

Minutes of Regular Board Meeting December 17, 2014

A regular meeting of the Board of Directors of the Central Lincoln People's Utility District was held at the Florence Office on Wednesday, December 17, 2014 at 10:00 a.m. President Matheny called the meeting to order and asked that roll be called.

Members present: Curt Abbott
Ron Benfield
Larkin Kaliher
Judy Matheny
Tom Tymchuk

Others present: Debra Smith, General Manager
Brian Barth, Accounting & Finance Manager
Sunneta Capovilla, Executive Assistant
Chris Chandler, Communication, Community & Econ Development Mgr.
Randy Grove, Distribution, Engineering & Operations Manager
Brandon Hignite, Power Analyst
Bruce Lovelin, Chief Engineer & Systems Engineering Manager
Sue Tyler, Personnel, Human Resources Manager
Darren Bricco, Information Technology Program Analyst
Tom Barrows, Lobbyist
Dale Smith, Customer
Michael Sleight, Retired Employee & Customer

Staff and Visitors Recognized

President Matheny welcomed staff to the meeting, and recognized visitors Dale Smith and Michael Sleight, a Central Lincoln retiree. Mr. Sleight expressed his appreciation to the Board and staff members for assistance with an insurance issue. The Board thanked Mr. Sleight for his comments.

Central Lincoln Lobbyist Tom Barrows

Mr. Barrows discussed the upcoming 2015 Legislative Session and issues and proposed legislation that could potentially impact Central Lincoln. The Board thanked Mr. Barrows for his report.

Consent Agenda

The Board approved the following Consent Agenda items as presented:

- a) Minutes of November 19, 2014 Regular Board Meeting
- b) Vouchers for November, 2014
- c) Petty Cash for November, 2014
- d) Uncollectibles for November, 2014
- e) Directors' Cash Report as of November 30, 2014

Contract Award: Kingwood Substation Distribution Conduit Installation

As part of the SS251 Kingwood Substation project, staff recommended the award of the distribution conduit base system installation to Northwest Metal Fab & Pipe Inc. This contract includes all labor and equipment for the installation of 9,600 feet of 4inch pipe, 3,750 feet of 3-inch pipe, and all substructures associated with the SS251 Kingwood Substation main feeders. The price for this contract is \$205,000. After discussion, the following motion was made:

Motion: Mr. Tymchuk moved and Mr. Benfield seconded to approve the staff recommended Kingwood conduit installation award of \$205,000 to Northwest Metal Fab & Pipe Inc. Aye: Benfield, Kaliher, Tymchuk, Abbott, Matheny.

Sole Source Request: Pascor 115kV Disconnect Switches

As part of the SS251 Kingwood Substation project, staff recommended the purchase of thirteen 115kV Pascor disconnect switches. The purchase price for the switches is \$112,604. After discussion, the following motion was made:

Motion: Mr. Abbott moved and Mr. Tymchuk seconded to approve the staff-recommended purchase of thirteen 115kV Pascor disconnect switches for \$112,604. Aye: Benfield, Kaliher, Tymchuk, Abbott, Matheny.

Depoe Bay Franchise Agreement

The City of Depoe Bay franchise agreement expired on July 11, 2014. After significant effort and compromise, Central Lincoln has successfully negotiated the terms of a new franchise agreement. The agreement has a ten-year term with an automatic five-year renewal unless either party chooses not to renew. The Depoe Bay City Council approved the agreement granting Central Lincoln an exclusive franchise, at the council's December 2, 2014 meeting. After discussion, the following motion was made:

Motion: Mr. Abbott moved and Mr. Benfield seconded to approve the Depoe Bay Franchise Agreement (Ordinance No. 301) effective December 18, 2014. Aye: Benfield, Kaliher, Tymchuk, Abbott, Matheny.

January 21, 2015 Board Agenda – Newport Office

Board Meeting - 10:00 a.m. Swearing-in of Elected Board Members
Election of Officers
Review Resolutions
Appointment 2015 Pension & Deferred Comp Trustees
Authorization for Directors to Attend Meetings & Workshops
Set Board Meeting Dates & Locations for 2015
Contract Award: Digger Derrick
Barker-Uerlings Presentation
Conservation Review

Consent Agenda -

Minutes, vouchers, petty cash, uncollectibles, and
Directors' cash report

Manager's Report

Energy Supplier Assessment

On behalf of the Oregon PUD Association (OPUDA), attorneys from the law firm Stoel Rives are analyzing the risks, likelihood of success, and costs of litigation for a challenge to the State of Oregon's Energy Supplier Assessment (ESA). Central Lincoln's Board requested information concerning Central Lincoln's current ESA costs and potential increased costs if the ESA is allowed to continue as is, and reviewed this information.

New Website Presentation

Ms. Chandler showed the board Central Lincoln's new website which is scheduled to launch in January. The significant work of staff members Ken Murray and Megan Walters was recognized, as they have spent many hours on the new site which will give Central Lincoln's customers a more user-friendly and attractive website. The new website was well received by the Board.

Depoe Bay Office Closure

Ms. Smith reported that staffing of the Central Lincoln Depoe Bay office was reduced to three days a week, Tuesdays-Thursdays, starting in September. A security firm hired by Central Lincoln felt a one-person office presented possible safety issues. Columbia Bank is serving as a Central Lincoln pay station for payments made with cash or by check, and that is working well. It is likely the Depoe Bay office will be closed completely, but no date was given.

Directors' Discussion

- Larkin Kaliher said that 12-15 packages have been sent out for the CM/GC selection process. The deadline for proposals to be submitted is 2:00 p.m. December 18th.
- Curt Abbott noted that he and Debra Smith attended a "Hack Attack" conference as presented by the Northwest Public Power Association. Good information was provided on cyber security and potential threats.
- President Matheny thanked the staff involved in planning the employee Christmas Party. It was a great event and well done.
- Ron Benfield noted that the OPUDA budget committee will meet in January, and will most likely be very routine.

Executive Session: The meeting recessed into Executive Session at 12:15 p.m. President Matheny stated "The Central Lincoln PUD Board of Directors will now meet in Executive Session in accordance with ORS 192.660 (2)(d) to conduct deliberations with persons designated by the governing body to carry on labor negotiations."

The Board reconvened into Regular Session at 1:15 p.m. There being no further business, the meeting adjourned at 1:15 p.m.

Ron Benfield, Secretary

Judy Matheny, President