since most of the emphasis was within the State of Oregon, copy rights created a barrier to use. Stuart Sloan noted that if it were a revenue generating program, funds could be recycled to provide additional training. Committee members discussed how the product might be embedded with OJUA thumbprint to generate revenue.

Gary Lee reported that the Standards Committee continues to work on the Construction Practices handbook and are on target for completing it by end of year. The Committee had received many responses to the Pole Identification Survey and that project is also close to completion.

The Committee had also discussed climbing space after PGE approached the Committee and asked for input. PUC safety staff had provided input, indicating that they don't see it as an issue. Gary reported that Rob Kolosvary had agreed to meet with John Sullivan to determine if PGE had a request for clarification to be submitted. In conclusion, Gary reported that the Committee also continued to work on the grandfathering issue.

Executive Committee Mark Beaudry reported that PUC safety staff had met with the Executive Committee to request support for the PUC legislative proposal for an assessment of fees to telecommunications cooperatives, consumer owned utilities, and cable companies. He briefly outlined the proposal and asked for Board member comments. Committee members discussed that the position of the PUC was that the fee would cover the cost of a staff person to cover additional costs incurred by OJUA policies brought to fruition through the administrative rule process. Board members pointed out that the OJUA had not initiated the rulemaking and that the need for an additional staff person was not justified. Chair Wildman asked IOU representatives in attendance if they were supportive. No IOUs expressed support.

Tamara Johnson suggested a statement from the OJUA refuting the statement that the proposal was generated by actions of the OJUA. After some discussion, Chair

Wildman suggested that the OJUA leave it to individual member companies' government affairs representatives to respond to the issue.

Richard Gray suggested that the OJUA issue a statement to association lobbyists that the OJUA did not initiate the rulemaking and is not responsible for the fee proposal. Gary Lee commented that it is important to make the point that the rules will not generate any additional work. There was further discussion that the PUC's statement might be detrimental to the OJUA if members believe the association is responsible for the fee proposal.

Motion: Moved by Richard Gray and seconded by Lee that the OJUA take no position on the legislative fee concept at this time; but that a statement should be drafted clarifying the PUC's statement that the proposal is a result of action by the OJUA. The statement should be distributed to membership. Motion passed.

The Committee also discussed the issue of legacy issues. The issue is as follows: *During the June 11 meeting of the OJUA Executive Committee, OJUA leadership discussed the effective date of OAR 860-024-0012 (Prioritization of Repairs). The intent of both the OJUA and the PUC Safety Staff during Rulemaking was to have the timeframes set forth in 860-024-0012 apply to those conditions discovered during inspections outlined in 860-024-0011 which went into effect January 1, 2008. Even though no effective date was specified in the rule or in the order, it was still assumed that the effective date was the same as ORS 860-024-0011 (Inspections of Electric Supply and Communication Facilities) which is January 1, 2008 (OAR 860-024-0011(1)(b) relating to inspections). Initial discussions with PUC Safety Staff resulted in the belief that this was the case. However, during a recent meeting between some Board Members of the OJUA and PUC Safety Staff, PUC Safety Staff reversed themselves based on advice from their Legal Staff, and stated that because no effective date was specified in the Rules or in the Order the effective date for OAR 860-024-0012 defaults to September 28, 2006, which is the date the Order was filed with the Secretary of State. This came as surprise to the Industry particularly in light of the intent of the rulemaking. The OJUA is concerned as to how this will affect legacy issues identified prior to January 1, 2008. Since the rule does allow for deferral, the OJUA is considering a request for a blanket deferral to the next cycle for those issues discovered during the 15 month period beginning September 28 of 2006. As second topic of discussion has been getting to a common understanding of how to manage open conditions identified prior to the effective date of OAR 860-024-0012. It is generally accepted by the PUC Safety Staff and the Industry that prior to the new Rule, open conditions were subject to the timeframes stipulated in the NESC; 214.A4 "Any defects affecting compliance with this Code revealed by inspection or tests, if not promptly corrected, shall be recorded; such records shall be maintained until the defects are corrected." 214.A5 "Lines and equipment with recorded defects that could reasonably be expected to endanger life or property shall be promptly repaired, disconnected, or isolated."*

It is the general consensus of the Industry that unless a Company is subject to specific correction timeframes mandated by PUC Orders, Service Quality Measures or Plans of Correction, those open conditions discovered prior to the new Rules are subject to the timeframes in the NESC and operators will maintain records of them until corrected.

Stuart Kelly proposed handling the window of violations as ten year deferrals and deal with them as they come up. He added that PUC staff had been generally supportive of deferring all violations that fell into the 18 month period. Stuart Sloan commented that there was no exception for serious violations. Board members continued to express concern regarding the effective date and the fact that only now is it clear, with only two months remaining. Board members agreed that the OJUA would like to see some latitude for member companies to issue deferrals and would like to work within the parameters of the rules to address these issues. In any event, that latitude should not exceed ten years.

By consensus, the Board agreed that the OJUA should send a letter to the Public Utility Commissioners framing the issue and requesting a blanket deferral, to the next cycle, for those issues discovered during the 15 month period beginning September 28 of 2006.

Bill Woods asked that PacifiCorp and others be allowed to run the letter past their companies for review and comment, since some companies had invested resources in the issue. PacifiCorp, PGE, Qwest draft and the Executive Committee review first and then take it to the Board.

Legislative Committee Committee Chair Gray reported that he was comfortable with the direction the Board was going with regard to the previous issue. He added that in earlier conversations with the PUC staff, they had indicated that they were not planning to introduce legislation in 2009, when that was not the case.

Regional Meetings

Bill Woods reminded Board members that the Western Energy Institute was scheduled for September 14-17 in Salt Lake City. PacifiCorp's Sarah McCann is Chairing the committee. He encouraged the OJUA to send the Chair.

Bill Woods also reported that PacifiCorp had completed a successful meeting in Utah with Rocky Mountain Power.

Joint Inspections

Bill Woods reported that PacifiCorp had several projects ongoing with Qwest, Charter, and others.

Next Meeting

The next meeting of the OJUA Board of Directors is scheduled for Thursday, September 18, 2008 in the Portland area. Staff will locate a facility.

Adjourn

There being no further business, the meeting was adjourned at 1:22 p.m.