

**CLATSKANIE PEOPLE'S UTILITY DISTRICT
BOARD OF DIRECTORS
PUBLIC STATEMENT**

The Clatskanie People's Utility District has experienced a difficult period over the last few months. This period began with a decision of the Board of Directors to place our General Manager, Greg Booth, on administrative leave and to initiate an investigation into certain concerns regarding management and operation of the utility. Mr. Booth then filed a lawsuit against the District asserting that the actions of the Board violated the Oregon Public Meetings Law.

These decisions were made and implemented by a split vote of the Board of Directors. Before completion of the investigation, two of the Board members that voted to take these actions were recalled by a majority vote of the customers in their respective districts. Following the recall, Steve Petersen and Bob Wiggins were appointed to the Board.

The new District Board is committed to working together with management and employees to fairly resolve any legitimate concerns, conclude this difficult chapter and re-establish the trust of the community in our utility. To that end, the new Board directed that the investigation be concluded at the earliest possible date. After review of the investigation results, the Board determined that no disciplinary action against Mr. Booth was warranted. After discussion with Mr. Booth in executive session, the Board unanimously rescinded the administrative leave, re-instated Mr. Booth and expressed its confidence in his ability to lead the District as the General Manager.

Today the Board announces another important step in concluding these matters. The Board and Mr. Booth have agreed to amicably settle the lawsuit brought by Mr. Booth against the District.

The Board sincerely regrets the disruption and division that its past actions may have caused within the utility and the community, and the impact on Mr. Booth and his family. The new Board has steadfastly tried to be deliberate and careful in respecting the privacy rights of all District employees and others who were interviewed in the investigation process. For this reason and also to protect the confidentiality of discussions with its attorneys, the Board has not released the investigation report. The Board believes that its actions in re-instating Mr. Booth with a vote of confidence was appropriate given the circumstances and results of the investigation.

The new Board is aware, however, that various unfounded allegations regarding Mr. Booth have circulated in the community. The Board would like to take this opportunity to publicly and finally address the allegations and put to rest some of the specific rumors that have come to light.

First, the District is in very sound financial condition thanks to the actions of the prior Board and management, under the leadership of Mr. Booth. The Board has found no cause for concern in connection with any financial actions or payments made by District management. There is no evidence of fraud or misappropriation of funds by Mr. Booth.

Second, the Board has been presented with no credible evidence that Mr. Booth engaged in the harassment of, or retaliation against any District employee, physical threats or violence in the workplace, destruction of personal property or that he provided false or misleading statements to the Board, employees or District customers. The Board is aware of no evidence indicating that Mr. Booth caused any unsafe conditions or engaged in unlawful favoritism at the PUD. The Board also found any allegation that Mr. Booth maintained an inappropriate relationship with another District employee to be completely unsubstantiated.

The new Board and Mr. Booth are working cooperatively to improve operations and the general working environment at the District going forward. The Board has engaged a respected

consultant to assist the District in achieving certain goals, including resolving work conflicts among employees, and better defining the roles of the Board, management and employees. The Board and General Manager will also be redefining and communicating our strategic plan for the future.

These goals are not unique to the District. They are pursued in varying degrees by management and elected Boards in all successful public organizations. The new Board is committed to providing the General Manager with the tools necessary to establish and maintain a highly productive, safe and collegial culture within the District.

The Board wishes to express its deep appreciation to the District management and employees for their hard work and dedicated service to the District during this difficult time.

Adopted at the regular Board meeting held July 18, 2007