

Budget, Audit and Tariff Committee Minutes

Friday, February 2, 10:00 a.m.

Voting Members: Alba Vogland and Melanie Lewis

Non-Voting Members: Kevin Hennessy, Andy Crocker, Josh Thomas, and Kitty O'Keefe.

Guests: Scott Gallegos and Frank Planton – One Call Concepts.

1. Announcements and Introductions
 - a. Alba called the meeting to order at 10:00 a.m. and introductions were made.
 - b. A motion was made by Andy to approve the minutes from 11.13.23, and 2nd by Melanie. Kitty to post on website.
 - c. Alba thanked members for attending.

2. New Business
 - a. Update on consideration of Service Tariff short – and long-term proposals.
 - When the Oregon Utility Notification Center Board approved a phased adjustment to the service tariff in July 2022, it was addressing a budgetary shortfall in meeting financial obligations. With revenue from operating receipts remaining flat and expenses increasing, this solution has provided stability to support one-call center operations alongside ongoing proactive efforts to reduce damages – but it was a band aid solution.
 - It was generally agreed that a long-term solution would need to follow the short-term fix. In July 2022, OUNC Board Issue Summary #22.07.0013 recommended future consideration of an annual scheduled increase to the tariff in July 2024: "... tied to the Consumer Price Index, but not to exceed 3 percent, and the Board may determine that an increase is not necessary to balance the budget in a given year."
 - The board will be asked to consider this in 2024. Because the notification center contract and staff costs have guaranteed escalation, and the tariff accounts for 99% of the organization's revenue, action is needed to address this ongoing challenge proactively rather than reactively to meet the future financial obligations of the Oregon Utility Notification Center.
 - To date, there has been no set schedule for escalation of the service tariff rate, and it has been adjusted on an as-needed basis. The board has approved rate increases three times in the past 20 years:
 - 2004 - \$1.05
 - 2019 - \$1.20
 - 2022 – phased implementation of \$1.35 starting August 1, 2022, \$1.40 starting January 1, 2023.
 - Expenses have exceeded revenue in recent years. The board has also adopted a policy requiring three months of operating costs to be held in reserves. This equates to \$600,000, which will be short approximately \$100,000 after current liabilities are paid.
 - Proposed process schedule is:
 - February 2024 - Board discussion/direction for proposed 2024 and CPI Tariff Adjustment(s). Outreach/communication efforts to follow.
 - April 2024 - Hearing and Board action to approve/adjust proposed 2024 and CPI Tariff Adjustment(s).
 - July 2024 - Possible implementation of 2024 rate adjustment, consideration of 2025 adjustment.
 - January 2025 - Possible implementation of 2025 rate adjustment
 - Outreach would include, but is not limited to:
 - New slide on the Oregon Utility Notification Center website home page
 - [New page on website](#) for the Service Tariff proposal which includes:
 - Link to the formal notice;

- Feedback form to provide comments; and
 - Frequently asked questions section with answers.
 - Email notices to all operators/subscribers
 - Brief notice added on OCC invoices
- Comments from members following Josh's updates:
 - Smaller increases each year and CPI consideration make sense.
 - One Call Concepts' creative team can help explain the system: show how our system has become refined and more precise; using charts or graphs.
 - Notification boundaries have shrunk dramatically in the last 5 years. Use the data set for analysis.
 - Fact finding data meeting was discussed by members.
 - Kevin reported a 179% reduction for notification boundaries in Oregon; let's look at this for discussion.
 - Last three (3) months our ratio is going up. PGE is receiving two (2) tickets. This should be taken in consideration as they might go back to one (1) ticket.
 - ITICnxt roll out in July of 2021. 2023 should give us the best data to use.

3. Old Business

- a. 2023 OUNC Budget closeout, financials
 - Josh pulled up the budget for members to review.
 - Just over 70K short – within 3%, projected/adopted was close to actuals.
 - Contract cost was 9% less than projected/adopted.
- b. 2024 Budget supplemental to account for carryover, arrears payments
 - Josh shared adopted 2024 budget numbers look good.
 - Allocations of reserve discussion:
 - Three months of operating in reserves (P&P manual)
 - Operating expenses could be less; continue discussion.
 - Progression/priority of payments: this is not spelled out in the P&P manual.
 - Nationally, call centers reserves could be 1 million dollars in reserve.
 - OUNC is on the lower end, compared to nationally.
 - Possibility of a larger company not paying their bill is a consideration.
- c. Consider exemptions and subsidies issue and plans for 2024/25.
 - Josh read OAR 757.552 (4) (a-e) – any subscriber who receives few than 50 calls in the calendar year or that result in annual payment of more than \$500.
 - Consider updating this language.
 - Members shared concerns for their districts. Do we have history of how this came into effect?
 - Consider operational data: consider an 'umbrella' approach on how you receive tickets.
 - History of OUNC from Frank: Three (3) objectives for the creation of OUNC:
 - Single statewide center (10 centers previously)
 - All facility operators to belong to the center.
 - All excavators to have to call the center.
 - Suggested to phase in or phase out of exemptions, over time. They can budget ahead of time.
 - Explain the history of why it was and all the progress OUNC has provided.
 - Focus on larger ones that exceed the \$500 cap. Financial impact and don't worry about the folks that only have 50 or less.

- Consider a specific project and then less volume after project is done.
- Issue Summary coming from Josh.
- Review data from One Call Concepts – Scott will have their billing dept work on this.
- Discussion to follow meeting with Alba, Josh, Kevin and Scott

4. For the Good of the Order- none

5. Next Meeting – tbd after information from OCC.

Meeting adjourned at 11:04 a.m.

Minutes submitted by Kitty O'Keefe 02.05.24